



BULLETIN

May 18, 2020 (UPDATE)

SBA RELEASES PPP LOAN FORGIVENESS APPLICATION AND INSTRUCTIONS



The U.S. Small Business Administration (SBA) has released the Paycheck Protection Program (PPP) [Loan Forgiveness Application and Instructions](#). The new 11-page document includes references to "several measures to reduce compliance burdens and simplify the process for borrowers, including:"

- **Incurred or Paid** - Borrowers have increased flexibility to include eligible payroll and non-payroll expenses paid or incurred during the 8-week period.

- Payroll costs incurred but not paid during the borrower’s last pay period of the 8-week period are eligible if paid on or before the next regular pay date.
 - Non-payroll costs (e.g., utilities) can be paid on or before the next regular billing date, even if the billing date is after the 8-week period.
- **8-week Period** - Borrowers have an 8-week (56 day) period to use as the covered period.
 - The 8-week period for borrowers with semi-monthly (or less frequent) payroll will start on the same day as the PPP funds were received. Example: if funds were received on Monday, April 20, the first day of the period is April 20 and the last day is Sunday, June 14.
 - The 8-week period for borrowers with bi-weekly (or more frequent) payroll includes an alternative option. These borrowers can elect to start their 8-week period on the first day of the first pay period following the receipt of the PPP funds. Example: if funds were received on Monday, April 20 and the first day of the next pay period is Sunday, April 26, the alternative period start date would be April 26 and the last day is Saturday, June 20.
 - **Full-Time / Full-time Equivalent (FTE)** - Full-time employee counts are established based on a 40-hour work week. To calculate the average FTE, divide the average number of hours paid per week by 40, and round the total to the nearest tenth. The maximum for each employee is capped at 1.0. A simplified method that assigns a 1.0 for employees who work 40 hours or more per week and 0.5 for employees who work fewer hours may be used at the election of the Borrower.
 - **Owner Compensation Limit** - Amounts are capped at the lesser of the 8-week equivalent of their 2019 compensation for any owner-employee or self-employed individual/general partner, or \$15,385 (the 8-week equivalent of \$100,000) per individual. This prevents an owner from increasing his/her compensation during the 8-week period.

Over the next several days, we will release an updated list of the most frequently asked questions along with an invitation to an **UPCOMING WEBINAR** designed to address the new PPP application and instructions.

Check out our latest podcast, "The Reopening of Trade Shows."

In this podcast: Rob, Scott, and Jason with special guest Larry Arnaudet (Executive Director of ESCA) discuss the reopening of trade shows; from ESCA's health and safety guidelines for the exhibitions industry, to suggested best practices, show floor recommendations, what phase trade shows are in across the country, scheduled openings and cancellations, what listeners can do (Global Exhibitions Day, June 3rd), and more.

[Click here to listen now:](#)



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Stay up-to-date with the latest material on our coronavirus web page - dedicated to sharing information about COVID-19 and how it relates to the workplace: <https://www.employco.com/coronavirus>

Please [contact us](#) if you have any questions.



Questions, comments, feedback?

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