

***Disclaimer: This form was prepared by Kurt L. Sundberg, Esq., of the law firm Marsh Schaaf, LLP, as of May 6, 2020, before the SBA issued final regulations with regard to calculating the amount of loan forgiveness for a PPP Loan and final regulations with regard to the Application for PPP Loan forgiveness. Accordingly, this form is based on wording of the CARES Act and the limited SBA regulations issued to date. As new regulations are issued with regard to PPP Loan calculations and forgiveness, as well as filing Applications for PPP Loan forgiveness, this sample form will be updated, supplemented and revised. Naturally, if the SBA issues a form Application for PPP Loan forgiveness, that form of Application must be used. In which case, this form will be updated, supplemented and revised to be a worksheet for borrowers and lenders in applying for and calculating the amount of PPP Loan forgiveness. This sample form/worksheet should be considered for informational purposes only and businesses and lenders should work directly with their legal counsel for legal advice and directly with their accountant for tax advice with regard to PPP Loans.**

PAYCHECK PROTECTION PROGRAM

BORROWER APPLICATION FORM/WORKSHEET FOR PPP LOAN FORGIVENESS

Check One: <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> Independent Contractor <input type="checkbox"/> Eligible self-employed Individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Trial business (sec. 31(b)(2)(C) of Small Business Act <input type="checkbox"/> Other	DBA or Tradename if Applicable	
Business Legal Name	Business TIN (EIN, SSN)	Business Phone
Business Address	Primary Contact	Email Address

Amount of Applicant’s PPP Loan: \$ _____

Date PPP Loan was Funded: _____, 2020

Last Date of Applicant’s PPP Loan Covered Period (Exactly 8 Weeks from the Date Loan was Funded): _____, 2020.

The eight-week covered period runs from _____, 2020 to _____, 2020.

A. QUESTIONS REGARDING ELIGIBLE PAYROLL COSTS:

1. What was the total gross amount of employee wages, salaries, commissions, and average cash tips paid by the Applicant with PPP Loan funds during the eight-week covered period?
\$ _____

2. What was the total amount of state and local income taxes paid by the Applicant from PPP Loan funds that were assessed on employee wages, salaries, commissions, and average cash tips during the eight-week covered period? \$ _____

3. What was the total amount of retirement contributions for employees paid by the Applicant from PPP Loan funds during the eight-week covered period? \$ _____
4. What was the total amount of group benefits for employees (such as paid vacation, parental, family, medical or sick leave) paid by the Applicant from PPP Loan funds during the eight-week covered period? \$ _____
5. What was the total amount of group health insurance premiums paid by the Applicant for employees from PPP Loan funds during the eight-week covered period? \$ _____
6. What was the total amount of owner(s)/partner(s) compensation replacement paid by the Applicant from PPP Loan funds during the eight-week covered period? \$ _____
7. **Add the dollar amounts for Questions 1-6 above and enter the total here. \$ _____. This is total spent by the Applicant on eligible payroll costs from PPP Loan funds during the eight-week covered period.**
8. Did the Applicant pay any other payroll costs with PPP Loan funds during the eight-week covered period (such as employer's share of FUTA and FICA)? Yes No

If Yes, please indicate what other payroll costs were paid with PPP Loan funds and the total amount paid for each such other payroll costs: _____

9. Did the Applicant pay any employees salaries, wages, commissions, and average cash tips in excess of \$15,385.00 during the eight-week period? Yes No

If Yes, list all such employees and the amount of salaries, wages, commissions, and average cash tips that were paid in excess of \$15,385.00 for each such employee during the eight-week covered period. (Attach extra pages if needed.) _____

10. Did the Applicant pay any owner or partner compensation replacement in excess of \$15,385.00 over the eight-week covered period? Yes No

If Yes, list all such owners/partners and the amount of compensation replacement each such owner/partner received in excess of \$15,385.00 over the eight-week covered period. (Attach extra pages if needed.) _____

11. Add the dollar amounts for Questions 8, 9, and 10 and enter the total here. \$ _____. This is total spent by Applicant on ineligible payroll costs from PPP Loan funds.

B. QUESTIONS REGARDING ELIGIBLE NON-PAYROLL (OVERHEAD/ OPERATING) COSTS:

1. What was the total amount of interest payments paid on business mortgage obligations secured by real estate and/or business assets that were incurred before February 15, 2020, by the Applicant from PPP Loan funds during the eight-week covered period? \$ _____

2. What was the total amount paid by the Applicant on rent payments on lease agreements that were in force on February 15, 2020, from PPP Loan funds during the eight-week covered period? \$ _____

3. What was the total amount spent by the Applicant on the following business utility payments from PPP Loan funds during the eight-week covered period?

