

Paycheck Protection Program Loan (SBA 7(a) "CARES Act") Planning Tool

Inputs

Information Needed:	Who
Last 12 Months # of Monthly Employees	Payroll Provider
Last 12 Months Payroll	Payroll Provider
Last 12 Months P&L	P&L Report/CPA

Links

Legal Disclaimer

\* This is to be used as a planning tool to identify potential scenarios, which you should work with your advisors to determine applicability to your situation and determine facts. This is not a guarantee of eligibility for any loan amounts nor repayment provisions thereof. Only an authorized SBA lender can provide a definitive determination as to eligibility and prevailing terms.

[SBA Lenders](#)

\* For fastest response, please contact your existing SBA 7 (a) loan provider to apply; if none, navigate to <https://www.sbalenders.com/> and click your state to find an approved lender list. Since major banks will be primarily focused on aiding their current borrowers, we advise contacting smaller banks to perhaps get faster response. Alternatively, you may also contact your local SBA District office.

[SBA Local Lenders](#)

\* You may also be eligible for additional SBA funding through an Economic Injury Disaster Loan or SBA Express Bridge Loan which have different requirements. To apply for those programs, please navigate to <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources#section-header-0>. Please consult your SBA lender to confirm your ability to participate in those programs in addition to the CARES Act program.

[SBA COVID-19](#)

[FAQ's](#)

Data	Notes/Comments
Was business in operation between 3/01/2019 - 2/15/2020?	If the answer is "No" Then you would calculate the average total monthly payroll costs incurred during the period beginning on January 1, 2020 and ending on February 29, 2020.
Loan Date	Anticipated date of the loan
Beginning of Base Payroll Period	This information should come from your payroll provider or you will need to pull together the information from whatever system/source you utilize.
End of Base Payroll Period	
Avg. Number of FTE Employees during Base Period (-)	FTE (Full Time Equivalent) = Total number of wage hours paid by employer in reference period divided by 2,080 (52 weeks @ 40 hrs/wk); If "No" in cell C10 above, divide by 320 (8 weeks @ 40 hrs/wk). Any FTEs rehired by the earlier of 8 weeks after loan or 6/30/20 will be treated as if they were rehired by the loan date.
Avg. Number of FTE Employees (1/0/00-2/25/00)	
Loan Forgiveness Index	This is the FTE Post divided by FTE Pre. The loan forgiveness is not to exceed 100%.

Loan Limit	Notes/Comments
Number of Months	If you answered Yes in cell C10 it will be 12 months, if you answered no it will be 2 months
Fully Loaded Payroll Cost During Reference Period from to	Payroll costs include salaries, wages, commissions, tips and other payroll costs, including vacation, family and medical leave, sick pay, retirement benefit costs, or any state or local tax assessed on payroll. It does not include taxes withheld from employees or any sick leave wages for which you are eligible for a credit under the recently enacted Families First Coronavirus Response Act. For purposes of calculating salary in the look back period to obtain the loan amount, the compensation of any individual employee cannot be greater than \$100,000 and employees must be residents of the U.S.
Monthly Average Payroll Cost During Reference Period	This is fully loaded payroll divided by number of months
Multiplier	2.5 The maximum amount you can borrow under the PPP loan program will be based on 2.5 times your average monthly payroll costs per location during the past 1-year period before the date on which the loan is made.
Total Projected Loan Limit	Max of \$10M - The loan can be used to pay payroll costs, interest payments on a mortgage (no principal or loan repayments), rent and utilities. You can also use the loan proceeds to pay interest on any other debt incurred before February 15, 2020.

Loan Forgiveness Total	Notes/Comments
Total Projected Loan Limit	Calculated above
Loan Forgiveness Index	Calculated above
Subtotal	Total Projected Loan Limit multiplied by Loan Forgiveness Index
Salary reduction in excess of 25%	<b>In most cases this will be \$0.</b> Add up all amounts of salary/wage reductions to employees greater than 25% of their salary/wage amounts during the 8 week post-loan period as compared to their highest 8 week average in the 3 months prior to the loan date.
Total Projected Loan Forgiveness	Subtotal less ant Salary reduction in excess of 25%
Projected Principal for Repayment	Projected Loan Limit less Total Projected Loan Forgiveness
Loan Repayment (Months)	120 The loans can be written up to a 10-year term, and require the lender to defer principal and interest payments for at least six months, but no more than one year. There is no prepayment penalty.
Annual Interest Rate	4% The government has capped the interest rate at 4%.
Monthly Principal + Interest Repayment	Lenders can defer start of repayment for up to 1 year from loan date