



### ***Things you can do now to prepare for PPP Loan Forgiveness:***

- Gather your documentation and track your PPP expenditures as they occur; do not wait until the end of your loan term
- Suggested Documentation:
  - Payroll
    - Bank statements or payroll reports showing cash paid to employees
    - Tax Forms (Form 941 and state quarterly unemployment form)
    - Receipts, canceled checks, account statements documenting employer contributions to health insurance, and retirement plans
  - Non-Payroll
    - Mortgage Interest - Lender amortization schedule or account statements. Receipts or Cancelled Checks or Bank Statements
    - Rent or Lease – Lease agreement or account statements. Receipts or Cancelled Checks or Banks Statements
    - Utilities – Invoices. Receipts or Cancelled Checks or Bank Statements
- What are Eligible Payroll Costs:
  - Gross Wages (Does NOT include employer portion of Social Security and Medicare)
  - Employer-paid retirement and health insurance benefits
  - Employer-paid state and local tax assessed on employee compensation
  - For each individual employee, the total amount of cash compensation eligible for forgiveness may not exceed an annual salary of \$100,000
- What are Eligible Nonpayroll Costs:
  - Mortgage obligations: payments of interest (not including any prepayment or payment of principal) on any business mortgage obligation real or personal property incurred before February 15, 2020
  - Rent obligations: business rent or lease payments pursuant to lease agreements for real or personal property in force before February 15, 2020
  - Utility payments: business payments for a service for the distribution of electricity, gas, water, transportation, telephone, or internet access for which service began before February 15, 2020
- Definition of Full-Time Equivalency (FTE) – Use 40 hours instead of 30. The maximum for each employee is capped at 1, no matter if they work overtime

Disclaimer: This article was written May 22, 2020. Information is current as of that date. Please check our website periodically for changes. For further information and questions specific to your situation, please contact Kerkering, Barberio & Co. at 941-365-4617