



PPP LOAN FORGIVENESS CALCULATION MODEL

USER GUIDE

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INTRODUCTION

Welcome to the PPP Loan Forgiveness Calculation Model User Guide.

We have prepared this guide to help you navigate the calculation model Excel workbook so you can confidently enter your spend data that determines the accurate forgiveness amount for your PPP loan.

This User Guide is organized into seven sections:

- Before You Begin
- Getting Started
- Initial Data Input
- Entering Payroll Data
- Entering Non-Payroll Data
- Entering Owner's Compensation
- Next Steps

It is very important that you take the time to carefully read the instructions for completing the model. The forgiveness rules and calculations are extremely complex and very easy to mis-interpret. We have included several helpful tables throughout this manual to guide you on a sample of expenses that are allowed and not allowed to be claimed in your application. By diligently following the steps for completing the model, you will improve the likelihood of getting the total amount of forgiveness that you deserve.

The calculation model is designed so you do not have to conduct any calculations; you only need to enter actual source data from your payroll and accounting records. The model performs every calculation necessary based on the data you enter.

In reviewing your forgiveness application, the bank is required by the SBA to verify the accuracy of all calculations. To effectively perform this fiduciary requirement, it is necessary to first validate the data underlying the actual calculations. We constructed this Loan Forgiveness Calculation Model in a detailed manner to enable a successful review in line with these obligations, and while the data request is substantial, each data element is necessary based on the established forgiveness rules.

BEFORE YOU BEGIN

A successful user experience with this model begins with effective preparation.

Before sitting down to familiarize yourself with the model and start entering data, make sure you have the following information available and accessible:

- Payroll records for each employee for each payroll, beginning 1/1/19 through the end of your Covered Period (or Alternative Covered Period if elected), documenting:
 - Hours worked by employee
 - Individual gross compensation before employee deductions
 - Health insurance contributions paid by employer (if contributions are not indicated on payroll report, include accounting records or account statements from the provider evidencing payment)
 - Retirement contributions paid by employer (if contributions are not indicated on payroll report, include accounting records or account statements from the provider evidencing payment)
- Accounting records and account statements from providers for covered non-payroll expenses showing amounts paid or incurred during the Covered Period
- For mortgage loan accounts, accounting records and account statements or amortization schedule from loan documents showing interest paid or incurred during the Covered Period
- If self-employed:
 - Schedule C from 2019 income tax return (even if not yet filed – do not use 2018 income tax return)
 - Owner’s Income Statement for the Covered Period and evidence of payments to the Owner using PPP funds

Many borrowers use third party payroll providers such as ADP, Paychex, Paylocity and other platforms, all of whom have employee-level reports you can run that will provide summary data such as “Covered Period Gross Pay”, “Covered Period Average Hourly Wage”, “Lookback Period Average Annual Salary”, etc. These reports may prove useful to the borrower for purposes of estimating your forgiveness, but they do not allow the bank to fulfill its fiduciary review obligations because the data is summarized and not traceable. Further, experience has shown that these reports are often filled with errors. As a result, **summary data from these reports are not to be used for this model**. You are required to enter the actual source data from each payroll the business ran starting from the beginning of 2019.

GETTING STARTED

Now that you have your documentation by your side, you're ready to familiarize yourself with the PPP Loan Forgiveness Calculation Model.

When you open the workbook, you will see the Table of Contents which describes the eight different tabs with which you will be working (item A in the image below). Each tab line is linked to the specific tab in the workbook, such that you can easily navigate to any of the tabs with a simple click on the link.

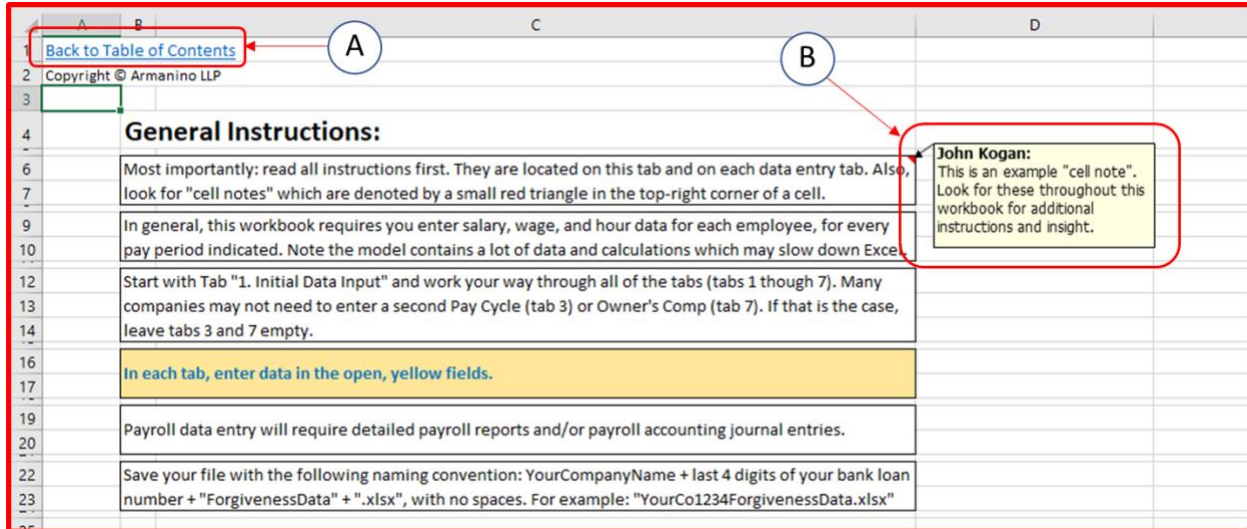
In addition, you will see each tab across the bottom of the workbook as another way to navigate through the workbook (item B in the image below). You can simply click on a tab to move to it.

Tab	Purpose
Tab 0 - Instructions & General Info	Workbook Instructions - Starting point for analysis
Tab 1 - Initial Data Input	Company and loan information required for SBA/Bank forgiveness forms
Tab 2 - Pay Cycle 1 Input	Input Payroll Cost and Employee Hours information here
Tab 3 - Pay Cycle 2 Input	If your company has a second payroll cycle (e.g. Weekly and Semi-monthly), enter it on this tab
Tab 4 - Mortgage Obligations	Enter Covered Mortgage Obligations
Tab 5 - Rent or Lease	Enter Covered Rent or Lease Obligations
Tab 6 - Utilities	Enter Covered Utilities
Tab 7 - Owner's Comp	If applicable, enter Owner's Compensation

Table of Contents | 0. Instructions & General Info | 1. Initial Data Input | 2. Pay Cycle 1 Input | 3. Pay Cycle 2 Input | 4. Mortgage Obligations | 5. Rent or Lease | 6. Utilities | 7. Owner's Comp

Not every borrower will need to use every tab. For instance, if you pay all your employees on the same pay cycle, you can skip “Tab 3. Pay Cycle 2 Input”. That tab is provided solely for companies with multiple pay cycles. Similarly, if you do not have any business mortgages for real estate, equipment or other business property like auto loans, you can bypass “Tab 4. Mortgage Obligations”. The final tab, “Tab 7. Owner’s Comp”, is provided only for self-employed, sole proprietors or owner-employees to use.

