



**Paycheck Protection Program Guide – Eligibility**

What is it?	100% federally backed small business loan that offers loan forgiveness for businesses maintaining or restoring payroll during the pandemic.
<b>Is My Business Eligible?</b>	
Your business is eligible if you are a:	
	Sole proprietor/ independent contractor.
Or	
	Small business with less than 500 employees.
Or	
	501(c)(3) with less than 500 employees
Or	
	Business in the Accommodation and Food Services sector (NAIC code beginning with 72) with less than 500 employees per location.
Or	
	Franchise that is assigned a franchise identifier code by the SBA.
Or	
	501(c)(19) Veterans Organization meeting the SBA size standard.
Or	
	Tribal business concern meeting the SBA size standard.
And	
	Business was in operation before February 15, 2020.
And	
	Had employees for whom salaries and payroll taxes were paid.
Or	
	Paid independent contractors reported on 1099-MISC.
You will need to provide good faith certification that:	
	The uncertainty of the current economic conditions makes the loan request necessary.
And	

Disclaimer: the information provided is brief in nature and does not represent the entire CARES Act. For further information and questions specific to your situation, please contact Kerkering, Barberio & Co. at 941-365-4617



	Acknowledgement that funds will be used to retain workers and maintain payroll or make mortgage/lease and utility payments.
And	
	Applications are not pending for the same purposes and amounts.

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**Payroll Protection Program - Loan Amount**

What is the maximum amount I can borrow?		
Lesser of	\$10,000,000	
or		
	2.5 times total average monthly payroll costs	
	<ul style="list-style-type: none"> <li>• <b>Non Seasonal Payroll Costs:</b> Average monthly costs incurred during prior year.</li> </ul>	
	<ul style="list-style-type: none"> <li>• <b>Non Seasonal Payroll Costs (Business started 2020):</b> Average monthly costs incurred for January and February 2020.</li> </ul>	
	<ul style="list-style-type: none"> <li>• <b>Seasonal Payroll Costs:</b> Average monthly payroll costs for 12 week period beginning February 15 or March 1, 2019 and ending June 30, 2019.</li> </ul>	
And		
	Amount of Emergency Disaster Loan refinanced into Paycheck Protection Loan.	
How do I calculate Payroll Costs?	Businesses, except sole proprietors	Sole Proprietors
Included	Salaries, wages, commissions, other compensation	Payments of compensation or income that is a wage, commission, net earnings

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		from self-employment or similar compensation less than \$100,000
	Cash tips or equivalent	
	Payment for vacation, parental, family, medical or sick leave	
	Dismissal or Separation Allowance	
	Group health care benefits including insurance premiums	
	Retirement Benefits	
	State or local taxes on employee compensation	
Excluded		
	Compensation of an annual salary greater than \$100,000, prorated from February 15th to June 30th, 2020	
	Payroll Taxes and Income Taxes	
	Compensation of employees with principle residence outside of U.S.	
	Qualified sick leave wages where credit was taken under Families First Coronavirus Response Act.	

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**Paycheck Protection Program Guide – Loan Forgiveness**

How much will be forgiven?					
The amount spent on the following items during the 8 weeks following the loan origination date.					
	Payroll costs (same definition as for figuring loan amount).				
plus					
	Interest on Mortgage obligations incurred prior to February 15,2020.				
plus					
	Rent on a leasing agreement.				
plus					
	Utility Payments.				
plus					
	Additional Wages paid to tipped employees.				

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Amount subject to forgiveness provision will be reduced by reduction in salaries or reduction in number of employees calculated as follows*:					
<ul style="list-style-type: none"> <li><b>Reduction based on reduction in salaries</b></li> </ul>	Payroll costs (same definition as for figuring loan amount).	Less	For any employee who did not earn during any pay period in 2019 wages at an annualized rate more than \$100,000, the amount of any reduction in wages that is greater than 25% compared to their most recent full quarter.		
<ul style="list-style-type: none"> <li><b>Reduction based on reduction of number of employees</b></li> </ul>	Amounts included in loan forgiveness	X	Average Number of Full-Time Equivalent Employees (FTEs)** Per month for the 8 weeks Beginning on Loan Origination	Divided by Either	Average Number of FTEs per month from Feb 15 to June 30, 2019; or  Average Number of FTEs per month from Jan 1 to Feb 29, 2020; or
					Seasonal: Average number of FTEs per month from Feb 15 to June 30, 2019.

\* Reductions in employment or wages that occur during the period beginning on February 15th, 2020 and ending 30 days after CARES Act enactment will not reduce amount of loan forgiveness if reduction eliminated by June 30, 2020.

\*\*FTE: Full time workers that work at least 30 hours per week in a month, Part time-workers are weekly hours divided by 30, Seasonal aren't counted until 120 days worked in a year.

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