



---

## PPP Forgiveness FAQ Library

***Updated 7/14***

The FAQ library is categorized to make navigating this information as easy as possible. Should you have any additional questions about the Forgiveness process, please forward your question to [PPP\\_Questions@bankcbc.com](mailto:PPP_Questions@bankcbc.com). We will provide an updated FAQ Library weekly. Questions deemed specific to individual businesses will receive a direct response each week.

We are providing answers to the questions in this library to help you better understand the rules of the PPP program as set forth by the SBA and Congress. Ethically and legally, neither the bank nor Armanino as the loan forgiveness processors are permitted to provide advice regarding actions you should or should not take for your specific situation based on these rules. Please consult with your CPA, attorney or other retained professional advisor for such guidance. We would also please ask that you review our disclaimer guidance located within the footer of this webpage.

Of note, the forgiveness calculation model we will send to you will automatically perform every calculation necessary to complete your application based on the data you enter in the model. Thus, please don't feel as though you need to know how to apply every rule associated with this complicated application. The model will run the calculations for you.

Enter your question:

Search

## Forgiveness Calculation Model

### Process

⤴ Collapse All

- ▲ Do I understand correctly that we download and complete the model and then upload it to the bank's portal? Or do we complete it inside the portal?

You understand correctly. Download the model from COVID page on the bank's website, enter and save your data, then upload it to the portal using the link the bank will send to you via email when the portal is ready to begin accepting data. For banks that have a workflow for you to complete in the portal, you will use some of the output from the Excel model as input to the workflow.

- 
- ▲ Which version of excel is the workbook using?

The model was created in Excel for Office 365 MSO 64-bit. It is optimized to properly calculate in Excel 2016 or higher. Older versions of Excel will experience some limits in functionality, especially where advanced formulas are used that were introduced more recently than the older versions contained.



Can we get started on populating this template ahead of time, since the process will take a while to enter information by payroll since 2019?

Yes.

---

▲ If I choose the 24-week period, when do I start working on the model?

You may begin entering historical data at any time, and then simply update as you get new data over time.

---

▲ Can we save and go back to this worksheet later?

Yes. Please be sure to follow the naming convention for saving your file, which is described on Tab 0: Instructions & General Info.

---

▲ Do we have to download the PPP Forgiveness Calculation Model if we are filing for forgiveness using the Standard Form?

Yes, it is required that you complete the full calculation model if filing using the Standard Form (which includes all the reduction factor calculations, Schedule A and Schedule A Worksheet).

---

▲ We qualify to use the EZ form for our forgiveness application. Do we need to download and complete the PPP Forgiveness Calculation Model?

No. If you choose this path, please download and complete the PPP Forgiveness EZ Calculation Model, which simply requires you to itemize your expenses in the non-payroll categories.

---

▲ I'm using the EZ form. What happens if I forgot to download and complete the PPP Forgiveness EZ Calculation Model?

The review process cannot be initiated without the PPP Forgiveness EZ Calculation Model. This is a simple workbook for you to itemize the various expenses you included in Mortgage, Rent, Utilities or Owner's Compensation items of the EZ form. Your application will be on hold until you complete this itemization model.

---

▲ What will happen after Armanino completes its review? How do I finish my application?

Armanino is providing an initial review of all forgiveness applications and comparing the supporting documentation with the data entered in the calculation model. This review is intended to validate the data and calculations, and takes place prior to you officially completing the final SBA Forgiveness Application and Schedule A (meaning, all data in the application is accurate and you have made all required certifications and signed the application).

Once the review is complete you will receive an email advising you the review has been completed. Attached to this email will be a PDF document that is a replica of Schedule A in the official application. You will be given instructions to complete your final application using the Schedule A data and to certify and sign the application in the appropriate places.

Upon receipt of your final, certified and signed application, the bank will conduct a final review and notify you of its forgiveness decision and recommendation to the

SBA. The bank has up to 60 days to complete this step, and the SBA has an additional 90 days to review the bank's decision, and assuming concurrence, reimburse the bank for the final forgiveness amount to be applied against the principal of your loan.

