



**Post &  
Schell** P.C.  
ATTORNEYS AT LAW

# **Paycheck Protection Program Forgiveness Tool**

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# Introduction

- Post & Schell, PC's Loan Forgiveness Tool is comprised of four excel tabs:
  - Forgiveness Calculator
  - Employee Worksheet
  - Reductions Worksheet
  - Loan Forgiveness Summary
- Highlighted cells on worksheets are to be completed by you. Complete all information on Employee Worksheet.

# Hypothetical Situation

- For the purposes of this presentation, the following was presumed:
  - **Total Employees:** 10
  - **Salary of Each Employee:** \$100,000/year
  - **Employer Healthcare Contribution:** \$36,000/year
  - **Employer Retirement Contribution:** \$40,000/year
  - **Employer Share of Unemployment:** \$12,000/year
- In addition, it was presumed that *all* employees were maintained fulltime during the post-loan 8-week period.
- Mortgage Interest, Rent, and Utilities each \$10,000 for each 4-week period.

POST & SCHELL, P.C.			
PPP LOAN FORGIVENESS TOOL			
Please be advised that this tool has been prepared using the available CARES Act guidance, which may be impacted by any additional guidance that is promulgated by the SBA and Treasury Department after April 12, 2020. Please do not rely on this information for actual loan forgiveness. It is intended as a tool to project impacts on your potential loan forgiveness. Should you have any questions, we are available to assist and answer questions.			
Date Loan Proceeds Received:	4/19/2020	75% of PPP Loan -- Minimum Payroll Costs:	\$ 170,000.25
Loan Amount:	\$ 226,667.00	25% of PPP Loan - Maximum Other Authorized/Nonpayroll Costs	\$ 56,666.75
8-week Loan Period Begin Date:	4/19/2020		
8-week Loan Period End Date:	6/13/2020		

## **STEP 1:**

- Insert the date you received your loan proceeds and your total loan amount.
- At a **minimum**, 75% of the PPP Loan proceeds **must be** used for Payroll Costs.
- At a **maximum**, 25% of the PPP Loan proceeds **may be** used for Non-Payroll Costs.

STEP 1: HEADCOUNT			SUMMARY	
<p>To receive full forgiveness, you must demonstrate that your average full-time equivalent (FTE) employees for the 8-week covered period is equal to or greater than your average FTEs for either:</p> <p>(a) the period February 15, 2019 through June 30, 2019; OR</p> <p>(b) January 1, 2020 through February 29, 2020, <u>whichever is less</u></p> <p>FTEs are based on a 30 hours workweek (as defined by the SBA in the Affordable Care Act)</p> <p><u>A reduction in FTEs between 2/15/20 and 4/27/20 is disregarded if the reduction is eliminated by June 30, 2020</u></p> <p>The average number of full-time equivalent employees shall be determined by calculating the average number of full-time equivalent employees for each pay period falling within a month</p>				
		<b>Input</b>	<b>Relevant Number</b>	
	Average FTE Per month for 8 weeks post-loan:	10	10	
	Average FTE per month (2/15/19 through 6/30/19):	10	10	
	Average FTE per month (1/1/20 through 2/29/20):	10		
		<b>Percentage Not Forgivable (unless restored):</b>	0.00%	
		<b>Amount Not Forgivable (unless restored):</b>	\$ -	\$ -

## **STEP 1 (cont'd)**

- Insert your average Full-time Employees for the 8-week post-loan period (in this hypothetical, there were 10).
- Insert your average Full-time Employees for the period of 2/15/19 through 6/30/19.
- Insert your average Full-time Employees for the period of 1/1/20 through 2/29/20.
- The calculator will automatically use the lesser amount of Full-time Employees as the basis for forgiveness.