“Tab 0. Instructions & General Info” contains several important instructions that apply to the process of completing the workbook, as well as a checklist for supporting documentation you will need handy to enter the correct data and/or submit to your lender.

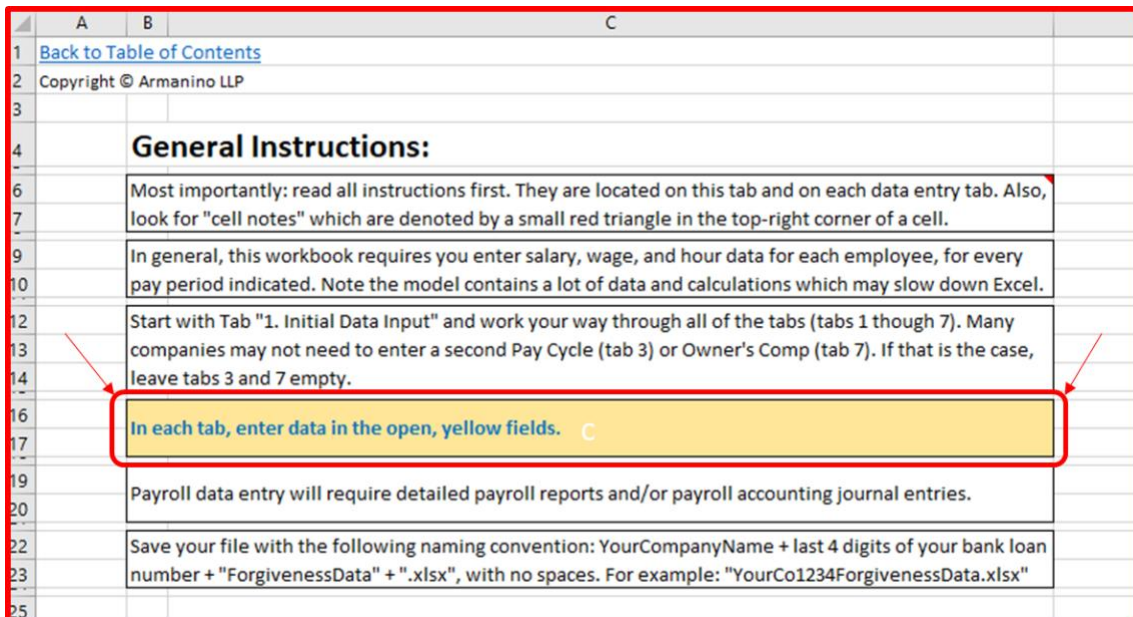


You will note in item A that there is a link that can take you “Back to Table of Contents” simply by clicking it. This is found at the top of each worksheet in the workbook.

Throughout the workbook, there are many places where you will see a red triangle in the upper right corner of a cell. This indicates that there is a “cell note”, which becomes visible when you hover your cursor over the triangle, as shown in item B above. These cell notes contain helpful information, such as specific language from the CARES Act or SBA that provides guidance on what information to include in that cell, column or row.

While we urge you to read all instructions before beginning to enter data, please pay close attention to two key instructions in this tab:

- 1) Throughout the workbook, you will see cells that are shaded white and cells that are shaded yellow. The white cells are protected from data input – please do not attempt to adjust any formulas or change these cells in any way. You will enter data in the cells shaded yellow as noted in the highlighted box below:




2) To protect you from losing data you've already entered, it is a best practice to save your work frequently. Your loan is one of many provided by your lender, so to assist the lender in easily identifying your forgiveness calculation model, please save your file as follows:

- a. In the top menu of Excel, click File, choose Save As, and select the folder where you wish to store the workbook. Type in the name of the file in accordance with this naming convention the first time you save your workbook:

YourCompanyName + last 4 digits of your bank loan number + "ForgivenessData" + ".xlsx", all with no spaces

For example: "YourCo1234ForgivenessData.xlsx" without the quotation marks

- b. After you save the file initially using this name, each time you want to save your work, you simply need to click File, then choose Save and this same file name will be updated.

Alternatively, you can also just click the Save icon  at the top of the Excel window to accomplish the same task.

INITIAL DATA INPUT

With the layout of the workbook and general instructions as context, it's time to begin entering the data necessary to calculate the forgiveness on your PPP loan.

Navigate to “Tab 1. Initial Data Input” either using the link in the Table of Contents or simply by clicking that tab at the bottom of the workbook. You will see a page that looks like this:

	A	B	C
2			
3	ALL DATA IN THE FIRST COLUMN MUST EXACTLY MATCH YOUR LOAN DOCUMENTS – DO NOT USE ESTIMATES OR OTHER NAMES		
4			
5	Tab 1 Instructions: Enter data in each yellow field as indicated. Please refer to the cell notes which are viewable by hovering over the small red triangle in the top-right corner of certain of the blue 'title' cells.		
7			
8	Business Legal Name (Borrower)	Employees at Time of Loan Application	
9	Armanino, LLP	45	
11	Business Address	Employees at Time of Forgiveness Application	
12	12657 Alcosta Blvd #500	41	
13	San Ramon, CA		
14	94543		
16	DBA or Tradename, if applicable	Covered Period Begins: (M/D/YYYY)	
17	Armanino	5/5/2020	
19	Business TIN (EIN #####-##, SSN ###-##-####)	Alternative Covered Period Begins (Payroll Only - leave blank if N/A) (M/D/YYYY)	
20	1234567-89		
22	Primary Contact (First Name Last Name)	Enter number of Covered Period weeks (select 8 or 24 weeks only via drop-down box)	
23	John Doe	8	
25	Business Phone (###-###-####)	Your Covered Period Ends: (based on the selected start date + the number of Covered Weeks)	
26	925-555-1212	6/29/2020	
28	Email Address	If Borrower received PPP loans in excess of \$2 million, "X" here	
29	Sales@armaninollp.com	X	
31	SBA PPP Loan Number	Enter date of start of 12-week alternative FTE baseline if a seasonal employer (M/D/YYYY)	
32	123456		
34	Lender PPP Loan Number:	Form 3508EZ Qualification Section - Read cell notes and place an "X" in all that apply	
35	456789		
37	PPP Loan Amount:	Self-employed individual, independent contractor, or sole proprietor w/ no employees	
38	\$500,000.00		
40	PPP Loan Disbursement Date: (M/D/YYYY)	Borrower did not reduce annual salary or hourly wages of any employee by more than 25%	
41	5/5/2020		
43	EIDL Application Number	No reduction in employees or average paid hours, 1/1/20 through Covered Period	
44	987654		
46	EIDL Advance Amount (Leave as \$0.00 if none)	FTE Reduction Safe Harbor 1 - Unable to Operate Between 2/15/20 and end of Covered Period	
47	\$0.00		
49	Forgiveness Application Submission Date: (M/D/YYYY)	FTE Reduction Safe Harbor 2 - FTE Reduction Safe Harbor Has Been Met	
50	6/29/2020		
52		Eligible for the EZ Forgiveness Application Form (3508EZ)?	
53		No	

This table asks for basic identifying information about your PPP loan and maps to the top half of page 1 of the official PPP Loan Forgiveness Application. Though the yellow data cells in your model are blank initially, we have shown sample data so you can see how to complete each cell. Note there are two white cells in column C, which will automatically calculate once you enter your PPP Loan Disbursement Date in cell A41.