Gas	\$ _____
Electric	\$ _____
Water	\$ _____
Sewer	\$ _____
Telephone	\$ _____
Internet Service	\$ _____
TOTAL	\$ _____

4. Add the dollar amounts for Questions 1, 2 and 3 above and enter the total here. \$ _____. This is the total spent by the Applicant on eligible non-payroll costs.

5. Did the Applicant pay any ineligible non-payroll costs (such as mortgage principal, rent payments on lease agreements entered into after February 15, 2020, or other business expenses) with PPP Loan funds during the eight-week covered period?

Yes No

If Yes, indicate what other ineligible non-payroll costs were paid with PPP Loan funds and the total amount paid for each such other ineligible non-payroll costs. _____

And total all amounts paid on ineligible non-payroll costs. This is total spent by Applicant on ineligible non-payroll costs from PPP Loan funds. \$ _____

C. CALCULATION OF MAXIMUM PORTION OF LOAN THAT QUALIFIES FOR FORGIVENESS (75%/25% TEST):

1. What was the total amount of PPP Loan funds spent by the Applicant on eligible payroll costs during the eight-week covered period? \$ _____ (Enter total from Question A.7.)
2. What was the total amount of PPP Loan funds spent by the Applicant on eligible non-payroll costs during the eight-week covered period? \$ _____ (Enter total from Question B.4.)
3. **Add the dollar amounts for Questions C.1 and C.2 above together and enter the total here.** \$ _____
4. What was the total amount that was spent by the Applicant from PPP Loan funds on ineligible payroll costs during the eight-week covered period? \$ _____ (Enter total from Question A.11.)
5. What was the total amount that was spent by the Applicant from PPP Loan funds on ineligible non-payroll costs during the eight-week covered period? \$ _____ (Enter total from Question B.5.)
6. **Add the dollar amount for Questions C.4 and C.5 above together and enter the total here.** \$ _____
7. Is the amount of PPP Loan funds spent by the Applicant on eligible payroll costs 75% or more of all other amounts paid with PPP Loan funds during the covered period?

Formula: Total Amount of PPP Loan Total Amount of PPP Loan = ___%
 Funds spent on eligible ÷ Funds Spent
 payroll costs

 Dollar Amount of C.1 ÷ Total Dollar Amounts of Question = ___%
 C.3 + C.6

Is the % equal to or greater than 75%? Yes No

IF YES, ENTER THE DOLLAR AMOUNT TO QUESTION C.3 HERE.
\$ _____ . THIS AMOUNT IS THE MAXIMUM POTENTIAL AMOUNT
OF LOAN FORGIVENESS FOR THE APPLICANT. [GO TO SECTION D.]

8. **If No:**

(a) by what percent was the total spent on eligible payroll costs less than 75% of the total of all PPP Loan funds spent? (Subtract this percentage from 75% (75% - ____%) and enter answer here. _____%)

(b) Multiply the percent from Question 8(a) above _____% x the total amount of PPP Loan funds spent by Applicant on eligible payroll and eligible non-payroll costs. \$ _____ (total from Question C.3) and insert the result here. \$ _____ (This amount is not eligible for loan forgiveness.)

(c) Subtract the amount of subparagraph (b) from the amount from Question C.3 and enter that amount here. \$ _____. This amount is the maximum potential amount of loan forgiveness for the Applicant.

D. REDUCTION IN HEADCOUNT TEST

* The Applicant's full-time equivalent employees (FTEs) are the total of the Applicant's full-time employees who are employed on an average of at least 30 hours per week and the combination of all part-time employees who work less than 30 hours per week, but who, in combination with other part-time employees, work a total of more than 30 hours per week. Each two or more part-time employees who, in combination, work more than 30 hours per week are counted as one full-time equivalent employee (FTEs).

1. What was the average number of full-time equivalent employees the Applicant had between February 15, 2019, and June 30, 2019? _____

2. What was the average number of full-time equivalent employees the Applicant had between January 1, 2020 and February 29, 2020? _____

3. For seasonal employees only, what was the average number of full-time equivalent employees the Applicant had between February 15, 2019, and June 30, 2019?

4. What was the average number of full-time equivalent employees the Applicant had for the pay periods (weekly or bi-weekly) within the eight-week covered period? _____

5. Was any part of the Applicant's eight-week covered period prior to April 27, 2020 and, if so, did the Applicant restore all full-time equivalent employees to work and restore all full-time equivalent employees to their regular wages/salaries by June 30, 2020?