---

- ▲ If we believe we are nearing the PPP loan amount in qualifying payroll, can we submit a test Forgiveness Calculation Model to review our numbers? It would be good to know the key FTE numbers we need to restore to achieve Safe Harbor.

While we certainly understand the need to model various scenarios, legally and ethically neither the bank nor Armanino can conduct "test reviews" and provide advice on actions you should or should not take. You will need to evaluate your options on your own or in consultation with a retained professional advisory such as your CPA or attorney.

---

## Initial Data Input Tab

⤴ Collapse All

- ▲ Is the EIDL grant included in the calculation worksheet?

Only on the Initial Data Input tab in cell A47. The model will automatically deduct this advance from your forgiveness, per SBA instructions.

---

- ▲ I don't know what date I will file my forgiveness application. Can I just leave this field blank?

No, do not leave this field blank as safe harbors are calculated based on this date. Enter the date that you expect to file for forgiveness — it's okay if it's not completely precise.

- 
- ▲ For “Employees at Time of Loan Application” or “Employees at Time of Forgiveness Application,” are we supposed to include furloughed employees in this figure? What about people hired or laid off after the last day of the Covered Period?

You should not include furloughed employees in either cell. That said, the SBA is asking for this data only as an indicator of your eligibility to apply for a PPP loan originally; they did not ask either of these when you applied. The data you enter for these two items does not factor into any calculation for forgiveness, so it’s okay if it’s not 100% accurate.

- 
- ▲ On the Initial Data Input tab, the only choices for the Covered Period duration are eight or 24 weeks. In the July 1 webinar, you said it could be any period between them. How do I enter this cell if I choose 16 weeks?

There are only two Covered Period options: eight weeks or 24 weeks. There is no option to pick a Covered Period in between. However, you can file your forgiveness application “early,” meaning when you have exhausted the PPP funds, if you so choose. Understand that doing so ~~is not~~ ~~the~~ ~~duration~~ of your Covered Period. So, if you decide to file at 16 weeks, you still have a 24-week Covered Period for purposes of the model and the calculation rules for the Salary Reduction Factor, so you should select 24 weeks in the model.

- 
- ▲ I put an “X” in the appropriate boxes of the EZ Qualification Section and I still received a “No” in cell C50 stating I am ineligible to use the EZ Form. Can I use the EZ Form or not?

You can use the EZ Form and the accompanying itemization spreadsheet. This is an error that occurs due to your using an older version of Excel than the version used to create the model. Your version cannot read the functions used in cell C50, so it stays defaulted to "No." Ignore this and continue using the EZ Form if this error occurs for you.

---

## Pay Cycle Input Tabs

⤴ Collapse All

- ▲ We do not have any wage reductions and are using the January 1 through February 29, 2020 reference period for FTEs. Since our payroll company provided us with a report of all employees who made over \$1,923 in any weekly pay period in 2019, do we still need to enter all the detailed payroll information for 2019?

No, you do not. If you have already made the decision to use the January-February 2020 period as your FTE baseline, you do not need to enter hours data for 2019. Similarly, if you can certify that you had no wage reductions that would trigger the Salary Reduction Factor and have the documentation to support it in an SBA audit, then you could skip entering the 2019 payroll data. Keep in mind that the rules around the Salary Reduction Factor are intricate and easy to mis-apply.

- 
- ▲ If I can generate a payroll register for the full year of 2019, can I use that payroll register as one column in the "Pay Cycle 1 Input"?

No. The purpose of the 2019 pay data is to identify employees who may be subject to the Salary Reduction Factor. Summary level data such as a full year of pay will not meet this need, because the rule relates to employees who exceeded a defined amount of pay in any single pay period, not in the aggregate.

---

▲ Why do we need to go all the way back to January 1, 2019 for Payroll Costs?