Please take special note of the red alert at the top of the page. The information requested in column A of the worksheet MUST match your loan documents exactly. Please be very careful with this data entry and double-check to be sure there are no transposed numbers or other input that is not the same as your loan documents. The bank will need to include this information in what it sends to the SBA, and any mismatched information may result in the SBA rejecting the forgiveness application submission because it does not align with their records.

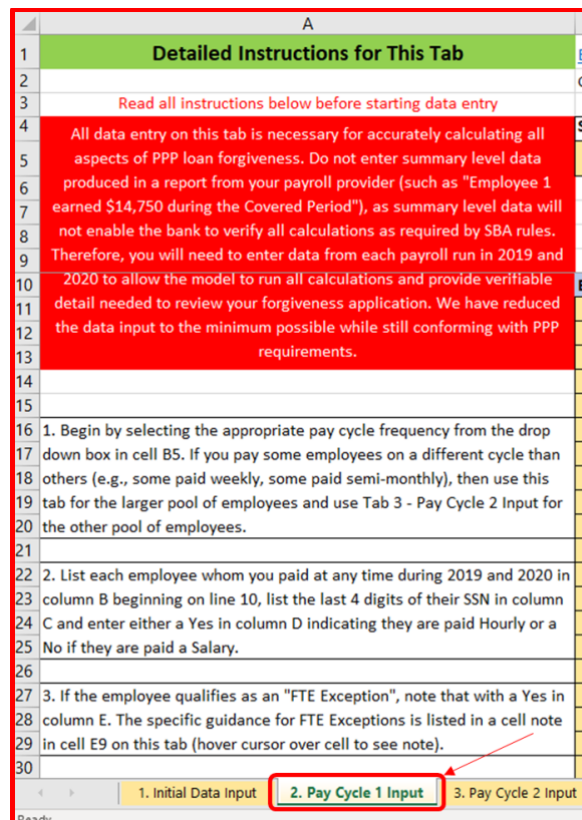
ENTERING PAYROLL DATA

If your business has employees that you paid, you will now move to “Tab 2. Pay Cycle 1 Input”. This is the most critical and complex part of the workbook, and the most important to enter accurately because for most this worksheet drives the largest part of your forgiveness.

This tab consists of seven different tables that run horizontally across the worksheet. Those tables are:

1. Gross Pay Per Employee Per Pay Period from 1/1/2019 through Covered Period
2. Hours Per Employee Per Pay Period from 2/15/2019 through 6/30/2019
3. Hours Per Employee Per Pay Period from 5/1/2019 through 9/15/2019 (for Seasonal Employers ONLY)
4. Hours Per Employee Per Pay Period from 1/1/2020 through Your Covered Period
5. Employer Portion of Medical Benefits through your Covered Period Only
6. Employer Portion of 401K/Retirement through your Covered Period Only
7. Employer Portion of State and Local Tax (SALT) on Employee Compensation through your Covered Period Only

Specific instructions for each table are listed in Column A:



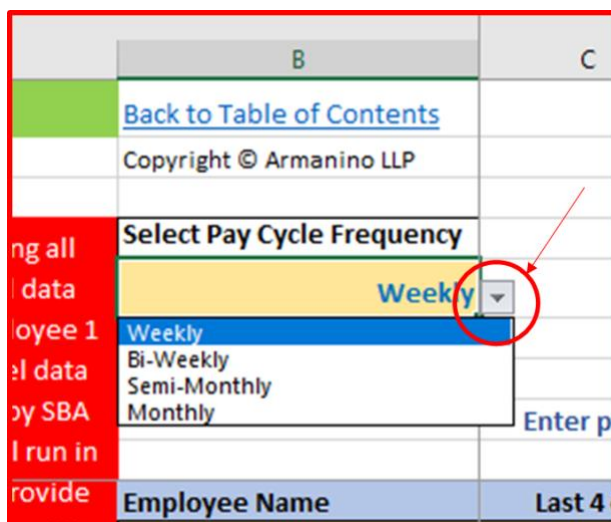
You will quickly see that this tab requires a substantial amount of data input. As noted in the “Before You Begin” section of this User Guide, ***you must enter this level of detail to allow the proper calculations to be made and enable your lender to meet its fiduciary obligations as defined by the SBA.*** Summary level data that offers “Gross Pay for the Covered Period” and other common payroll provider report fields will disable the calculation engine of the model and render it impossible for your lender to fully review your forgiveness application.

Table 1: Gross Pay Per Employee Per Pay Period from 1/1/2019 through Covered Period

This is where the bulk of the data entry task lies. The gross pay – before any deductions like federal and state income tax withholding, FICA, etc. – for each employee needs to be entered in this table, beginning with the first pay period of 2019 and continuing uninterrupted through the end of your Covered Period.

The model requires 2019 data to be able to calculate the Schedule A Worksheet, which includes the Salary/Hourly Wage Reduction Factor calculations for each employee. This calculation requires a look-back to 2019 pay to identify any employee who received an annualized amount greater than \$100,000 in *any* pay period in 2019. Such employees are to be excluded from the Reduction Factor calculation and placed in Table 2 of the Schedule A Worksheet. All borrowers are required to keep a copy of the Schedule A Worksheet with their other documentation for six years following forgiveness (but are not required to submit it to their lender).

Begin by selecting the appropriate pay cycle frequency from the drop-down box in cell B5, which is opened by clicking on the small gray down arrow just to the right of the cell. Simply click the down arrow and select the appropriate pay frequency for your employees.



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If you pay some employees on a different cycle than others (e.g., some you pay every week, others you pay twice per month), then use this tab for the larger pool of employees and use Tab 3 - Pay Cycle 2 Input for the other pool of employees. Do not list an employee on both tabs.

Next, list the name of each employee whom you paid at any time during 2019 and/or 2020 in column B beginning on line 10, list the last 4 digits of their Social Security Number in column C and enter either a Yes in column D indicating they are paid Hourly or a No if they are paid a Salary. For ease of subsequent data entry, you should list the employees in the order you find them on your regular payroll reports. Location, organizational unit or alphabetical order is not important to your forgiveness calculation, so make it as easy on yourself as you can.

