



**Rehmann**  
EMPOWER YOUR PURPOSE

# Navigating PPP Loan Forgiveness



# Meet Our Speakers

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# The Paycheck Protection Program from **30,000 feet**

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## US Government's intent for the program

- Get money into the pockets of American Workers
- Keep workers off of Unemployment
- Maintain connection between employees and their employer
- Help small businesses stay alive

# The Paycheck Protection Program from 20,000 feet

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## US Government's concept

- Distribute money to workers through their employers via the banking system & the SBA
- Use loans that could be forgiven
- Target an "increased eligibility for certain small businesses and organizations" to increase impact on the economy

# The Paycheck Protection Program from **10,000 feet**

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## US Government's tactics

- Require the employer's spend the money over an 8 week period to get the money into the economy quickly
- Require the employer's spend the money as the Government thinks is best
- Minimum 75% for "Payroll Costs"
- No more than 25% for utilities/rent/mortgage interest
- Issue guidance on Forgiveness to Employer's by April 26th to provide comfort to Employers.

# The Paycheck Protection Program from **1,000 feet**



- The lender/banker will be responsible for determining forgiveness within 60 days of employer filing the necessary documentation
- The employer applies for forgiveness within 21 days of the end of the 8 weeks “covered period”

# Flying at treetop level

- April 3** | FAQ 1
- April 6** | FAQ 2-18
- April 8** | FAQ 19-20
- April 13** | FAQ 21-25
- April 14** | FAQ 26-28
- April 15** | FAQ 29
- April 17** | FAQ 30
- April 23** | FAQ 31
- April 24** | FAQ 32-35
- April 26** | FAQ 36
- April 28** | FAQ 37
- April 29** | FAQ 38-39
- May 3** | FAQ 40-42
- May 5** | FAQ 43-44
- May 6** | FAQ 45
- May 13** | FAQ 46

## APRIL

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

## MAY

S	M	T	W	T	F	S
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3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						



# May 15th SBA issues PPP Loan Forgiveness Application

- Borrowers are permitted to use an “alternative payroll covered period” that corresponds to the first day of the first pay period following a borrower’s PPP loan disbursement.
- Payroll costs generally must be incurred and paid during the eight-week covered period to be subject to forgiveness, payroll costs incurred but not paid during a borrower’s last payroll cycle of the covered period may be included in the amount to be forgiven if they are paid before the next regular payroll date.
- No prepayments are allowed — forgivable costs should equate to eight weeks’ worth of payroll and permitted nonpayroll costs.



# May 15th SBA issues PPP Loan Forgiveness Application

- The forgiveness limitation requiring 75% of PPP loan proceeds to be used on payroll is measured based on gross payroll costs incurred during the eight-week covered period, not on an amount reduced by the separate employee retention and salary/wage reduction calculations.
- Full Time Equivalent Employee (FTE) finally defined
- An explicit statement that covered rent obligations include leases on both real and personal property
- The application does NOT contain an express recertification of necessity as of the date of the forgiveness application. The application requires the borrower to maintain certain documentation related to its PPP loan for at least six years after the loan is forgiven or repaid in full, including documentation supporting the necessity certification and eligibility.



Let's walk through the application ...

# Items we're still awaiting SBA guidance on

