



Paycheck Protection Program 102: How Nonprofits Can Manage Their Loans & Forgiveness Basics

*With Updates as of June 4, 2020 Following
Congressional Passage of the PPP Flexibility Act*

Continue to Check SBA's Website

This information is provided for general informational and educational purposes only and does not constitute legal, accounting or financial advice. Please note guidance is changing regularly. We encourage you to check with the SBA and your lender for updated guidance and check our FMA toolkit for updated materials.

What are we covering today?

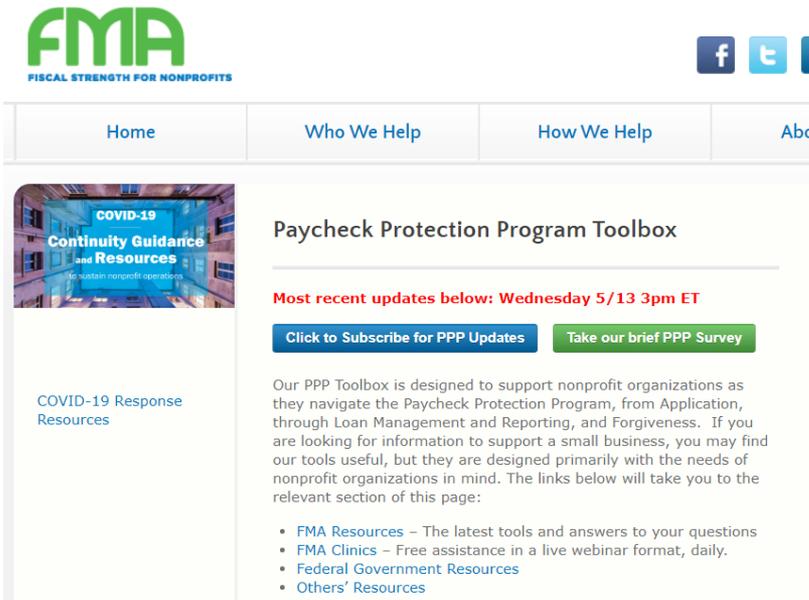
- Updates on **PPP Flexibility Act**
- We Received Our Loan...**Now What?**
- **What** Can We Use The Loan For?
- How Will **Forgiveness** Work? How Much
Can We Get Forgiven?

FMA Paycheck Protection Program Toolbox

Download the deck today

<https://fmaonline.net/forgiveness>

Or visit the PPP Toolbox



The screenshot shows the FMA website's "Paycheck Protection Program Toolbox" page. At the top left is the FMA logo with the tagline "FISCAL STRENGTH FOR NONPROFITS". To the right are social media icons for Facebook, Twitter, and LinkedIn. Below the logo is a navigation bar with links for "Home", "Who We Help", "How We Help", and "About Us". The main content area features a "COVID-19 Continuity Guidance and Resources" banner. Below the banner, the page title "Paycheck Protection Program Toolbox" is followed by a "Most recent updates below: Wednesday 5/13 3pm ET" notice. Two buttons are present: "Click to Subscribe for PPP Updates" and "Take our brief PPP Survey". A paragraph explains that the toolbox is designed to support nonprofit organizations through the PPP process. At the bottom, a list of resources is provided:

- FMA Resources – The latest tools and answers to your questions
- FMA Clinics – Free assistance in a live webinar format, daily.
- Federal Government Resources
- Others' Resources

Managing Your Loan & Forgiveness Guidance

Slide deck: FMA guide to Managing your PPP Loan and Forgiveness 102 (pdf)

Updated Monday 6/1 9 am ET

Navigating the Forgiveness Process and Application 103 (pdf)

Updated Monday 6/1 9 am ET

Clinic Recording: Managing your PPP Loan and Forgiveness 102

Updated Thursday 5/28 9 am ET

Highlights of Two New PPP Interim Final Rules on Forgiveness (pdf)

Updated Tuesday 5/26 8:30 am ET

Forgiveness Estimator 2.0 (xls) Updated Tuesday 5/26 11 pm ET

Our latest version of the Forgiveness Estimator is based on the SBA Forgiveness Application and Instructions issued Friday, May 15th.

<https://fmaonline.net/ppptoolbox/>



How do we reach FMA with additional questions and support on PPP after today?

Please reach out to
FMACARES@fmaonline.net

One of our experts will assist you
with your questions as soon as possible



Basics of the PPP

- Federal loan administered by the SBA
- It is a **loan with conditions** on how it can be used
- There is an opportunity for it to be fully **forgiven**
- Whatever is not forgiven, continues as a loan to be spent on allowable uses at 1% interest
- Goal is to **retain workers** and have business **continuity**, not expansion

Summary of the PPP Flexibility Act

We are awaiting guidance from the SBA on exactly how the Act will be implemented.

Here are highlights of the legislation passed on 6/3:

Area	Before the Act...	Now with the Act...
When You Can Use the Loan Proceeds Through	Officially June 30 although there were implications you could go further	December 31, 2020
Forgiveness (aka “Covered”) Period	8 weeks	24 weeks (can stay with 8 if you already received a loan). Must end by Dec. 31, 2020
Deadline to Submit Forgiveness App. to Lender	Unknown	Effectively, up to 10 months from the end of your Covered Period
Spending Ratio	Had to spend at least 75% on payroll	Have to spend at least 60% on payroll, so can spend up to 40% on non-payroll costs
Avoiding Penalties	Had until June 30 th to rehire employees and restore salaries back to their Feb 15 th levels to avoid a penalty	Have until December 31 st to rehire employees and restore salaries back to their Feb 15 th levels to avoid a penalty. There are some other new reduction exceptions as well.
Loan Term	2 years from loan disbursement	5 years from loan disbursement on new loans; for loans already disbursed, can mutually agree with your lender on this change
Access to Payroll Taxes Deferral	Could not have deferrals once granted forgiveness	Can still have deferrals even when granted forgiveness

Where Are We Awaiting More Guidance?

- Will the change to at least **60% spent on payroll** be enforced as to the total loan amount or will the regulations soften it? Will not sticking to 60% lead to a proportional reduction in forgiveness or no forgiveness?
- Will any of the following be incorporated into the rules to soften the impact of the law?
 - Will organizations be able to apply for forgiveness using a period **in between 8 and 24** weeks as soon as they finish spending down the loan in the right ratio?
 - Will there still be a **\$15,385 cash compensation cap** for individual employees? Will it increase to \$46,153 for those using the 24-week option?
- How will the new 24-week option affect forgiveness reduction **penalties** for organizations who have or will **make reductions in their workforce**?
- What will **online application forms and documentation requirements** from lenders look like? What kinds of **reports** will **payroll companies** create to make this easier for you?
- How will the **EIDL advance** and/or loan be taken into account for PPP forgiveness?
- How will organizations who want to **request a forgiveness amount lower** than their initial calculations lead to make sure they can do so?

