



The GSS Quick Guide to the Paycheck Protection Program (PPP)





In the wake of the coronavirus pandemic, the United States congress passed a \$2T relief package aimed at helping businesses and individuals weather the crisis. Part of that package included the Paycheck Protection Program (PPP) – a loan program facilitated by the U.S. Small Business Administration (SBA) to provide relief from payroll costs to small businesses.

Many multi-location restaurant businesses are eligible for participation. In light of this, we've put together a quick guide to help answer common questions around PPP.

Do you need help getting your application documentation in order? [Get in touch with Global Shared Services today.](#) We can help to facilitate paperwork and communication with your lender to make the application process easier.

What is PPP?

The SBA describes PPP as an SBA loan that helps businesses keep their workforce employed during the Coronavirus (COVID-19) crisis. At a high level, the program offers loans to cover payroll. PPP loans will be forgiven if employees are kept on payroll for eight weeks and if the proceeds are used for payroll, rent, mortgage interest, or utilities.

Who is eligible for a PPP loan?

Any small business, private nonprofit organization, or 501(c)(19) veterans' organization that has been affected by coronavirus and has less than 500 employees is eligible for a PPP loan. It's also worth noting that small businesses in the food industry with multiple locations may be eligible to apply for each location (if each location employs less than 500 workers).

How much can businesses apply for?

The maximum loan amount per borrower is equal to 2.5 multiplied by the applicant's average total monthly payroll costs incurred during the 12 months before the date of the loan. There is a \$10 million cap. If the applicant was not in business in 2019, the months of January and February 2020 are the reference time period for average total monthly payroll costs.

What must businesses do to have loans forgiven?

To have loans forgiven, businesses must only spend the proceeds on payroll, rent, mortgage interest, or utilities, and at least 75% of the forgiven amount must have been spent on payroll. Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.

What are the loan details?

Payments will be deferred for six months. PPP loans have a maturity of two years and an interest rate of 0.5%.

How can businesses apply?

Businesses may apply through existing SBA 7(a) lenders or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make PPP loans as they are approved and enrolled in the program.

Lenders may begin processing loan applications as soon as April 3, 2020, and the Paycheck Protection Program will be available through June 30, 2020.



Next Steps

For more information about PPP loans, please visit the following resources:

[Paycheck Protection Program Overview \(SBA\)](#)

[Borrower Application \(SBA\)](#)

[Paycheck Protection Program Fact Sheet \(US Treasury\)](#)

Again, GSS is here to help restaurants understand the PPP loan process and file for a PPP loan with an approved lender. **Contact GSS today to get started.**

we're also available at
1-800-597-1022 and
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