Employee Name	Last 4 of SSN	Hourly?	FTE Exception?	Checksum
Employee 2	1809	Yes		
Employee 4	1515	Yes	Yes	
Employee 5	9996	Yes		
Employee 6	7476	Yes		
Employee 7	8656	Yes		
Employee 9	6374	Yes		
Employee 11	3188	Yes		
Employee 13	5207	Yes		
Employee 16	5748	Yes		
Employee 18	3113	Yes		
Employee 19	8449	Yes		
Employee 15	5807	Yes		
Employee 1	3995	Yes		
Employee 8	5679	No	Yes	
Employee 14	3129	No		

If the employee qualifies as an "FTE Exception", note that with a Yes in column E. The specific guidance for FTE Exceptions is listed in a cell note in cell E9 (as denoted by the small red triangle; just hover cursor over cell to see note).

total gross salary/wage	Checksum	Hourly?	FTE Exception?	Checksum
\$33,010.00	\$33,010.00	\$33,010.00	\$33,010.00	\$33,010.00
John Kogan:				
Write "Yes" if any of the following are true: (1) any positions for which the Borrower made a good-faith, written offer to rehire an employee during the Covered Period or the Alternative Payroll Covered Period which was rejected by the employee; and (2) any employees who during the Covered Period or the Alternative Payroll Covered Period (a) were fired for cause, (b) voluntarily resigned, or (c) voluntarily requested and received a reduction of their hours. In all of these cases, include these FTEs on this line only if the position was not filled by a new employee. Any FTE reductions in these cases do not reduce the Borrower's loan forgiveness.				
1,500.00	1,500.00	1,500.00	1,500.00	1,500.00

PPP LOAN FORGIVENESS CALCULATION MODEL

With the employee identifying information now entered, it's time to begin loading in their pay data. Start with the first payroll of last year (2019) and continue across the table until you have entered all gross wages through the end of your PPP Covered Period (see item A in the exhibit below). Beginning in column F, enter the date of the payroll in line 7 and list the gross wages paid for the entire company in each payroll run in line 8 (see item B – this amount should be listed at the bottom of your payroll journal for each pay cycle). Finally, starting in line 11, enter the gross amount paid (before any employee deductions for things like health insurance, federal and state taxes, FICA, etc.) to each employee in each pay period (see item C). Do not include any payments made by the employer for health insurance, retirement or other state/local tax obligations. Those will be picked up in later tables on this worksheet.

C	D	E	F	G	H	I	J	K	L	M
Note: unhide additional data entry columns by clicking the "+" symbol above and enter data through										
<div style="border: 1px solid red; padding: 5px; display: inline-block;"> Enter Gross Pay Per Employee Per Pay Period from 1/1/2019 through your Covered Period </div>										
Enter pay period date		1/2/2019	1/9/2019	1/16/2019	1/23/2019	1/30/2019	2/6/2019	2/13/2019	2/20/2019	
Enter pay period total gross salary/wage		\$33,010.00	\$33,010.00	\$33,010.00	\$33,010.00	\$33,010.00	\$33,010.00	\$33,010.00	\$33,010.00	\$33,010.00
Checksum		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Last 4 of SSN	Hourly?	FTE Exception?								
1809	Yes		\$ 1,550.00	\$ 1,550.00	\$ 1,550.00	\$ 1,550.00	\$ 1,550.00	\$ 1,550.00	\$ 1,550.00	\$ 1,550.00
1515	Yes	Yes	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00
9996	Yes									
7476	Yes		\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00
8656	Yes		\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
6374	Yes		\$ 1,180.00	\$ 1,180.00	\$ 1,180.00	\$ 1,180.00	\$ 1,180.00	\$ 1,180.00	\$ 1,180.00	\$ 1,180.00

While there are caps imposed by the CARES Act on the amounts of pay that may be included in your forgiveness application, do not make any adjustments in gross pay to account for those forgiveness limits; the model will make those adjustments in its calculations, so simply enter total gross pay in the period that matches to the payroll report. This eliminates the need for you to calculate what caps need to be put in place for which employees, and also will greatly facilitate the lender's review process.

Many businesses do special payroll runs from time to time to pay employees a bonus, commission, tips, or other types of "off-cycle" payments. If you have such a situation, simply add those amounts into the next regularly scheduled pay cycle. For example, if an employee is regularly paid semi-monthly and receives a bonus payment on the 10th of the month, add the bonus amount to their regular payroll on the 15th of the month. Do not enter the "off-cycle" payroll as a standalone payroll; stay on the regular schedule.

When you have completed entering the amounts for each employee in a pay period column, be sure the "Checksum" field in line 9 shows \$0.00 in each column. This will indicate that the total amount you have entered on line 8 is equal to the sum of each of your employees in that same column. If a number other than \$0.00 appears, the box will turn red indicating an error and the amount of the difference will be displayed (see example below). You will need to find and correct the error(s) in your data entry.

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Enter Gross Pay Per Employee Per Pay Period				
Enter pay period date	1/2/2019	1/9/2019	1/16/2019	1/23/2019
total gross salary/wage	\$33,010.00	\$33,010.00	\$33,010.00	\$33,010.00
Checksum	\$0.00	\$1,000.00	\$0.00	\$0.00
hourly? FTE Exception?				
Yes	\$ 1,550.00	\$ 550.00	\$ 1,550.00	\$ 1,550.00
Yes Yes	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00
Yes				
Yes	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00
Yes	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00

For display convenience, only the first 8 payroll columns are shown when you first open this tab. To open the rest of the columns so you can enter all payrolls through the end of your Covered Period, simply click on the “+” sign above column DH (see item A below). Then, continue adding data for each payroll in 2019 and 2020 through the end of your Covered Period. Use only the columns you need – there are enough columns in this table to cover two years of weekly payrolls. Leave any unused columns blank.

M	DH	DI
Enter data through your covered period		
Covered Period	Stub Pay	
2/20/2019	6/24/20 to 6/27/20	
\$33,010.00	\$9,634.30	
\$0.00	\$0.00	

In column DH, enter data for any "Stub Period" at the end of your Covered Period (item B above). This is to capture any costs that were "incurred" by the business during the Covered Period, but "paid" after it ended. For example, a business runs its regular payrolls on the 15th and last day of the month (semi-monthly pay cycle). The payroll on the 15th of the month covers the pay period from the 1st to the 15th, and the payroll on the 30th or 31st of the month covers the pay period since the 16th. Let's assume the Covered Period for this business ends on 6/10/2020. The amounts entered in the "Stub Period" column would be the amounts earned by the employees from 6/1/2020-6/10/2020, even though the payroll isn't actually run until the 15th, after the end of the Covered Period. Because there are 11 working days in the 6/1-6/15/20 pay period, and

the Covered Period included 8 working days before it ended, the business would enter 8/11ths of their 6/15/2020 payroll in this column.

The chart below describes in more detail the forgiveness rules for costs that are “paid but not incurred” at the beginning of the Covered Period (Payroll 1), “incurred and paid” during the Covered Period (Payrolls 2, 3 and 4), and “incurred but not paid” at the end of the Covered Period (Payroll 5). The model automatically makes these adjustments using the data you enter.