Forgiveness Application Live



Paycheck Protection Program Loan Forgiveness Application

OMB Control Number 3245-0407
Expiration Date: 10/31/2020

PPP Loan Forgiveness Calculation Form

Business Legal Name ("Borrower")		DBA or Tradename, if applicable	
Business Address		Business TIN (EIN, SSN)	Business Phone
		() -	
		Primary Contact	E-mail Address

SBA PPP Loan Number: _____ Lender PPP Loan Number: _____

PPP Loan Amount: _____ PPP Loan Disbursement Date: _____

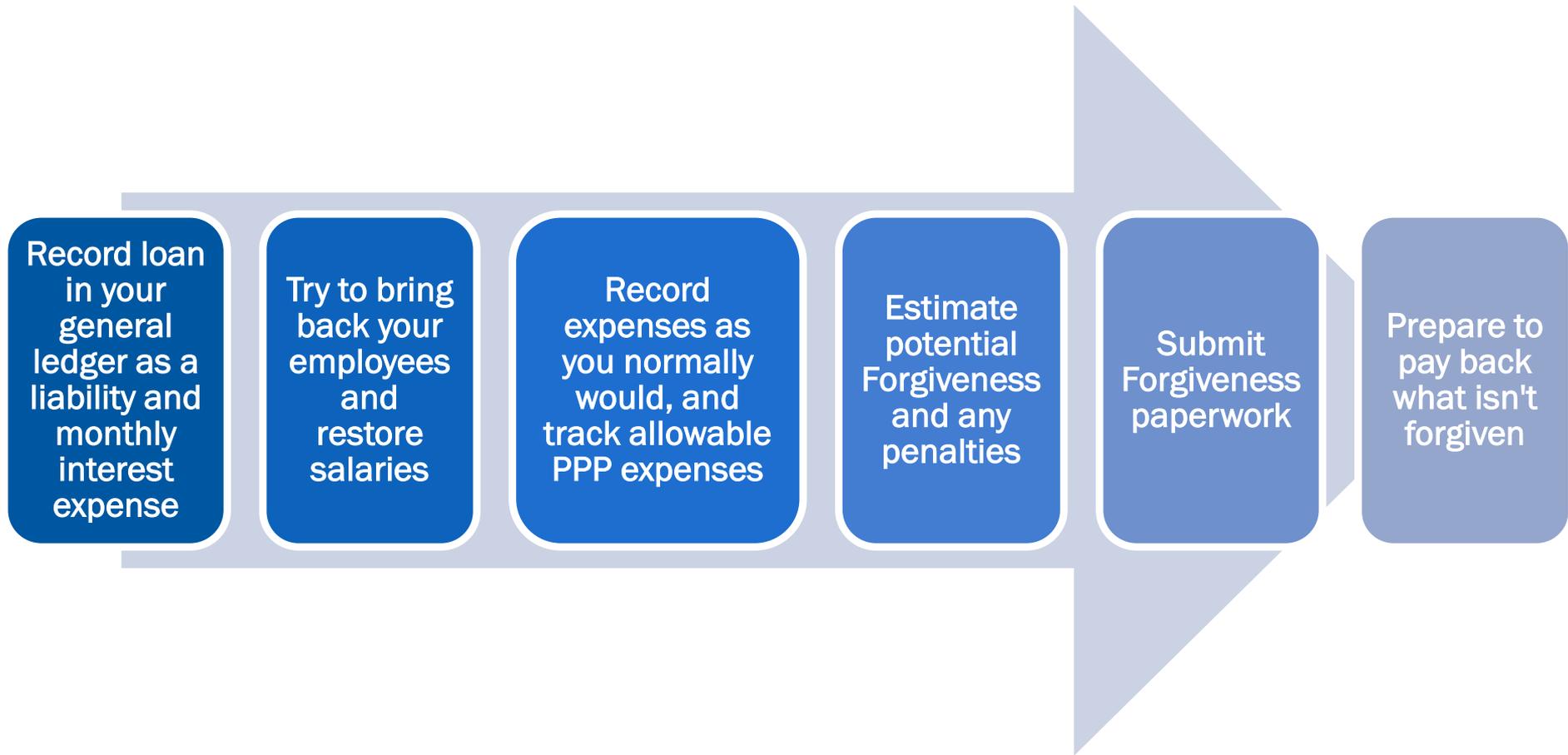
Employees at Time of Loan Application: _____

Employees at Time of Forgiveness Application: _____

The Treasury Will Be Updating the Application Given the Passage of the PPP Flexibility Act. Will Update the Link When It Is Ready.



Managing Your Loan



Record loan in your general ledger as a liability and monthly interest expense

Try to bring back your employees and restore salaries

Record expenses as you normally would, and track allowable PPP expenses

Estimate potential Forgiveness and any penalties

Submit Forgiveness paperwork

Prepare to pay back what isn't forgiven

Check out [FMA PPP Toolbox for Accounting Guidance](#)



What Can We Use the Loan For?

What Can We Use the Loan For?

- **Payroll** (at least 60% of total loan must be used on payroll)
- **Utilities, rent, mortgage interest**, interest payments on other debt obligations (with arrangements in place by 2/15/20)

There are consequences of spending on unallowable expenses, including needing to return funds used for these unallowable purposes. If done knowingly, this could be considered fraud with certain penalties.

What Can We Use the Loan For?

Allowable

Cash Compensation¹

Employer Paid Health² & Retirement Benefits

Employer Paid State & Local Payroll Taxes

Rent & Mortgage Interest, Other Interest³

Utilities (Water, Gas, Electricity, Transp. Internet, Phone)

Not Allowed: All Other Expenses Including

Excess Wages for Salaries > \$100k⁴

Payroll for Employees Perm. Outside USA

Employer Portion of Federal Taxes & FICA

FFCRA Credits for Sick and Family Leave

Independent Contractor Pay (1099s)

¹Cash compensation includes salaries, wages and commissions (including to furloughed employees), tips, bonuses, hazard pay, paid leave, severance, and housing allowances

²Group health benefits includes medical, dental, and vision.

³Other Interest not eligible for forgiveness

⁴Cash compensation eligible for forgiveness is limited to \$15,385 per employee. *This may change with new PPP Flexibility Act.*

What Can We Use the Loan For? Open Questions

Even with new guidance, we still have open questions. Here are some suggestions for you may want to proceed, but for all of these it is best to **plan that none of these will be allowable** and then be nicely surprised if we find out they are allowed. Remember PPP is about **business continuity** and not business expansion.