**\*\*If you have any questions on the number of full-time employees your company may have, *please do not hesitate to contact us.***

STEP 2: PAYROLL COSTS			SUMMARY	
Payroll Costs during 8-week Period:				
Salaries and Wages:			<i>*Please see and Complete Employee Worksheet</i>	
Cash Tips:	\$	-		
Paid Time Off (vacation, sick pay, etc.):	\$	-	<i>*if not included in Salaries and Wages</i>	
Allowance for Dismissal or Separation:	\$	-	<i>*if not included in Salaries and Wages</i>	
Employer Healthcare Benefits (including health insurance)				
Employer Share of Retirement:				
Employer Share of State Unemployment Insurance:				
	\$	-	<b>This must be 75% or more of total loan amount</b>	\$ -
Individual Employee Compensation Reduction in Excess of 25% compared to most recent full quarter before origination of loan:	\$	-	<i>*Please see and Complete Reductions Worksheet</i>	\$ -

## **STEP 2**

- Initially, the cells in Step 2: PAYROLL COSTS will be blank.
- Please proceed to Tab 2 – Employee Worksheet – to complete the Salaries and Wages Portion.

	Employee Name	Salaries & Wages (End of Quarter - 3/31/20)	Annualized Amount	75% of 8 Weeks based on Annualization
TOTAL:	XXXXXXXX	\$ 250,000.00	\$ 1,000,000.00	\$ 115,384.62
	Sample 1	\$ 25,000.00	\$ 100,000.00	\$ 11,538.46
	Sample 2	\$ 25,000.00	\$ 100,000.00	\$ 11,538.46
	Sample 3	\$ 25,000.00	\$ 100,000.00	\$ 11,538.46
	Sample 4	\$ 25,000.00	\$ 100,000.00	\$ 11,538.46
	Sample 5	\$ 25,000.00	\$ 100,000.00	\$ 11,538.46
	Sample 6	\$ 25,000.00	\$ 100,000.00	\$ 11,538.46
	Sample 7	\$ 25,000.00	\$ 100,000.00	\$ 11,538.46
	Sample 8	\$ 25,000.00	\$ 100,000.00	\$ 11,538.46
	Sample 9	\$ 25,000.00	\$ 100,000.00	\$ 11,538.46
	Sample 10	\$ 25,000.00	\$ 100,000.00	\$ 11,538.46

## **STEP 2 (cont'd)**

- Insert your Employees' Names. In this hypothetical, there are ten Employees.
- Insert the salaries and wages earned by each Employee for the first quarter of 2020 (1/1/20 through 3/31/20).
- The Annualized Amount will automatically populate for each employee. In this case, each employee was making \$100,000 annually.
- The 75% of 8 weeks based on Annualization will also automatically populate. The compensation at the end of the 8-week loan period must be, at a minimum, 75%, of the annualized compensation the employee made during Quarter 1. This is addressed in Tab 3 – Reductions Worksheet.



8-Week Loan Period [9 weeks included in case of partial week payment]											
Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Discretionary Bonus	8-Week Total	Amount Allowable
\$ 19,230.77	\$ 19,230.77	\$ 19,230.77	\$ 19,230.77	\$ 19,230.77	\$ 19,230.77	\$ 19,230.77	\$ 19,230.77	\$ -	\$ -	\$ 153,846.15	\$ 153,846.15
\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08			\$ 15,384.62	\$ 15,384.62
\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08			\$ 15,384.62	\$ 15,384.62
\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08			\$ 15,384.62	\$ 15,384.62
\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08			\$ 15,384.62	\$ 15,384.62
\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08			\$ 15,384.62	\$ 15,384.62
\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08			\$ 15,384.62	\$ 15,384.62
\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08			\$ 15,384.62	\$ 15,384.62
\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08			\$ 15,384.62	\$ 15,384.62
\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08			\$ 15,384.62	\$ 15,384.62
\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08			\$ 15,384.62	\$ 15,384.62
\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08			\$ 15,384.62	\$ 15,384.62
\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08			\$ 15,384.62	\$ 15,384.62

## **STEP 2 (cont'd)**

- Insert the amount paid to each employee for each week after the loan.
  - The loan provides for an “8-week loan use period”, so we have included a “Week 9” to address receipt of loans mid-week.
- In this hypothetical, each employee was paid their normal pay, totaling \$1,923.08/week (i.e. \$100,000/52 weeks).
- The maximum allowable amount per employee for the 8 week period is \$15,385.00 (when rounded) (based upon the \$100,000 cap on compensation for employees).
- We advise that you update this spreadsheet, at a minimum, weekly, to accurately track payments.
- This spreadsheet presumes: (1) a five-day workweek, and (2) weekly paychecks.
- Once completed, please return to the Forgiveness Calculator tab, and the remainder of Step 2.