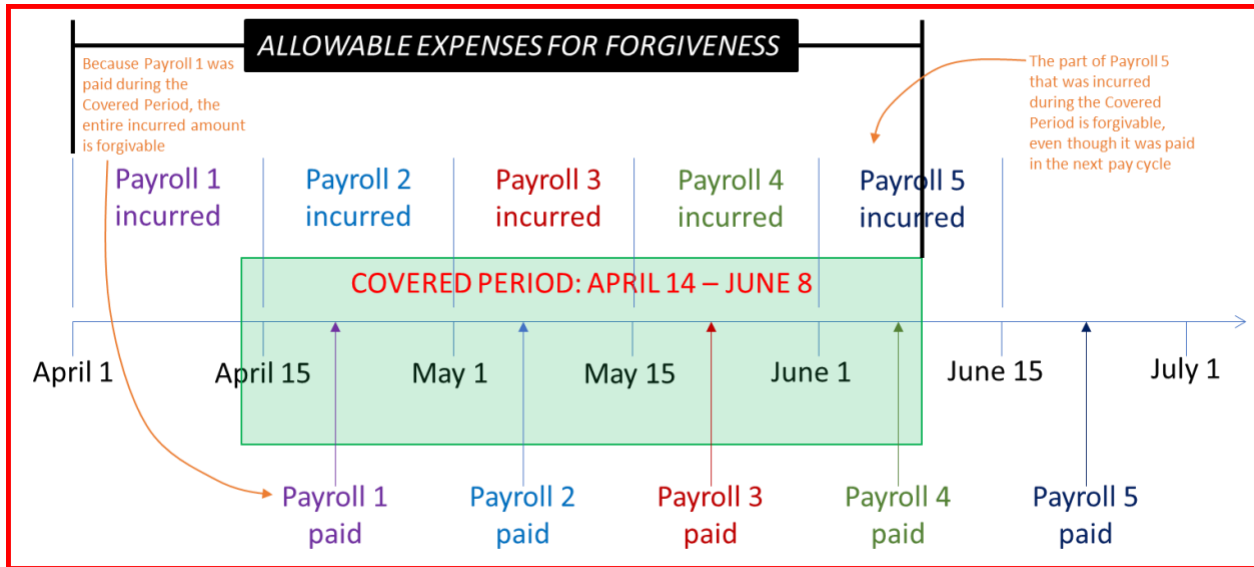


Table 2: Hours Per Employee Per Pay Period from 2/15/2019 through 6/30/2019

Before continuing, save your work!

With the Gross Wages data now fully entered, keep those payroll records by your side. Scroll to the right past the end of Table 1. There you will find Table 2, where you need to enter the hours each employee was paid for (do not include unpaid hours) in each pay period during the period from 2/15/2019 through 6/30/2019.

This period from last year is one of the two possible “standard” look-back periods that the FTE Reduction Factor uses to determine if there has been any reduction in average hours worked during the Covered Period. The other possible look-back period for non-seasonal businesses is the period from 1/1/2020 through 2/29/2020; those hours will be entered in Table 4 along with all your Covered Period hours. As with everything in this workbook, the model will automatically make those comparisons using the data you enter and select the look-back period that is most favorable to you.

Some borrowers may decide on their own, without needing to analyze the data, that the 2020 look-back period (1/1/2020-2/29/2020) is more favorable than the 2/15/2019-6/30/2019 period. If this is the case for you, you may skip entering the 2019 Hours data in Table 2. The model will automatically use the 2020 look-back period in its calculations.

To complete Table 2, beginning in column DK (item A below), list the number of hours worked and paid in each pay period for each employee beginning with your payroll that included 2/15/2019 and continuing through the payroll that included 6/30/2019 (item B). In cells DK7 and DK8, enter the date of the payroll (should match to Table 1) as well as the aggregate hours paid in the period for the entire business (see item C). Finally, beginning in cell DK11, list all hours worked, including any overtime hours paid (item D below). For leave hours, include those as well if the employee was paid for them, even though they didn't actually work them. Again, leave any unused columns blank.

B	DH	DI	DJ	DK	DL	DM	DN	DO	DP	DQ	DR	DS	DT	DU
Back to Table of Contents		your covered period												
Copyright © Armanino LLP														
Select Pay Cycle Frequency														
Weekly		Stub Pay												
6/24/20 to 6/27/20		Enter Hours Per Employee Per Pay Period from 2/15/2019 through 6/30/2019												
\$9,634.30		Enter pay period date 2/15/2019 2/22/2019 3/1/2019 3/8/2019 3/15/2019 3/22/2019 3/29/2019 4/5/2019 4/12/2019 4/19/2019 4/26/2019												
\$0.00		Enter Total Period Hours 630.0 630.0 590.0 590.0 590.0 590.0 590.0 590.0 550.0 550.0												
Checksum		0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0												
Employee Name														
Employee 2	\$	1,071.43	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Employee 4	\$	471.43	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0
Employee 5	\$	-												
Employee 6	\$	642.86	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Employee 7	\$	342.86	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Employee 9	\$	707.14	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Employee 11	\$	771.43	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Employee 13	\$	450.00	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0

Table 3: Hours Per Employee Per Pay Period from 5/1/2019 through 9/15/2019 (for Seasonal Employers ONLY)

Before continuing, save your work!

Once the first look-back period data has been entered, scroll to the right again to find Table 3. You will need to enter data in this table ONLY IF your business is a seasonal employer. Note that the SBA has not issued any guidance on what defines a “seasonal” employer for this purpose, but the clear indication based on this data requirement is that it appears to apply only to businesses that temporarily staff up during the summer months, then return to normal staff levels in autumn.

If your business is not a seasonal employer, skip this table and leave it blank.

If you do qualify as a seasonal employer, the data in Table 3 provides a separate look-back period option for purposes of the FTE Reduction Factor calculation. Non-seasonal businesses do not have this option available to them.

To use this look-back option, a seasonal business may choose any consecutive 12-week period in the nearly 20 weeks from 5/1/2019 through 9/15/2019. Using the data you enter in this table, the model will again automatically calculate the most favorable 12 weeks and consider this option against the “standard” look-back periods to pick the best for your FTE Reduction calculation.

Complete this table in the same manner as Table 2, beginning in column EG (see item A below). Again, note that this table is only for seasonal employers (item B) and covers a unique time period from 2019 (item C).