Open Questions	Way You May Want to Proceed
What kind of transportation is allowed in the definition of utilities?	Include costs that are core to the way you do business where you had agreements in place by 2/15/20.
If you reimburse staff for internet, telephone, or home office use as non-taxable reimbursements rather than pay a vendor directly , are those expenses allowable as utilities ?	<p>While some lenders have indicated these will be allowable, this will probably be lender specific on if they're willing to look through all of your payroll paperwork to justify why you included.</p> <p>If you add them as W-2 income for your employees, you should be able to include as part of gross wages/salaries.</p>

PPP & Restricted Funding Sources

- Organizations receiving federal funds **cannot "double dip,"** meaning you cannot claim to the federal government you spent different federal funds on the same expenses. It is likely PPP funds will be treated as federal funds for this purpose.
- Nonprofits will need to keep good records to show which employees are being paid from what source so that the government isn't paying more than 100% of a salary. This is a good approach for all of your restricted funding sources.
- You should consider **comparing** your allowable expenses for PPP vs. your restricted grants and contracts.
- There may be other allowable expenses your other restricted funding sources can cover, including during the Covered Period (8 or 24 weeks)
- Some **may choose to reduce their forgiveness request** because they want to be able use a drawn down from their restricted funding sources.

Any other nuances to understand?

- If you share employees and/or allowable operations expenses with another **nonprofit that isn't a (c)(3) or (c)(19)**, do not use the loan to cover the expenses associated with that other organization and do not include in your forgiveness request.
- If you received sick and family leave credits covered by the Families First Coronavirus Response Act (**FFCRA**), you cannot include those leave credits in allowable PPP payroll expenses.
- **Open Question:** What further guidance, if any, will be put in place to **prevent abuse**?

How Will Forgiveness Work?

Overview: How Much Will We Get Forgiven?

Up to **100%** of the funds you spend in either the 8-week or 24-week period *if you:*

- 1) Keep or increase your **FTEs**
- 2) Maintain **salaries or hourly rates** of employees; and
- 3) Spend the loan on what it is **supposed to be spent on, including at least 60% for payroll**

Important: FTEs =
Full-Time
Equivalents.
NOT Headcount

BUT - if you have to **decrease salaries or hourly rates** or **reduce FTEs**, you will get a partial **reduction in forgiveness**.

Reductions that were made between **2/15/20 - 4/26/20** will not reduce forgiveness if fully **replenished by 12/31/20**

Let's start with the timing and details of those 8 or 24 weeks...

When is the Period for Forgiveness?

The primary purpose of the loan is to use it on allowable expenses during the Covered Period: the **8** or **24 weeks** following when you received it. The allowable spending you have during this 8 or 24 weeks is what will count for **forgiveness**.

**How To Define the Period:
8 Weeks aka 56 Days or 24 Weeks aka 168 Days**

The Covered Period starts with the loan disbursement date.

However, **for administrative convenience**, organizations can calculate eligible payroll costs **using an Alternative Payroll Covered Period** if they are on a bi-weekly or more frequent schedule, delaying the start of their 8 or 24-week period to the first day of their first payroll following when the loan was disbursed. This is not an option for semi-monthly or monthly payrolls.

Understanding The 8-Week Covered Period

Starting date:



The day the lender makes the PPP loan disbursement.

Forgiveness “covered period:” **8 weeks**

May be used for payroll; must be used for non-payroll expenses

8 weeks

APRIL 2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6				10	11
12	13			16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Day 1



MAY 2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					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
31						

JUNE 2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3	4	5	6
7			10	11	12	13
			17	18	19	20
	22	23	24	25	26	27
28	29	30				

Day 56



Understanding The 24-Week Covered Period

Starting date:



The day the lender makes the PPP loan disbursement.

Forgiveness “covered period:” **24 weeks**

May be used for payroll; must be used for non-payroll expenses

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APRIL 2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			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		

Day 1

May, June, July, August, September...

OCTOBER 2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				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	31

Day 168

Do we include the expenses paid during or incurred in the 8 or 24 weeks in our calculations?

The Application allows for both methodologies to be used.

Paid During*

All of it Counts

Paid During & Incurred

All of it Counts

Fully Incurred, Not Paid During
But Is At Next Regular Due Date

All of it Counts

Partially Incurred, Not Paid During
But Is At Next Regular Due Date

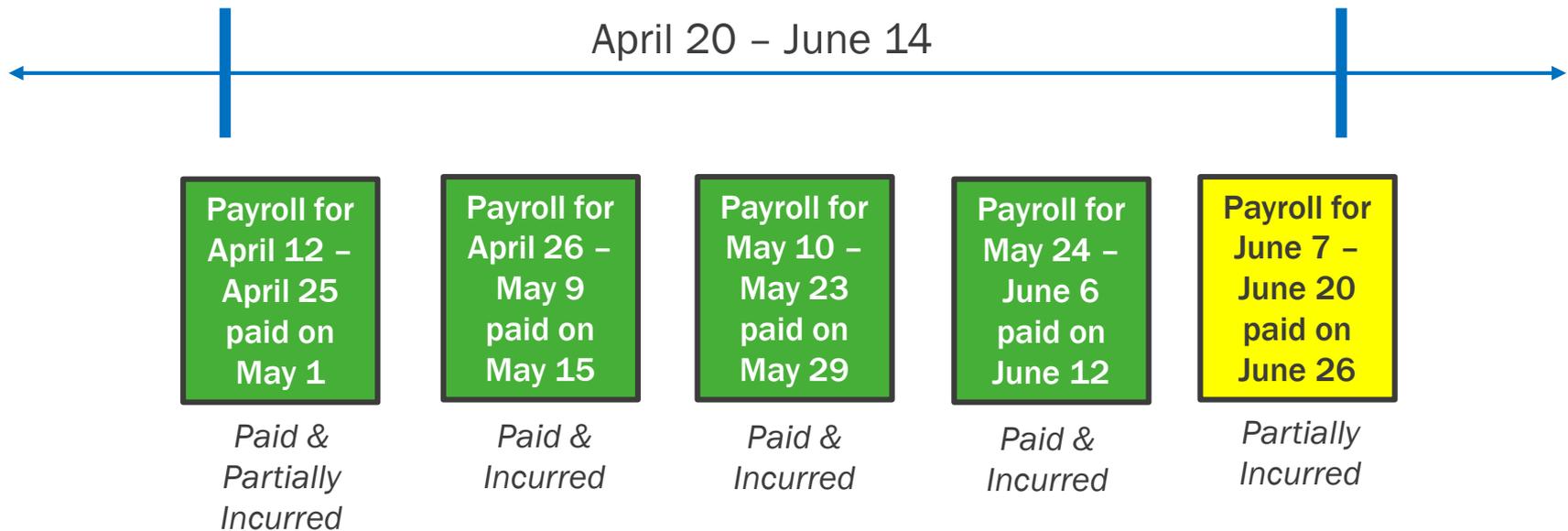
Part of it Counts
(Prorated)

*Bills fully incurred **before** the 8 or 24-week period that are paid in the ordinary course during the 8 or 24-week period are allowed. Pre-paid mortgage interest for **after** the 8 or 24-week period is not allowed. We are awaiting guidance on how other pre-payments will be treated, but organizations should plan on them not being allowed.

What Counts During the Covered Period Towards Forgiveness?

Example 8-week Covered Period: April 20, 2020 – June 14, 2020 For Payroll Costs

Assumes Bi-Weekly Payroll and using standard Covered Period



Payroll costs incurred but not paid during the Borrower's last pay period of the Covered Period (or Alternative Payroll Covered Period) are eligible for forgiveness if paid on or before the next regular payroll date.

