

# PPP Forgiveness Worksheet

## Overview

Forgiveness depends on three things complying with the PPP rules:

1. Spending was on eligible expenses
2. Payroll spending was maintained at prior levels
3. Full-time equivalent staffing was maintained at prior levels

## Eligible expenses

Eligible expenses are those that are incurred over eight weeks starting the day the first payment was made by lender. **Date:** \_\_\_/\_\_\_/2020

- 75% must be for payroll, which includes wages, vacation, parental, family, medical, or sick leave, and health benefits.
- 25% can be for rent, utilities, and mortgage interest.

## Payroll Spending

Calculate how much of the loan was spent on payroll during the 8-week period following funding on

**Date:** \_\_\_/\_\_\_/2020

*Let's call that eligible payroll spending.* Target is 75% of the loan, or \$ \_\_\_\_\_. Depending on payroll schedule, your health center may want to adjust the timing of the payroll date to accommodate as many payroll cycles as possible.

If health center spent less than 75%, then health center is only eligible for forgiveness of *eligible payroll spending*.

## Staffing

Determine the average number of full-time equivalent employees for:

- A. the 8-week period following **Date:** \_\_\_/\_\_\_/2020
- B. February 15, 2019 to June 30, 2019.
- C. January 1, 2020 to February 29, 2020.

Take A and divide that by B. Do the same with C. Choose the largest number obtained. *Let's call that staffing ratio.*

- If the staffing ratio is equal to or larger than 1, health center maintained full-time equivalent staffing.
- If staffing ratio is smaller than 1, health center did not maintain full-time equivalent staffing and loan forgiveness will be reduced proportionately.

## Pro-rated forgiveness

Forgiveness will be pro-rated if eligible payroll spending is less than target or staffing ratio is smaller than 1.

## Calculating pro-rated forgiveness

1. Multiply eligible payroll spending by staffing ratio to calculate payroll forgiveness.
2. Total the other expenses category, (cannot exceed 25% of loan, or \$ \_\_\_\_\_)
3. Sum 1 + 2

Adopted from: <https://bench.co/blog/operations/ppp-loan-forgiveness/>