***\*\*Note: Discretionary bonuses are possible under this program, and can be utilized for one-time bonus payments or other payments that do not recur. Please contact us with any questions about these types of payments.***

STEP 2: PAYROLL COSTS				SUMMARY
Payroll Costs during 8-week Period:				
Salaries and Wages:	\$	153,846.15	<i>*Please see and Complete Employee Worksheet</i>	
Cash Tips:	\$	-		
Paid Time Off (vacation, sick pay, etc.):	\$	-	<i>*if not included in Salaries and Wages</i>	
Allowance for Dismissal or Separation:	\$	-	<i>*if not included in Salaries and Wages</i>	
Employer Healthcare Benefits (including health insurance	\$	5,538.46		
Employer Share of Retirement:	\$	6,153.85		
Employer Share of State Unemployment Insurance:	\$	1,846.15		
	\$	<b>167,384.62</b>	<b>This must be 75% or more of total loan amount</b>	\$ <b>167,384.62</b>
Individual Employee Compensation Reduction in Excess of 25% compared to most recent full quarter before origination of loan:	\$	-	<i>*Please see and Complete Reductions Worksheet</i>	\$ -

## **STEP 2 (cont'd)**

- The Salaries and Wages portion will now be automatically populated from the Employee Worksheet tab calculation.
- Next, insert your Employer payments toward Healthcare Benefits, Retirement, and State Unemployment Insurance for the 8 week period. In our hypothetical:
  - Healthcare Benefits annually are \$36,000. To calculate the contribution for the 8-week period, determine the weekly costs ( $\$36,000/52$ ) and multiply by 8 weeks,
    - $(\$36,000/52)*8 = \$5,538.46$
  - Complete the same for Retirement and State Unemployment Insurance.
- Next, proceed to the Tab 3 - Reductions Worksheet

<b>Total Not Forgivable</b>							
**Note: the annualized rate in Column C is assumed to be consistent through the 8 week post-loan period							
<b>Count of Employees With Reduced Wages</b>							<b>0</b>
<b>Count of Employees With Restored Wages</b>							<b>0</b>
<i>Employees</i>	<i>Compensation (Q1 2020) - Annualized</i>	<i>8-week Post-loan Annualized Rate Plus Discretionary Bonus</i>	<i>Percentage Decrease</i>	<i>If Yes, see and complete Column H</i>	<i>Actual wages received during 8 week post-loan period</i>	<i>Amount not forgivable</i>	<i>Restored wages to rate payable on 2/15/20 by 6/30/20?</i>
Sample 1	\$ 100,000.00	\$ 100,000.00	0.00%	No			
Sample 2	\$ 100,000.00	\$ 100,000.00	0.00%	No			
Sample 3	\$ 100,000.00	\$ 100,000.00	0.00%	No			
Sample 4	\$ 100,000.00	\$ 100,000.00	0.00%	No			
Sample 5	\$ 100,000.00	\$ 100,000.00	0.00%	No			
Sample 6	\$ 100,000.00	\$ 100,000.00	0.00%	No			
Sample 7	\$ 100,000.00	\$ 100,000.00	0.00%	No			
Sample 8	\$ 100,000.00	\$ 100,000.00	0.00%	No			
Sample 9	\$ 100,000.00	\$ 100,000.00	0.00%	No			
Sample 10	\$ 100,000.00	\$ 100,000.00	0.00%	No			
					<b>Total Not Forgivable</b>	\$ -	

## **STEP 2 (cont'd)**

- The annualized rate of pay for each employee will be automatically populated, based upon the 8-week period payments plus any discretionary bonuses
  - In this hypothetical, each employee maintained its normal weekly salary, and therefore the annualized rate was equal to the Quarter 1 annualized rate.
- For example purposes only, the next slide shows what happens if a certain employee's annualized salary for the 8-week salary fell below the minimum annualized rate (i.e. below 75% of their quarter 1 annualized rate).