SBA may provide further guidance as there are some alternative ways to read their application

Reminder: Cannot include more than **\$15,385** in cash compensation per employee in your forgiveness amount

KEY
All of It Counts
Part of It Counts
(Prorated)

What Counts During the Covered Period Towards Forgiveness?

Example 24-week Covered Period: April 20, 2020 – October 4, 2020 For Payroll Costs

Assumes Bi-Weekly Payroll and using standard 24-week Covered Period



Payroll costs incurred but not paid during the Borrower's last pay period of the Covered Period (or Alternative Payroll Covered Period) are eligible for forgiveness if paid on or before the next regular payroll date.

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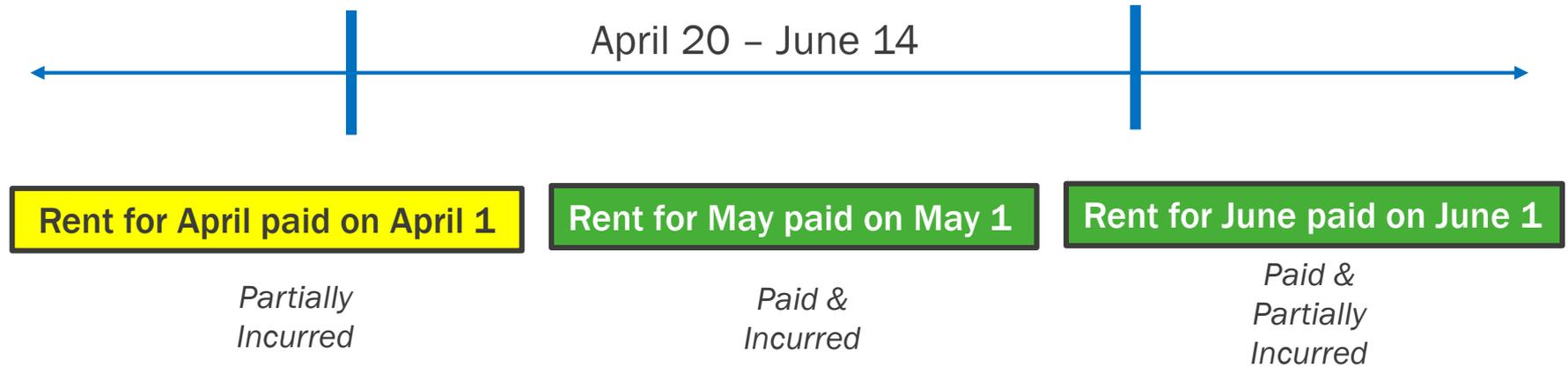
Awaiting guidance on what the cash compensation cap will be per employee.

KEY

All of It Counts
Part of It Counts
(Prorated)

What Counts During the Covered Period Towards Forgiveness?

Example 8-week Covered Period: April 20, 2020 – June 14, 2020 Non-Payroll: Rent



An eligible nonpayroll cost must be paid during the Covered Period or incurred during the Covered Period and paid on or before the next regular billing date, even if the billing date is after the Covered Period.

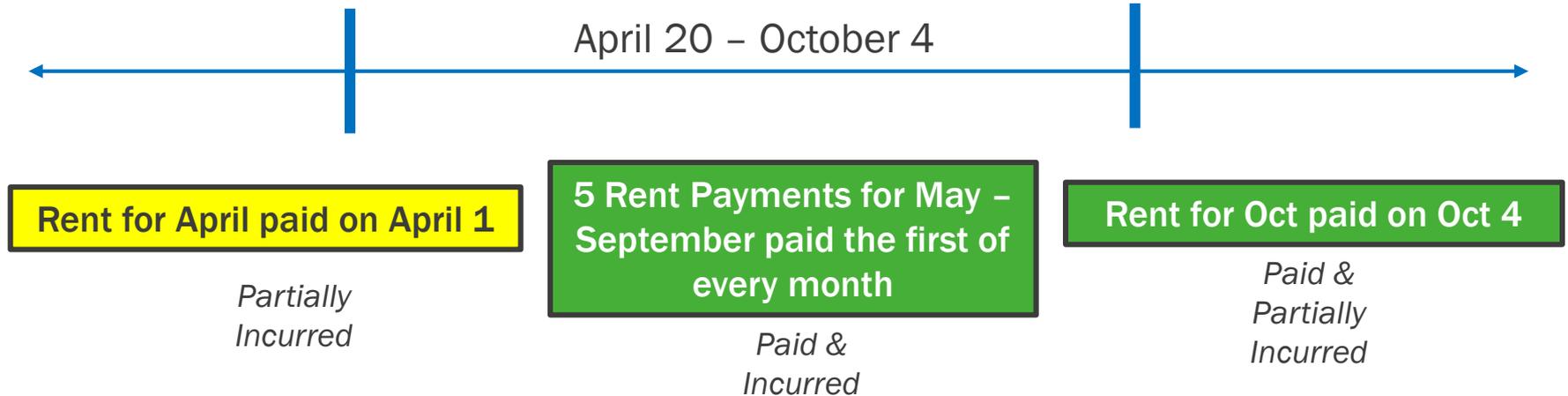
SBA may provide further guidance as there are some alternative ways to read their application

Reminder: Total non-payroll costs cannot exceed more than **40%** of your loan amount without incurring a reduction penalty

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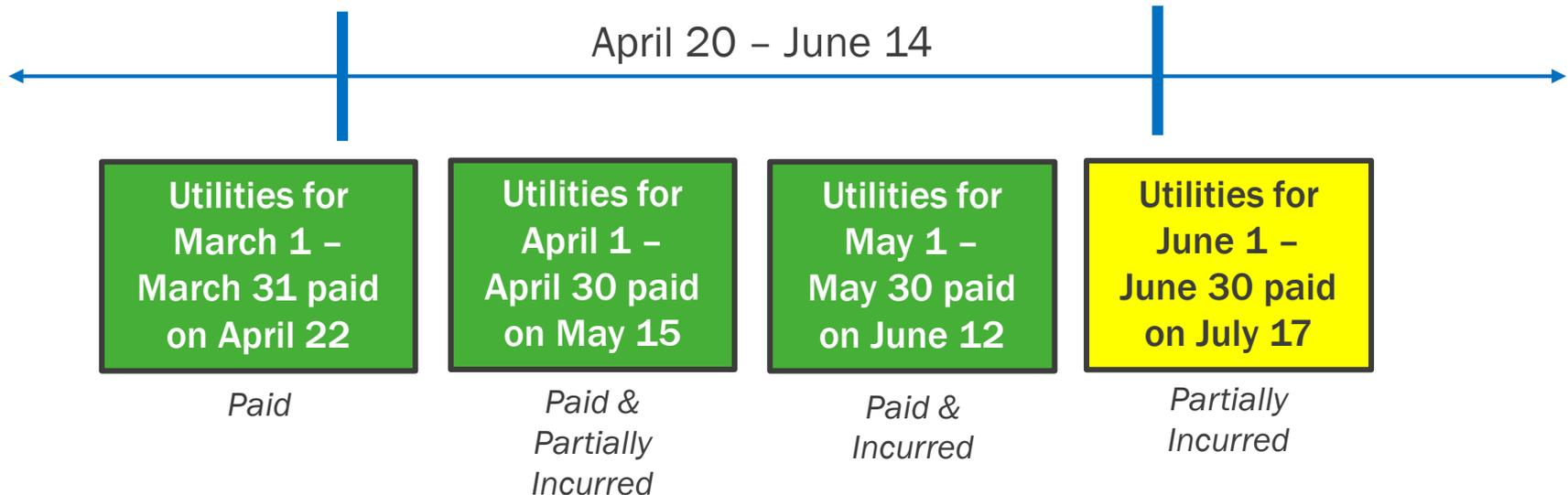
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KEY
All of It Counts
Part of It Counts
(Prorated)

What Counts During the Covered Period Towards Forgiveness?