EF	EG	EH	EI	EJ	EK	EL	EM	EN	EO	EP	EQ	ER	ES	E
<div style="border: 1px solid red; padding: 5px; text-align: center; color: red; font-weight: bold;"> Only If You're A Seasonal Employer, Enter Hours Per Employee Per Pay Period from 5/1/2019 through 9/15/2019 </div>														
Enter pay period date	5/1/2019	5/8/2019	5/15/2019	5/22/2019	5/29/2019	6/5/2019	6/12/2019	6/19/2019	6/26/2019	7/3/2019	7/10/2019	7/17/2019	7/24/2019	7/31/2019
	550.0	550.0	550.0	550.0	550.0	550.0	550.0	550.0	550.0	550.0	550.0	550.0	550.0	550.0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0
	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0

Table 4: Hours Per Employee Per Pay Period from 1/1/2020 through Your Covered Period

Scroll to the right again to enter data in Table 4. This table again requires you to enter the hours each employee was paid for, but now during 2020 instead of 2019. This data has several uses in the forgiveness application:

- 1) The hours data from 1/1/2020 through 2/29/2020 comprise the second “standard” look-back period for the FTE Reduction Factor calculation
- 2) The hours data through the end of your Covered Period determines the numerator to compare against the denominator of the chosen look-back period to determine if there has been a reduction in FTEs
- 3) The hours data from the pay period that includes 2/15/2020 serve as the baseline for purposes of calculating the FTE Reduction Safe Harbor 2
- 4) The hours data from 2/15/2020 through 4/26/2020 serve as the comparison period against the baseline for calculating the FTE Reduction Safe Harbor 2

Note: The model automatically calculates FTEs for the Reduction Factor using both the Standard method (e.g., 0.2, 0.7, etc.) and the Simplified method (full-time = 1.0, part-time = 0.5), and selects the approach most favorable for you.

The process for entering the hours data in Table 4 matches that used in Tables 2 and 3. Beginning with column FC (item A in the exhibit below), enter the hours worked data in each pay period for each employee beginning with your payroll that included 1/1/2020 and continuing through the payroll that concluded your Covered Period (see item B). To open additional columns, simply click the “+” sign above column HE (item C). Include any hours worked during the Stub Period in column HE.

B	FA	FB	FC	FD	FE	FF	FG	FH	FI	FJ	FK	FL	F	C	HE	HF
Back to Table of Contents																
Copyright © Armanino LLP																
Select Pay Cycle Frequency			Table 4													
Weekly			Hours Per Employee Per Pay Period from 1/1/2020 through Your Covered Period													Stub Hours
Enter pay period date			1/1/2020	1/8/2020	1/15/2020	1/22/2020	1/29/2020	2/5/2020	2/12/2020	2/19/2020	2/26/2020	3/4/2020	3/11/2020	From/To Dates		
			640.0	640.0	640.0	640.0	640.0	640.0	640.0	640.0	640.0	640.0	650.0	590.0	460.0	
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Employee Name																
Employee 2			40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	32.0	
Employee 4			35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	24.0	
Employee 5			40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0		
Employee 6			30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	24.0	
Employee 7			40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	32.0	
Employee 9			40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	32.0	
Employee 11			15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	4.0	

As with the other tables you have already completed, leave any unused columns blank.

Once you have completed Tables 1 through 4, the most detailed portion of data entry is complete. Save your work!

Scroll to the right to reach Tables 5, 6 and 7, where you will begin entering benefits data.

Table 5: Employer Portion of Medical Benefits through your Covered Period Only

There are three categories of benefits that are allowable for PPP forgiveness: the employer-paid portion of medical insurance, retirement benefits and any state and local taxes on employee compensation.

The chart below provides a partial guide to costs that may be included or excluded from total Payroll Costs per PPP program rules. For other expenses that are not depicted in this chart, please refer to the PPP FAQs on your lender’s website, where dozens of Payroll Cost questions are answered.

PPP LOAN FORGIVENESS CALCULATION MODEL

Payroll Cost Items	Included	Excluded
Gross salary, wage, commission, tips, or similar compensation (<i>capped at \$100K annualized, or \$1,923/week</i>)	✓	
Employer portion of Group health care benefits including HSA	✓	
Employer portion of Retirement benefits, including DBP and DCP	✓	
Employer portion of State or local tax assessed	✓	
Bonus payments (not to exceed maximum allowable compensation)	✓	
Severance and PTO payouts for terminated employees	✓	
Sick leave (unless covered by FFCRA)	✓	
Self-employed income <small>(8 weeks: smaller of 8/52 of 2019 Schedule Cor \$15,385) (24 weeks: smaller of 2.5 months of 2019 Schedule Cor \$20,833)</small>	✓	
2019 Profit Sharing contributions		✓
Self-employed health insurance costs		✓
Disability, Long Term Care and Workers' Compensation insurance		✓
Union dues (beyond health insurance costs)		✓

Beginning with Table 5, you no longer need to enter data at an employee-by-employee level, as these costs are not used in any comparative calculations. They are simply additive to your total potential forgiveness amount.

For Table 5, you must simply enter the total amount your business paid for employee medical insurance, including health, vision and dental insurance policies, while excluding any amounts your employees paid via withholdings from their gross wages. Do not include costs for life insurance policies, long term care policies, accident insurance or other non-medical insurance offered as a benefit to your employees. Put this total in cell HH6. Be sure to send copies of each invoice paid that comprises this total to your lender as part of your supporting documents.

HG	HH	HI	HJ	HK	HL	HM	HN	HO	HP
	Table 5								
	Employer Portion of Medical Benefits through your Covered Period Only								
Enter Amount Here-->	\$ 4,356.00								

Table 6: Employer Portion of 401k/Retirement through your Covered Period Only

Below Table 5, you will find Table 6 for entering retirement contributions you may have made to benefit your employees' own contributions. Note that these contributions need to follow the same "incurred/paid" rules as payroll costs, meaning they need to have been either incurred and paid during the Covered Period, incurred in the period immediately preceding your Covered Period and paid within the Covered Period, or incurred within the Covered Period and paid in the next pay cycle following your Covered Period.

Beginning in cell HH13, enter the date you made payments and, in the cell below, the total amount of the payments you made. Again, this should represent only the employer's portion of contributions and should not include any amounts withheld from your employees' gross pay. The first payment you list should be for the first amount paid during your Covered Period.

Many third-party payroll reports will list any such payments in the totals of the payroll journal.

HG	HH	HI	HJ	HK	HL	HM	HN	HO	HP	HQ	HR	HS	HT	IIV	
	Table 5														
	Enter Amount Here-->	\$ 4,356.00													
	Table 6														
	Enter date paid	4/29/2020	5/6/2020	5/13/2020	5/20/2020	5/27/2020	6/3/2020	6/10/2020	6/17/2020	6/24/2020	7/1/2020	7/8/2020	7/15/2020	7/22/2020	Stub Retirement
	Enter total amount paid	\$ 207.20	\$ 227.20	\$ 227.20	\$ 227.20	\$ 227.20	\$ 227.20	\$ 227.20	\$ 227.20	\$ 227.20	\$ 207.20	\$ 207.20	\$ 207.20	\$ 207.20	\$ 97.37

Table 7: Employer Portion of State and Local Tax on Employee Compensation through your Covered Period Only

The final table in which you need to enter data in this tab is Table 7, which covers any State and Local Tax (SALT) that you may have been required to pay on your employees' compensation. To be clear, this does not represent amounts you were required to withhold (such as state income tax or, in some states, state disability insurance) from your employees' pay; rather, it must only include amounts the employer was required to pay on its own. If there were no such taxes you needed to pay, leave this table blank.

PPP LOAN FORGIVENESS CALCULATION MODEL

As with the preceding table, for Table 7 simply total the payments you made (often already totaled and listed in the total section of the payroll journal) and enter the dates and amounts paid.