Yes No

If No, the average number of full-time equivalent employees for the Applicant for each pay period during the eight-week covered period remains the same as the answer to Question D.4.

If Yes, then ignore any weekly or bi-weekly pay periods prior to April 27, 2020 for this test and ignore the average number of full-time equivalent employee head counts for any payroll period (weekly or bi-weekly) prior to April 27, 2020, and recalculate the average number of full-time equivalent employees of the Applicant based on the number of pay period weeks after April 27, 2020 (i.e., based on pay periods of seven weeks, six weeks, five weeks, as the case may be, after April 27, 2020). Enter new average full-time equivalent employees for the Applicant during the covered period here. _____

6. Is the average number of full-time equivalent employees that the Applicant had during the eight-week covered period (answer to Question D.4 or D.5) less than the lesser of: average number of full-time equivalent employees the Applicant had between February 15, 2019, and June 30, 2019 (answer to Question D.1), or between January 1, 2020, and February 29, 2020 (answer to Question D.2)? Yes No

If No, there is no reduction in the maximum amount of the Applicant’s PPP Loan that qualifies for forgiveness (maximum loan forgiveness amount remains as set forth in C.7 or C.8). [GO TO SECTION E.]

If Yes, multiply the maximum amount of the Applicant’s PPP Loan funds that qualify for forgiveness (answer to C.7 or C.8) by the following formula:

Total Dollar Amount of PPP Loan that qualifies for forgiveness	X	Average number of FTEs per month for eight-week covered period	÷	Option 1: Average number of FTEs per month from February 15, 2019 to June 30, 2019
				Option 2: Average number of FTEs per month from January 1, 2020 to February 29, 2020
				For Seasonal Employers: Average number of FTEs per month from February 15, 2019 to June 30, 2019)

C.7 or C.8 x (D.4 or D.5 ÷ lesser of D.1 or D.2) = new amount of PPP Loan forgiveness.

This is the new amount of the Applicant’s PPP Loan that qualifies for forgiveness.
\$ _____.

E. MAINTAIN LEVEL OF WAGES/SALARY TEST:

1. In the first quarter of 2020, how many employees did the Applicant have that earned less than \$100,000.00 in 2019 and were not paid on a variable rate basis (such as commission)? Enter answer here. _____ (“Applicable Employees”). List all such Applicable Employees on the chart below and calculate whether any of these Applicable Employees received less than 75% of that employee’s average wage/salary rate during the eight-week period when compared to that employee’s average eight-week wage/salary rate for the first quarter of 2020?

	COLUMN #1	COLUMN #2	COLUMN #3	COLUMN #4
APPLICABLE EMPLOYEE NAME	TOTAL AVERAGE WAGES/SALARY OVER 8 WEEKS IN 1 ST QUARTER	75% OF 1 ST QUARTER TOTAL AVERAGE 8 WEEKS WAGES/SALARY	TOTAL WAGES/SALARY PAID IN 8-WEEK COVERED PERIOD	DOLLAR AMOUNT OF WAGES/SALARY REDUCED BY MORE THAN 25%

- 2. What is the total aggregate dollar amount of all Applicable Employees that received less than 75% of their average first quarter 2020 wage/salary rate for the Applicant’s covered eight-week period? \$_____ (total of Column #4)
- 3. **Subtract the total dollar amount in Question E.2 above from the amount of the PPP Loan that qualifies for forgiveness as set forth in either Question C.7 or C.8 or D.6, as applicable.**

Dollar amount from Question C.7 or C.8 or D.6 -- Dollar amount from E.2 =
Enter amount here. \$_____. This amount is the total dollar amount of the Applicant’s PPP Loan that qualifies for forgiveness. \$_____

F. FINAL CALCULATION OF FORGIVABLE AMOUNT

- 1. The total dollar amount of Applicant’s PPP Loan that qualifies for forgiveness is \$_____. (Enter answer from Question E.3.)
- 2. Subtract the total dollar amount of the PPP Loan that qualifies for forgiveness from the total PPP Loan amount that was given to the Applicant and enter the remaining balance here. \$_____ This amount is the amount of the Applicant’s PPP Loan that does not qualify for forgiveness. This becomes the remaining loan balance.
- 3. The total of Question 1 and Question 2 above must equal the original total amount of the PPP Loan given to the Applicant.

1.	Amount of PPP Loan Forgiveness	\$ _____
2.	Remaining balance of PPP Loan	+ _____
	TOTAL PPP LOAN AMOUNT	\$ _____

BORROWER CERTIFICATIONS

Borrower's Signature