Example 8-week Covered Period: April 20, 2020 – June 14, 2020

Non-Payroll: Utilities



An eligible nonpayroll cost must be paid during the Covered Period or incurred during the Covered Period and paid on or before the next regular billing date, even if the billing date is after the Covered Period.

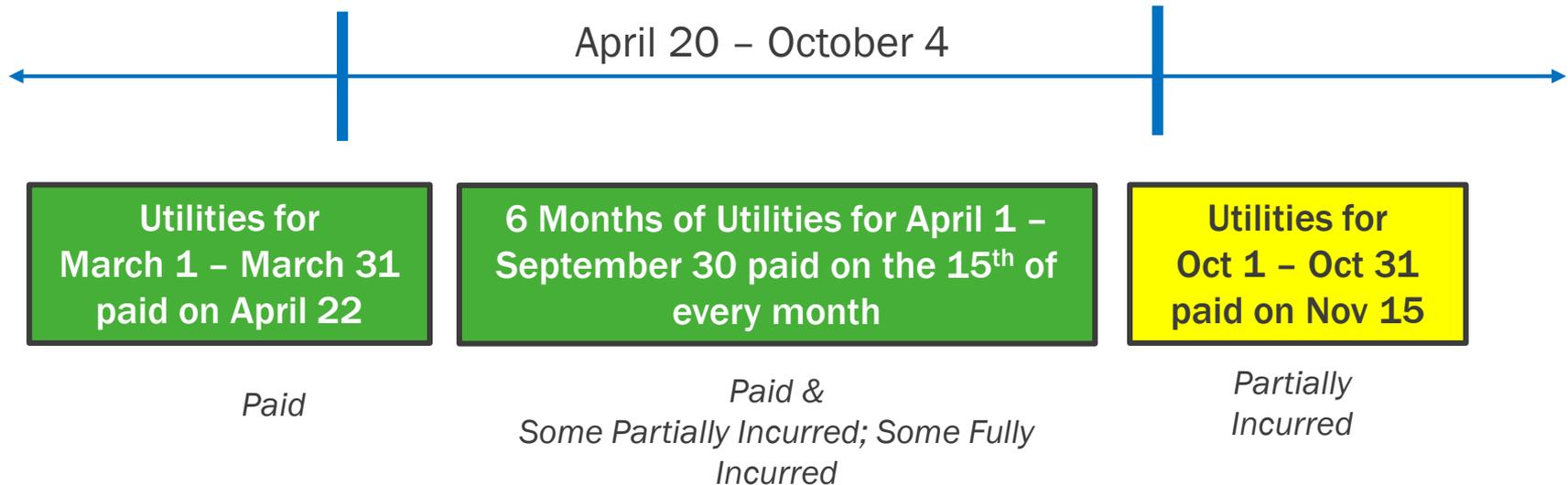
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Reminder: Total non-payroll costs cannot exceed more than **40%** of your loan amount without incurring a reduction penalty

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All of It Counts
Part of It Counts (Prorated)

Now, how much will be forgiven?

What Can I Do Today To Begin Estimating Forgiveness?

1. Estimate **how much you will spend** on allowable payroll and operations expenses during the **8** or **24-week period**
2. Estimate any **Workforce or Wage Reduction** penalties
3. Ensure you spend **at least 60%** on allowable payroll expenses
4. Understand if you may need to shift arrangements with any of your **restricted funding sources**

Please also review your promissory note, use our estimator, and review the SBA Forgiveness Application.