<b>Total Not Forgivable</b>	
**Note: the annualized rate in Column C is assumed to be consistent through the 8 week post-loan period	
<b>Count of Employees With Reduced Wages</b>	<b>1</b>
<b>Count of Employees With Restored Wages</b>	<b>1</b>

<i>Employees</i>	<i>Compensation (Q1 2020) - Annualized</i>	<i>8-week Post-loan Annualized Rate Plus Discretionary Bonus</i>	<i>Percentage Decrease</i>	<i>If Yes, see and complete Column H</i>	<i>Actual wages received during 8 week post-loan period</i>	<i>Amount not forgivable</i>	<i>Restored wages to rate payable on 2/15/20 by 6/30/20?</i>
Sample 1	\$ 100,000.00	\$ 100,000.00	0.00%	No			
Sample 2	\$ 100,000.00	\$ 100,000.00	0.00%	No			
Sample 3	\$ 100,000.00	\$ 100,000.00	0.00%	No			
Sample 4	\$ 100,000.00	\$ 100,000.00	0.00%	No			
Sample 5	\$ 100,000.00	\$ 100,000.00	0.00%	No			
Sample 6	\$ 100,000.00	\$ 100,000.00	0.00%	No			
Sample 7	\$ 100,000.00	\$ 100,000.00	0.00%	No			
Sample 8	\$ 100,000.00	\$ 100,000.00	0.00%	No			
Sample 9	\$ 100,000.00	\$ 100,000.00	0.00%	No			
Sample 10	\$ 100,000.00	\$ 74,000.00	26.00%	Yes	\$ 11,384.62	\$ 153.85	Yes
					<b>Total Not Forgivable</b>	\$ 153.85	

## **STEP 2 (cont'd)**

- If the annualized salary rate for an employee falls below the 75% threshold, you *may* incur an amount of “unforgivable” loan payment
  - In the above example, Employee 10 received an annualized 8-week rate of \$74,000
  - This results in an amount of unforgivable loan of \$153.85, unless that persons wages are restored by June 30, 2020
- Please select Yes or No from the dropdown as to whether wages were restored. In this hypothetical, we indicated yes, which automatically populates the “Count” of Employees with Restored Wages.
- Once complete, please return to the Forgiveness Calculator Tab.

***\*\*If you have any questions about restoration of wages, please don't hesitate to contact us.***

STEP 2: PAYROLL COSTS			SUMMARY
Payroll Costs during 8-week Period:			
Salaries and Wages:	\$ 153,846.15	<i>*Please see and Complete Employee Worksheet</i>	
Cash Tips:	\$ -		
Paid Time Off (vacation, sick pay, etc.):	\$ -	<i>*if not included in Salaries and Wages</i>	
Allowance for Dismissal or Separation:	\$ -	<i>*if not included in Salaries and Wages</i>	
Employer Healthcare Benefits (including health insurance)	\$ 5,538.46		
Employer Share of Retirement:	\$ 6,153.85		
Employer Share of State Unemployment Insurance:	\$ 1,846.15		
	\$ 167,384.62	<b>This must be 75% or more of total loan amount</b>	\$ 167,384.62
Individual Employee Compensation Reduction in Excess of 25% compared to most recent full quarter before origination of loan:	\$ -	<i>*Please see and Complete Reductions Worksheet</i>	\$ -

- **Step 2: PAYROLL COSTS is now complete**
- The total amount of the loan used for Payroll is automatically populated in the Summary Section.
  - You will note that the Total Payroll costs is less than the 75% of the loan *to be used for Payroll*. This will impact the amount that can be spent on Non-Payroll costs, as well as the forgiveness amount.
- Moreover, if there were any “Reductions” from the “Reductions Worksheet Tab”, they would also populate on the table.