The purpose of the 2019 pay data is to identify employees who may be subject to the Salary Reduction Factor. This rule relates to employees who exceeded a defined amount of pay in any single pay period, not in the aggregate. Furthermore, there are two time periods in 2019 that are used as possible baselines for the FTE Reduction Factor, so the hours data in Tables 2 and 3 (if appropriate) is necessary to properly perform that calculation.

---

▲ For Payroll Costs, will an ADP or PayChex payroll report be able to be uploaded or imported?

We have not been successful in getting the third-party payroll providers to produce a standard report that produces the input the model requires. It is possible that you may be able to develop a custom report that does so; if this is the case, you should be able to export to Excel and then copy the data into the appropriate cells in the Forgiveness Calculation Model. Otherwise, you will have to enter the data manually. Early experience suggests a benchmark of being able to enter bi-weekly pay going back to January 1, 2019 for 8-10 employees per hour.

---

▲ If we extend our Covered Period to December 31, our qualified payroll will be almost three times the total loan amount. Do we have to submit payroll all the way through December 31 or only as long as it takes to exceed the loan amount?

The first issue in your question is that you cannot extend your Covered Period to December 31 unless your loan funds on or after July 17, in which case your Covered Period automatically ends on December 31. You can extend to 24 weeks from the date



your loan funded if it funded before June 5, at your option. Your Covered Period is automatically 24 weeks if it funded between June 5 and July 17. The second issue in your question is the notion that your payroll costs will be three times your loan amount. You cannot claim forgiveness for spending your own money. The government wants to know how you spent its money, not your own. Thus, your payroll costs can be no more than your loan amount. So long as you can show that you spent PPP money for payroll, you can stop when you've exhausted the total loan amount assuming you are completely confident that you captured all forgivable spend correctly. If you spent at least the total loan amount during the Covered Period, any reduction factors will be applied against the total loan amount, regardless of whether you spent more than that on payroll during the Covered Period. Example: Loan amount = \$200,000, payroll in Covered Period of 24 weeks = \$300,000, FTE Reduction Factor = 20%. Forgiveness would be \$160,000 (\$200,000 less 20%), not \$200,000 (\$300,000 less 20%, rounded down to total loan amount).

---

▲ I get a "Password needed" error when I try to open additional columns by clicking the "+" sign above the column. What am I doing wrong?

You are doing nothing wrong. You are simply using an old version of Excel that doesn't recognize grouped and collapsed columns and so can't open them. Please go back to the bank website and download the current version of the model that has all columns opened for you already. You can simply copy and paste any data you have already entered from the original model to the new one you just downloaded.

---

▲ Can I copy and paste into the model the information from payroll reports I download to Excel, rather than typing the data in?

Yes, so long as the payroll reports you ran have the same information that the calculation model requires.

---

▲ Can I use a different employee identifier other than the last four digits of the employee's SSN?

No. The SBA form has not stated that companies may select an alternative to the last four digits of the SSN. There are worksheets attached to the application and they need to stay aligned in the event of an audit.

---

▲ In the "Hourly" column, what do you enter if someone transitioned from hourly to salary or salary to hourly during the defined period?

Keep it consistent throughout, so you'll have to adjust somewhere. In this example, enter the employee data as hourly throughout since such employees have variable hours while salaried ones do not. When they converted to salaried, simply enter 40 hours for each pay period if weekly, 80 hours if you pay bi-weekly, or 86.7 hours if you pay semi-monthly.

---

▲ In the "FTE Exception" column, if an employee is part time, was terminated "at will" or "laid off," do they qualify for an FTE exception?

No, no and no. Part-time status is irrelevant, terminations must be for cause, and a layoff is exactly what the PPP program was trying to prevent, so you can't get an exception for that either.

---

▲ Our company had a payroll frequency change effective December 25, 2019, going from semi-monthly to bi-weekly. How do we proceed in the model?

The model is not designed to handle such a change. