




Paycheck Protection Program (PPP) loan


- Forgiveness Calculators



M.A.G.
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Introduction



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- The following PPP Forgiveness Calculators are a free resource developed by the AICPA, CPA.com, and fintech lender Biz2Credit to assist business owners and operators in automating the loan forgiveness application process for their PPP Funding.
- Additional guidance for PPP loan forgiveness is still pending. Borrowers can get started while waiting on additional guidance from Treasury and SBA. But we recommend waiting for the final rules to be issued before generating the final SBA Form 3508 or submitting the application packet to a lender.

PPP Loan Forgiveness Calculators



- **PPP Loan Forgiveness Calculator (Excel)** (available free on our website and the AICPA)
- <https://marinoadvisorygroup.com> (proceed to “downloads” at bottom of any page and click on Calculator)
- <https://future.aicpa.org/resources/download/ppp-loan-forgiveness-calculator-excel>

The Loan Forgiveness Calculator uses available guidance from the Small Business Administration and Treasury, along with interpretations of that guidance (see notes throughout) to estimate the amount of a PPP loan that may be eligible for forgiveness.
- **Self-Employed PPP Loan Forgiveness Calculator**
- <https://future.aicpa.org/resources/download/self-employed-ppp-loan-forgiveness-calculator>

This calculator aligns with the SBA Form 3508 EZ for borrowers without employees to work through their potential PPP Loan Forgiveness. Step-by-step guide to maximizing PPP loan forgiveness for self-employed and other Schedule C filers is also available on the website.


Loan Forgiveness Calculator



This calculator is based on SBA Form 3508 which contains steps for borrowers to adjust their PPP loan forgiveness if certain FTE or Salary/Wage requirements (further defined in the applicable sections of this worksheet) are not met. There is also an SBA Form 3508EZ for borrowers that qualify for full forgiveness and do not need to apply FTE or Salary/Wage reductions. This calculator can be used for borrowers that intend to file either application and will show "0" for those fields which will not be needed for the Form 3508EZ.


If you do not have any employees or am Schedule C Filer, please use the calculator specifically for borrowers without employees know as the Self-Employed Calculator.

Loan Forgiveness Calculator Steps




1 Enter key data into the "PPP Forgiveness Calculator" tab
2 Complete the "Non-Payroll Costs Tracker" tab
3 Complete the "FTE Input" tab
4 Complete the "Payroll Accumulator" tab
5 Review the "Schedule A Worksheet" and "Schedule A" tab for additional inputs needed to complete these tabs.
6 Calculate estimated loan forgiveness in the "PPP Forgiveness Calculator" tab Subject to documentation and other authoritative guidance
Additional instructions are included on each tab.

PPP Forgiveness Calculator




Key Inputs	Under the PPP Flexibility Act of 2020, the covered period has been extended to 24 weeks. If borrowers received the PPP loan before June 5, 2020, the borrower may elect an 8-week covered period as established in the original CARES Act.
PPP Loan Disbursement Date	Per the SBA forgiveness application instructions revised on June 16, 2020, if multiple disbursements were received, enter the date of the first disbursement.
Alternative Payroll Covered Period Date, if applicable	Per the SBA forgiveness application instructions revised on June 16, 2020, borrowers with a bi-weekly or more frequent pay period may begin their covered period on the date of the first pay period after their funds were received. For example, if funds were received on Monday, April 27 and the next pay period starts on Sunday, May 3, the borrower may select a covered period that begins on Sunday, May 3. See note 1 below.
Selected payroll covered period begin date	If you choose to use the Alternative Payroll Covered Period defined above, please enter the date here. Otherwise, enter the PPP Loan Disbursement Date here.
Length of covered period (Select 8 or 24 weeks)	Under the PPP Flexibility Act of 2020, the covered period has been extended to 24 weeks. If borrowers received the PPP loan before June 5, 2020, the borrower may elect an 8-week covered period as established in the original CARES Act. We're awaiting further guidance as to borrowers who want to apply for forgiveness before the end of their covered period.
If forgiveness is being applied for before the end of the covered period, how many weeks of eligible expenses are being claimed?	Must enter between 1 and 23 weeks. Any additional values will not be allowed in this cell.

Non-payroll Costs Tracker



Week #	Week Start	Week End	Business mortgage interest on real or personal property (Do not include any prepayments)	Business rent or lease payments for real or personal property	Business Utility Payments							Total Business Utility Payments
					Transportation	Electricity	Gas	Water	Phone	Internet	Other	
Will autofill once covered period is indicated on PPP Forgiveness Tab												
1												-
2												-
3												-
4												-
5												-
6												-
7												-
8												-
9												-
10												-
11												-
12												-

FTE Input Calculator



FTE Reduction Safe Harbor 2 (Note: FTE Safe Harbor 1 is on Schedule A)

Step 1. Enter the borrower's total average FTE between February 15, 2020 and April 26, 2020. Follow the same method that was used to calculate Average FTE above. Sum across all employees and enter.

Step 2. Enter the borrower's total FTE in the Borrower's pay period inclusive of February 15, 2020. Follow the same method that was used in step 1.

Step 3. If the entry for step 2 is greater than step 1, proceed to step 4. Otherwise, FTE Reduction Safe Harbor 2 is not applicable and the Borrower must complete line 13 of PPP Schedule A by dividing line 12 by line 11 of that schedule.

Step 4. Enter the borrower's total FTE as of the earlier of December 31, 2020, and the date this application is submitted.

Step 5. If the entry for step 4 is greater than or equal to step 2, enter 1.0 on line 13 of PPP Schedule A; the FTE Reduction Safe Harbor has been satisfied. Otherwise, the FTE Reduction Safe Harbor does not apply and the Borrower must complete line 13 of PPP Schedule A by dividing line 12 by line 11 of that schedule.

PPP Loan Forgiveness Applications



- **SBA PPP Loan Forgiveness Application (long form) 3508**
 - <https://home.treasury.gov/system/files/136/3245-0407-SBA-Form-3508-PPP-Forgiveness-Application.pdf>
- Apply for forgiveness for the PPP loan using SBA Form 3508
- **SBA PPP Loan Forgiveness Application Instructions**
 - https://home.treasury.gov/system/files/136/PPP-Loan-Forgiveness-Application-Instructions_1_0.pdf
- **SBA PPP Loan Forgiveness Application For EZ 3508EZ**
 - <https://home.treasury.gov/system/files/136/3245-0407-SBA-Form-3508-PPP-Forgiveness-Application.pdf>
- Apply for the forgiveness for the PPP loan using Form 3508EZ
- **SBA PPP Loan Forgiveness Application EZ Instructions**
 - <https://home.treasury.gov/system/files/136/PPP-Loan-Forgiveness-Application-Form-EZ-Instructions.pdf>

PPP Loan Forgiveness Resources



- **SBA Paycheck Protection Program (PPP) FAQs**
 - <https://future.aicpa.org/resources/article/sba-paycheck-protection-program-ppp-faqs>
Series of frequently asked questions (FAQs) that provide answers to questions we are hearing from our members about the Paycheck Protection Program (PPP)
- **AICPA Town Hall Series**
 - <https://future.aicpa.org/resources/video/aicpa-town-hall-series-october-1>
The Town Halls on the AICPA website are a great resource in staying up to date on changes to the PPP Forgiveness and new development for any on-going funding.

Updates and Recommendations



- 5 million PPP Loans issued
- 80% of loan recipients are reaching end of their current funding
- Only 2% of applicants have submitted for loan forgiveness YTD
- 50% of businesses need second round of funding
- Focus on Cash Management
- Budgeting into 2021

Current Developments – PPP2?



There is talk that the government is looking at a potential second round of funding or PPP2 in conjunction with the unsettled "HEROES Act" which could bring another 2.2 Trillion of relief to many individuals and businesses. The jury is still out on this one and it may be revealed around mid-November. What would it look like? Experts are saying the following:

- Funds separated by industry or business segments, no general fund
- More flexibility with utilizing funds that meet direct needs
- Easier reporting and guidance for business to follow
- Out right grants could be awarded to a certain group of business or situations
- Revenue needs testing to qualify for funding. Must dominate need

With this potential additional funding coming down the road, its our recommendation that you have your financial house in order and up-to-date in order to demonstrate need and meet requirements.

Contact Us

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