Proceed to **Step 3: RESTORATION OF HEADCOUNT OR WAGES**

STEP 3: RESTORATION OF HEADCOUNT OR WAGES		
FTE Headcount as of 2/15/20:	10	
FTE Headcount as of 4/26/20:	10	
Net Job Losses During 8-week Loan Period:	0	
Jobs Restored by 6/30/20:		
Headcount Fully Restored?		Yes
Employees with Reduced Wages:	0	
Employees with Restored Wages:	0	
Wages Restored:		Yes

### **STEP 3:**

- Insert the Full-time Employee Headcount as of 2/15/20.
- Insert the Full-time Employee Headcount as of 4/26/20.
- If there is a net reduction between 2/15/20 and 4/26/20, indicate whether those jobs have been restored on or before 6/30/20.
- By way of example: if the FTE count as of 2/15/20 was 10 and the FTE count as of 4/26/20 was 9, you would have until 6/30/20 to restore 1 job.
- If you restored that person's job, you'd indicate a "1" in the Jobs Restored by 6/30/20 box.
- **Proceed to Step 4: NON-PAYROLL COSTS.**

STEP 4: NONPAYROLL COSTS				SUMMARY
Maximum Non-Payroll Costs:	\$	56,666.75		
Adjusted Maximum:	\$	55,794.87		
		4 Weeks beginning	4 Weeks beginning	
		4/19/2020	5/18/2020	TOTAL
Mortgage Interest (real and personal property in place 2/15/20):	\$	10,000.00	\$ 10,000.00	\$ 20,000.00
Rent (lease agreements in force on 2/15/20):	\$	10,000.00	\$ 10,000.00	\$ 20,000.00
Utilities (electric, gas, water, transportation, telephone or internet for services prior to 2/15/20):	\$	10,000.00	\$ 10,000.00	\$ 20,000.00
			Total Costs:	\$ 60,000.00
			Total Allowable Costs:	\$ 55,794.87
			Cannot exceed 25% of loan amount	\$ 55,794.87

## STEP 4

- Note that the "Maximum Non-Payroll Costs" and "Adjusted Maximum" are different.
  - As 75% of the loan must be used for Payroll Costs, if you do not use the full 75% for payroll, the amount allowable for Non-Payroll similarly decreases.
- Insert your Mortgage Interest, Rent, and Utilities for the first and second 4-week period beginning as of the date of the Loan.
- If the "total" Non-Payroll costs exceeds the "Adjusted Maximum", you will be restricted to the "Adjusted Maximum."
  - In this example, the total Non-Payroll costs totaled \$60,000, but the Adjusted Maximum is \$55,794.87. Therefore, only \$55,794.87 of the Loan could be used for Non-Payroll.
- Once completed, proceed to the Loan Forgiveness Summary tab.**

LOAN FORGIVENESS AMOUNT (Estimated)	
Loan Amount:	\$ 226,667.00
Amount Forgivable:	
Amount of PPP Loan used for Payroll during 8 Week Period:	\$ 167,384.62
Maximum Allowable Amount of PPP Loan used for Non-Payroll during 8 Week Period:	\$ 55,794.87
TOTAL ELIGIBLE COSTS FOR FORGIVENESS: \$ 223,179.49	
Reductions in Forgiveness:	
Amount not Forgivable - Headcount Reduction (unless restored):	\$ -
Amount not Forgivable - Reductions in Wages Worksheet:	\$ -
TOTAL INELIGIBLE COSTS FOR FORGIVENESS: \$ -	
Total Adjusted Eligible Costs: \$ 223,179.49	
Amount of Loan Forgiven: \$ 223,179.49	
Percentage of Loan Forgiven: 98.46%	
Estimated Principal Balance of Loan Payable Over 2 Years \$ 3,487.51	

- This tab will automatically populate based upon the calculations from the prior tabs.
- The total allowable, forgivable costs total \$223,179.49, based upon the Payroll Costs and Adjusted Maximum Non-Payroll.
  - Recall that 75% of the Loan proceeds totaled \$170,000.25. In this scenario, only \$167,384.62 was used for Payroll, thus reducing the amounts utilized for Non-Payroll, and leaving a balance to be paid back.
- In this scenario, there were no reductions based upon wages or headcount.
- Ultimately, only 98.46% of the Loan was utilized, leaving an amount to be paid back of \$3,487.51.



# Questions?

Please feel free to contact us with any questions:

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