	HG	HH	HI	HJ	HK	HL	HM	HN	HO	HP	HQ	HR	HS	HT	IW
		Table 5													
		Employer Portion of Medical Benefits through your Covered Period Only													
Enter Amount Here-->	\$ 4,356.00														
		Table 6													
		Employer Portion of 401K/Retirement through your Covered Period Only												Stub Retirement	
Enter date paid	4/29/2020	5/6/2020	5/13/2020	5/20/2020	5/27/2020	6/3/2020	6/10/2020	6/17/2020	6/24/2020	7/1/2020	7/8/2020	7/15/2020	7/22/2020	From/To Dates	
Enter total amount paid	\$ 207.20	\$ 227.20	\$ 227.20	\$ 227.20	\$ 227.20	\$ 227.20	\$ 227.20	\$ 227.20	\$ 227.20	\$ 207.20	\$ 207.20	\$ 207.20	\$ 207.20	\$	97.37
		Table 7													
		Employer Portion of State and Local Tax (SALT) on Employee Compensation through your Covered Period Only												Stub SALT	
Enter date paid	4/29/2020	5/6/2020	5/13/2020	5/20/2020	5/27/2020	6/3/2020	6/10/2020	6/17/2020	6/24/2020	7/1/2020	7/8/2020	7/15/2020	7/22/2020	From/To Dates	
Enter total amount paid	\$ 638.40	\$ 653.40	\$ 653.40	\$ 653.40	\$ 653.40	\$ 653.40	\$ 653.40	\$ 653.40	\$ 674.40	\$ 659.40	\$ 659.40	\$ 659.40	\$ 659.40	\$	289.03

CONGRATULATIONS! You have completed the most complicated part of the PPP Loan Forgiveness Calculation Model. **Save your work!**

PPP LOAN FORGIVENESS CALCULATION MODEL

If you have a second pay cycle frequency for other employees, in addition to the data in this tab, you may proceed to “Tab 3. Pay Cycle 2 Input” (see item A below). This tab is identical to Tab 2 that you just completed. Follow the same instructions for any employees whom you pay on a different pay cycle but be sure to begin by selecting the appropriate Pay Cycle Frequency (item B below).

Again, **do not include in this tab any employees whom you listed on Tab 2.**

If you do not have a second pay cycle and have entered the data for every employee you paid in 2019 and 2020, you may skip to “Tab 4. Mortgage Obligations”. If you do not have any mortgage obligations either, please skip to “Tab 5. Rent or Lease” to continue with your forgiveness application.

Instructions for This Tab

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before starting data entry

Select Pay Cycle Frequency

Semi-Monthly

Weekly

Bi-Weekly

Semi-Monthly

Monthly

Enter pay period date 1/15/20

Enter pay period gross salary/wage \$2,000

Checksum

Employee Name	Last 4 of SSN	Hourly?	FTE Exception?	Checksum
Employee 31	5679	No	Yes	\$ 4
Employee 32	3129	No		\$ 3
Employee 33	8438	No		\$ 5
Employee 34	9950	No		\$ 4
Employee 35	5841	No		
Employee 36	8033	No		\$ 6
Employee 37	7754	No		\$ 2

2. Pay Cycle 1 Input **3. Pay Cycle 2 Input** 4. Mortgage Obligations 5. Rent or Lease 6. Utilities 7. Own

ENTERING NON-PAYROLL DATA

There are three tabs in the workbook for your non-payroll data:

- Tab 4. Mortgage Obligations
- Tab 5. Rent or Lease
- Tab 6. Utilities

Each tab is laid out in identical fashion. At the top of each tab, you will find a definition of the expenses that are to be included in the table below. Next, there is a reminder of the rules governing incurred and paid costs so that you can get full forgiveness credit as permitted by the program. Finally, there is a simple table for you to list the date, amount and any notes describing each payment you made that is associated with the Covered Period. The chart below depicts the Mortgage Obligations tab as an example.

	A	B	C
1	INTEREST ON COVERED MORTGAGE OBLIGATIONS		
2	Back to Table of Contents	Copyright © Armanino LLP	
3	Covered Mortgage Obligations: payments of interest (not including any prepayment or payment of principal) on any business mortgage obligation on real or personal property incurred before February 15, 2020. Remember to add "incurred but not paid" amounts through		
4	the end of your Covered Period.		
5	Enter both 'Paid' and 'Incurred But Not Paid' Amounts: eligible non-payroll costs must either 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. For non-payroll costs incurred during the Covered Period and paid on or before the next regular billing date, please enter the calculated 'pro-rated' amount in the "Amount" column with a note detailing the calculation.		
6			
7	Total Covered Mortgage Obligations	\$ 12,870.00	
8			
9			
10	Payment Date	Amount	Notes
11	5/13/2020	\$ 6,435.00	Interest on purchased (with a loan) production machinery
12	6/13/2020	\$ 6,435.00	Interest on purchased (with a loan) production machinery
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			

Navigation tabs: 1. Initial Data Input | 2. Pay Cycle 1 Input | 3. Pay Cycle 2 Input | **4. Mortgage Obligations** | 5. Rent or Lease | 6. Utilities | 7. Owner's Comp

PPP LOAN FORGIVENESS CALCULATION MODEL

To help you understand the non-payroll expenses you can include in your forgiveness application, the three charts below provide examples of allowable and excluded costs for Mortgage Obligations, Rent or Lease payments and Utilities payments.

Mortgage Interest Item	Included	Excluded
Mortgage loan on a building	✓	
Payments on a note to purchase a fixed asset	✓	
Loans used to buy a fleet of vehicles	✓	
Buy-out payments to a former partner		✓
Interest on a Line of Credit		✓

Rent/Lease Payment Item	Included	Excluded
Office or storage facility rent	✓	
Leased fleet vehicles	✓	
Leases on copiers	✓	
Property taxes, insurance and CAM on office space		✓
Newly leased property since 2/15/20		✓

Utility Payments Item	Included	Excluded
Electric bill received 2 days after funding, covering prior service period	✓	
Fuel for business vehicles	✓	
Maintenance on business vehicles		✓
Software license costs, managed services for enterprise servers		✓
Internet access from home for employees as a result of COVID		✓

To be clear, these tables provide only a sample of such costs. For much more information, please visit the PPP FAQ Library on your lender's website, where numerous questions are answered in each of the above categories.

ENTERING OWNER'S COMPENSATION

Before continuing, save your work!

The final tab in the workbook is “Tab 7. Owner’s Comp”. This tab is only for amounts paid to owners – sole proprietors, self-employed and owner-employees. The PPP forgiveness rules for owners are different than for employees and are quite complicated, so be sure to refer to the FAQ library on your lender’s website for the most up-to-date rules and interpretations before completing this worksheet.

If your business has no owners who qualify under the rules of the SBA program, you may leave this tab blank.