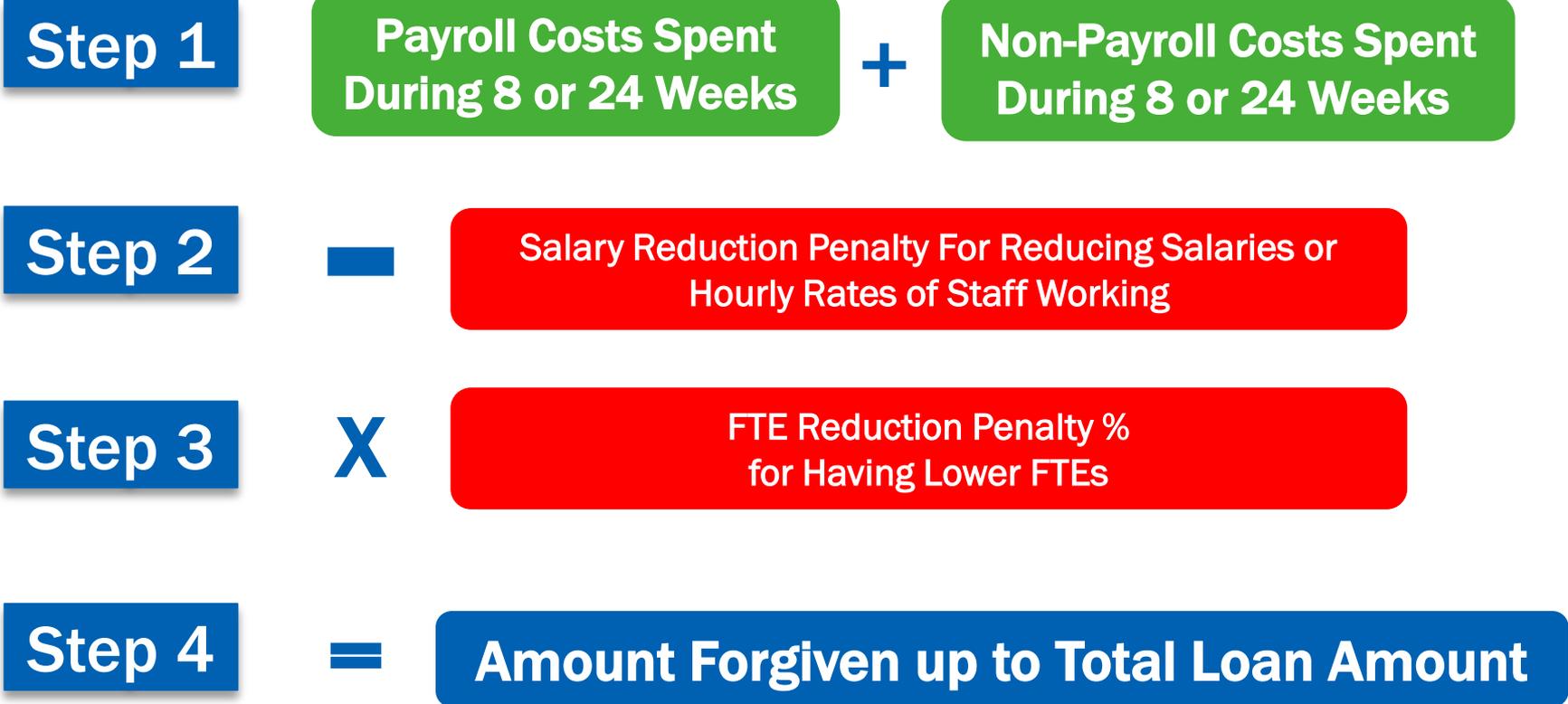


What Do I Need To Do Today To Maximize?

1. **Bring your staff back** on payroll (even if they can't do their normal job); you may also hire additional staff to do needed work
2. **Restore any salaries or hourly wages** cut between February 15th – April 26th
3. Pay payroll and all relevant bills **on time**
4. **Keep track** of all your receipts and paperwork

Basic Formula: How Much Will We Get Forgiven?

Assuming you spend at least 60% on allowable payroll...

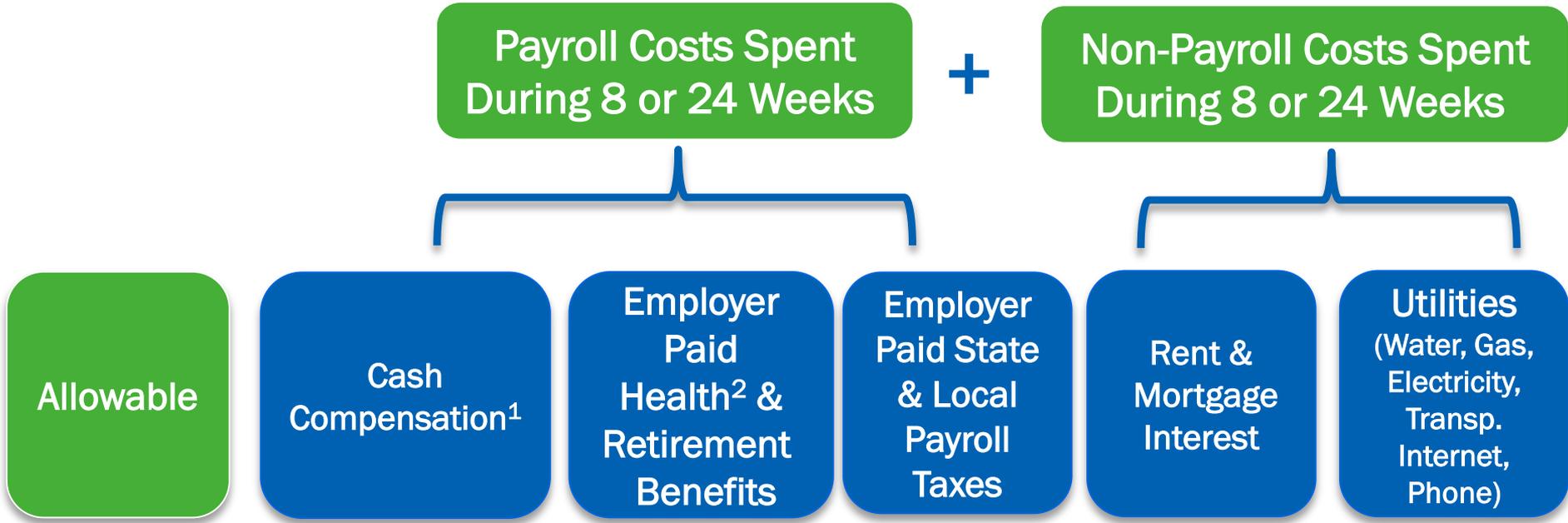


EIDL Advances May Also Reduce the Amount Forgiven

More Nuances on Next Slides



Diving In: What Expenses Count Towards Forgiveness?



¹Cash compensation includes salaries, wages and commissions (including to furloughed employees), tips, bonuses, hazard pay, paid leave, severance, and housing allowances. Cash compensation eligible for forgiveness is limited to **\$15,385 per employee**. *Note this may shift as a result of the PPP Flexibility Act*

²Group health benefits includes medical, dental, and vision.



Diving In: FTE Reduction Penalty

Defining Full-Time Equivalent Employees (FTEs/FTEEs)

FTEs \neq headcount or number of employees

If you have 5 part-time employees, who each work 1 day per week...

Headcount	FTEs
5	1.0

Diving In: FTE Reduction Penalty

Goal: Compare your FTEs during your Covered Period (8 or 24 weeks) to a prior comparison period to see if a penalty needs to be assessed if you do nothing

While you will look at specific employees to determine your FTE count in the time periods, you do not need to retain the exact same people.

Diving In: FTE Reduction Penalty

Based on the initial reading of the Application. *The comparison periods may shift as a result of the PPP Flexibility Act.*

(1) Choose a Calculation Method

Mathematical Method

1 FTE = 40 hours/week

Example: Someone who is paid for 10 hours/week = .25 FTE

OR

Simple Method

Anyone who is paid for 40 hours/week or more = 1 FTE

Anyone who has fewer hours = .5 FTE

(2) Choose a Comparison Period

Choose the period with the lower FTE count

**Feb 15, 2019 –
June 30, 2019**

OR

**January 1, 2020 –
Feb 29, 2020**

Seasonal can also choose to use any consecutive 12-week period between 5/1/19 – 9/15/19

Diving In: FTE Reduction Penalty

Using the Mathematical FTE Method

You take a look at who was paid during the Covered Period...

Employee	Average Hours Paid Per Week	FTE
Joanne	30	0.75
Jackson	40	1.0
Robert	40	1.0
Dianne	20	0.5
Rami	10	0.25
Benjamin	20	0.5
Michelle	40	1.0
Average FTEs Per Week During the Covered Period (8 or 24 Weeks)		5.0

Diving In: FTE Reduction Penalty

Calculating FTEs for the Covered Period (8 or 24 weeks)

We made a good-faith written offer to rehire an employee during the Covered period (8 or 24 weeks) and it was rejected.*



During the Covered Period (8 or 24 weeks) an employee was fired for cause, voluntarily resigned, or voluntarily requested and received a reduction of their hours.



Yes!

If the position was not filled by a new employee, you can count these employees at their FTE in your covered period calculation

There are several other exceptions added under the new PPP Flexibility Act we will share more on after SBA releases guidance.

*Per SBA guidance, organizations must notify the relevant state unemployment office that the offer to return to work was rejected within 30 days of the rejection.

Diving In: FTE Reduction Penalty

Now...Compare to one of the time period options

These periods may shift as a result of the PPP Flexibility Act.

**Covered Period
8 or 24 weeks**

5.0

VS.

**Feb 15, 2019 –
June 30, 2019**

3.0

OR

**January 1, 2020 –
Feb 29, 2020**

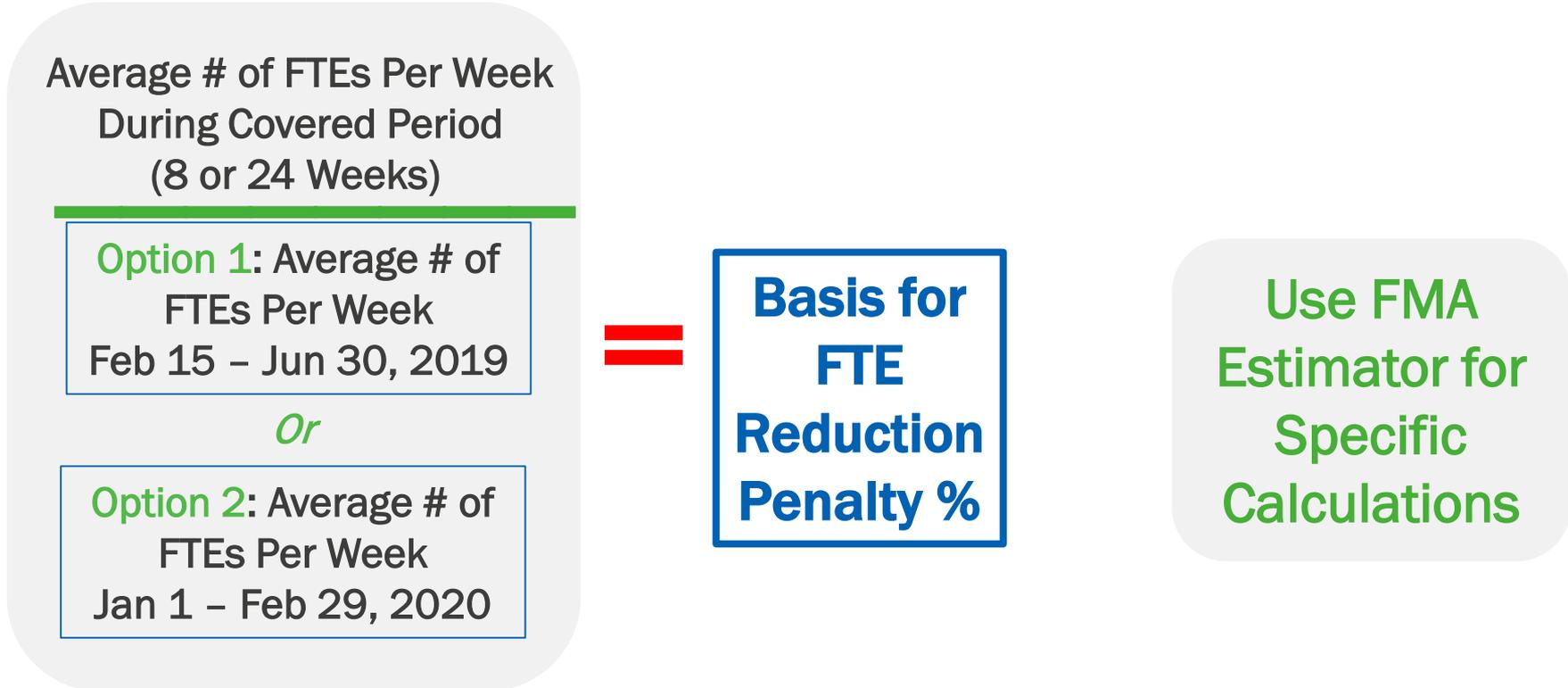
5.5

✓ Okay, the FTE Count in the 8 or 24-Week Period (5) is higher than a comparison period (3)



Diving In: FTE Reduction Penalty

Now...for the actual reduction formula:



*These may shift as a result of the
PPP Flexibility Act.*

And There Are Some
Exceptions and Nuances...



Forgiveness Scenario Examples

SBA guidance allows you, the borrower, to pick one of two options to compare to your PPP Covered Period (8 or 24 weeks) to understand how much you'll be able to get forgiven.

	Scenario 1	Scenario 2
Between 2/15-6/30/19 (Option 1) you had...	Weekly Average: 10 FTEs	Weekly Average: 10 FTEs
You grew in January and February of 2020 (Option 2), so you had...	Weekly Average: 15 FTEs	Weekly Average: 15 FTEs
The crisis resulted in layoffs, so when you received your loan you had...	5 FTEs	5 FTEs
With PPP funds you can rehire during the Covered Period (8 or 24 weeks)	You rehire 5 FTEs for a weekly average of 10 FTEs for the Covered Period	You rehire 3 FTEs for a weekly average of 8 FTEs for the Covered Period
Forgiveness Result	No Penalty	20% Reduction Penalty

In both scenarios, you would compare to Option 1 – the lower FTEs option.

Diving In: FTE Reduction Penalty

Do We Qualify for A Safe Harbor That Won't Reduce Our Forgiveness?

Our workforce was reduced between 2/15/20 - 4/26/20 and it was fully restored to the levels as of 2/15/20 by 12/31/20



Yes!

You also get to count your FTEs as of December 31st to see who you brought back by then

Diving In: Salary Reduction Penalty

Did you reduce your salary levels or hourly rates in 2020?

NO!



No Reduction

YES



See the Appendix to See the Potential Effect and Safe Harbor

Forgiveness Application Simulator & Estimator Being Updated

PPP Loan Forgiveness Calculation Form		
Business Legal Name ("Borrower")		DBA or Tradename, if applicable
Business Address		Business TIN (EIN, SSN)
		Business Phone
		Primary Contact
		E-mail Address
SBA PPP Loan Number:	_____	Lender PPP Loan Number: _____
PPP Loan Amount:	_____	PPP Loan Disbursement Date: _____
Employees at Time of Loan Application:	_____	
Employees at Time of Forgiveness Application:	_____	
EIDL Advance Amount:	_____	EIDL Application Number: _____
Payroll Schedule: The frequency with which payroll is paid to employees is:		
<input type="checkbox"/> Weekly <input type="checkbox"/> Biweekly (every other week) <input type="checkbox"/> Monthly <input type="checkbox"/> Other _____		
Covered Period:	Start Date to End Date _____	
Alternative Payroll Covered Period, if applicable:	_____ to _____	
If Borrower (together with affiliates, if applicable) received PPP loans in excess of \$2 million, check here: <input type="checkbox"/>		
Forgiveness Amount Calculation:		
<u>Payroll and Nonpayroll Costs</u>		
Line 1. Payroll Costs (enter the amount from PPP Schedule A, line 10):		\$ -
Line 2. Business Mortgage Interest Payments:		
Line 3. Business Rent or Lease Payments:		
Line 4. Business Utility Payments:		
<u>Adjustments for Full-Time Equivalency (FTE) and Salary/Hourly Wage Reductions</u>		
Line 5. Total Salary/Hourly Wage Reduction (enter the amount from PPP Schedule A, line 3):		\$ -
Line 6. Add the amounts on lines 1, 2, 3, and 4, then subtract the amount entered in line 5:		\$ -
Line 7. FTE Reduction Quotient (enter the number from PPP Schedule A, line 13):		
<u>Potential Forgiveness Amounts</u>		
Line 8. Modified Total (multiply line 6 by line 7):		
Line 9. PPP Loan Amount:		\$ -
Line 10. Payroll Cost 75% Requirement (divide line 1 by 0.75):		\$ -
<u>Forgiveness Amount</u>		

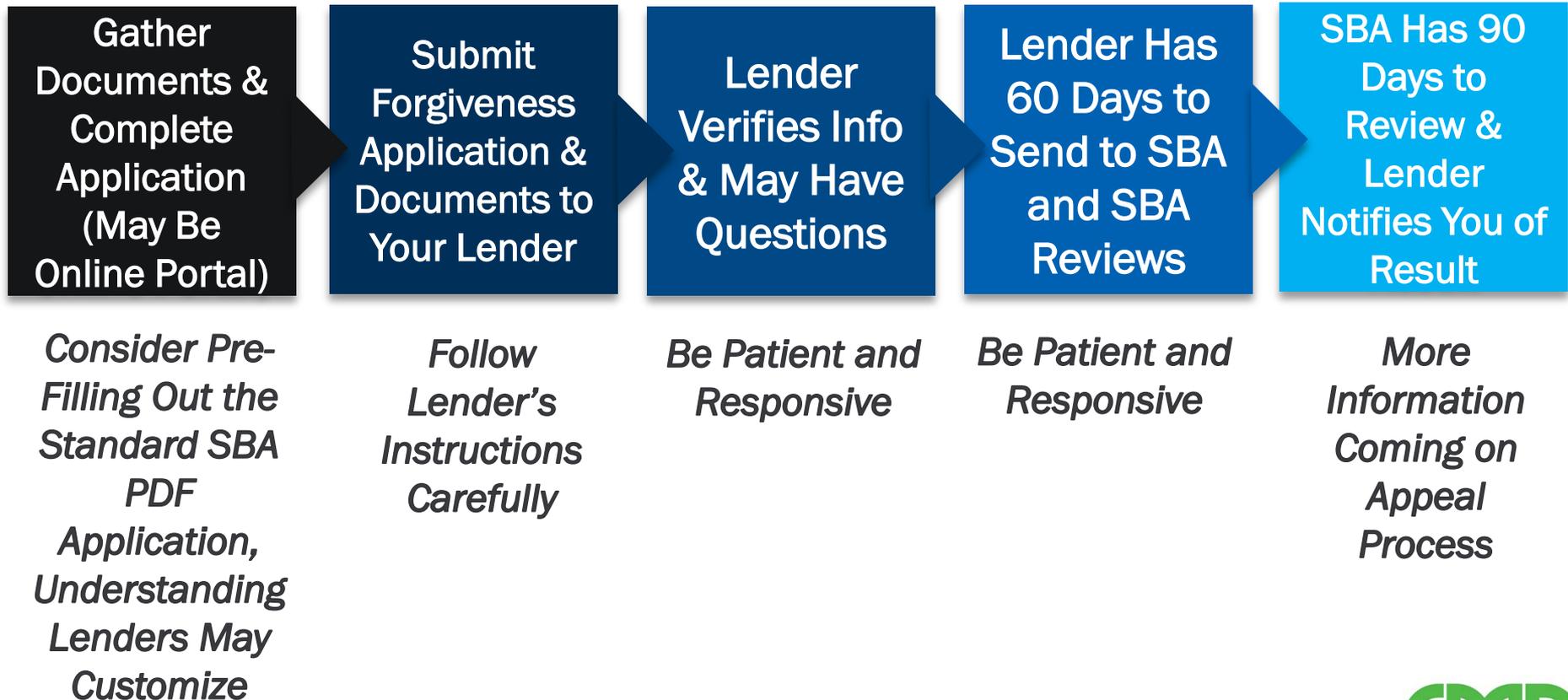
<https://fmaonline.net/ppptoolbox/>



What are the steps for getting forgiveness?

Sample Process You Might See After Your Forgiveness Period Ends.

You Have Up to 10 Months to Submit Your Application:



FMA Paycheck Protection Program Toolbox

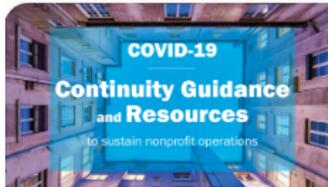


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Who We Help

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COVID-19 Response Resources

Paycheck Protection Program Toolbox

Most recent updates below: Friday 5/29 5 pm ET
*We've added **highlights** summarizing new guidance that came out from the SBA on Friday May 22. We encourage you to attend an upcoming **free daily public clinic** throughout the week.*

[Click to Subscribe for PPP Updates](#)

[Take our brief PPP Survey](#)

Our PPP Toolbox is designed to support nonprofit organizations as they navigate the Paycheck Protection Program, from Application, through Loan Management and Reporting, and Forgiveness. If you are looking for information to support a small business, you may find our tools useful, but they are designed primarily with the needs of nonprofit organizations in mind. The links below will take you to the relevant section of this page:

- [FMA Resources](#) – The latest tools and answers to your questions
- [FMA Clinics](#) – Free assistance in a live webinar format, daily.
- [Federal Government Resources](#)
- [Others' Resources](#)

<https://fmaonline.net/ppptoolbox/>





- Established in 1999 to serve not-for-profit organizations around the country
- Provides customized financial management, accounting, software, organizational development, and other consulting services
- Works directly with organizations or through funder-supported management and technical assistance programs

FMA exists to build a community of individuals with the confidence and skills to lead organizations that change the world

Reach us at
FMACARES@
fmaonline.net



@FMA4Nonprofits



www.fmaonline.net/linkedin

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Appendix: Diving in On Forgiveness

Diving In: Salary Reduction Penalty

Of (a) new employees who started in 2020 or (b) the employees with avg. annualized salaries of \$100k or less during all pay periods in 2019 who were working during the 8 or 24 weeks, did you reduce any of their salaries/hourly rates after Jan 1, 2020?

Use FMA Estimator for Specific Calculations

Step 1: Was their avg. rate reduced by more than 25% when comparing the 8 or 24-week period to 1/1/20- 3/31/20?

YES →

NO!

YES ↓

Step 2: Did the reduction happen between 2/15/20- 4/26/20?

YES! ↓

NO ↓

Step 3: Was the rate the employee had on 2/15/20 restored by 12/31/20?

YES! →

NO ↘

NO ↓

No Reduction

Reduce by Compensation Lost During 8 or 24-Weeks As a Result of Salary/Wage Cut