This tab is also relatively straightforward to complete. Using the rules in the FAQs and at the top of the worksheet, enter the payments made to any owners with at least a 20% ownership stake as shown in this example:

	A	B	C	D
1	OWNER/SELF-EMPLOYED COMPENSATION			
2	Back to Table of Contents	Copyright © Armanino LLP		
3	Enter any amounts paid to owners (owner-employees, a self-employed individual, or general partners). For Borrowers using a 24-week Covered Period, this amount is capped at \$20,833 (the 2.5-month equivalent of \$100,000 per year) for each individual or the 2.5-month equivalent of their applicable compensation in 2019, whichever is lower. For Borrowers using an 8-week Covered Period, this amount is capped at \$15,385 (the eight-week equivalent of \$100,000 per year) for each individual or the eight-week equivalent of their applicable compensation in 2019, whichever is lower. Owner compensation data comes from the 2019 IRS Form 1040, Schedule C, line 31 net profit amount.			
4				
5				
6	Total Owner Compensation		\$	34,800.00
7				
8				
9	Owner Name	Payment Date	Amount	Notes
10	Jane Doe	6/30/2020	\$ 12,800.00	Pay for Date A through Date B
11	Michael Doe	6/30/2020	\$ 10,500.00	Pay for Date A through Date B
12	Jeannie Doe	6/30/2020	\$ 11,500.00	Pay for Date A through Date B
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				

→

SAVE YOUR WORK!

NEXT STEPS

You have now completed entering data into the Loan Forgiveness Calculation Model. Congratulations! You are well on your way to getting forgiveness for your PPP loan.

With the model complete, simply go to the bank's portal and upload a copy of this workbook. Be sure it is saved under the naming convention described earlier in this User Guide so your lender knows whose loan file it belongs to.

Once the bank has completed its review of your data entry and supporting documentation, a replica of the SBA's Schedule A and Forgiveness Application will be uploaded to the portal and you will receive an email alert. Return to the portal, download the replica forms, then retrieve fillable versions of the forms from Treasury's website:

<https://home.treasury.gov/system/files/136/3245-0407-SBA-Form-3508-PPP-Forgiveness-Application.pdf>

Display the replica forms with data you downloaded from the bank side-by-side with the blank, fillable forms you downloaded from the Treasury Department. You will note they are identical except for the data. Simply type the figures in the replica form into the corresponding lines in the blank forms until you have completed both Schedule A and the Forgiveness Application. Once you have entered the correct data into the blank form, initial each certification on page 2 and sign at the bottom. Save this using the naming convention below, where YourCo is your company's name and 1234 is replaced by the last four digits of your bank loan number. Then, upload to the bank's portal.

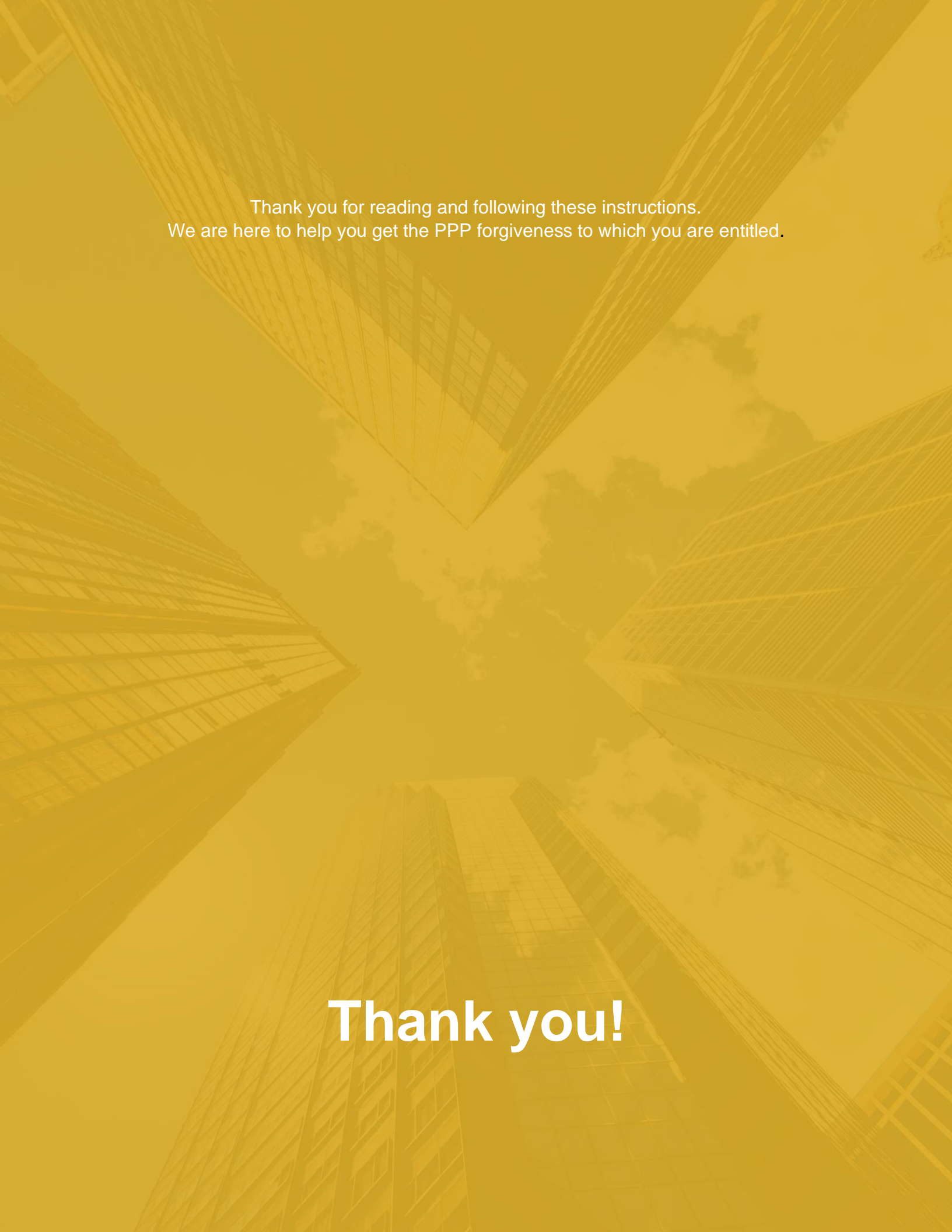
YourCo1234FinalApplication.pdf

With that, your forgiveness job is complete! The bank will then complete its review of your application and communicate final forgiveness determination to you and the SBA.

If you have questions about any aspect of this model or the forgiveness process, there are many sources for answers:

- Review the instructions in this User Guide again
- Watch the how-to video that accompanied the model when you downloaded it
- Visit the bank's website and watch the July 1, 2020 webinar that provides an overview of the model and also describes the broader forgiveness process
- Check the FAQ Library on the CBC website, where over 300 questions are answered

If none of those get you the answer you need, please send an email with your question to CBCmodel@armaninollp.com. Be as specific as you can in your question.



Thank you for reading and following these instructions.
We are here to help you get the PPP forgiveness to which you are entitled.

Thank you!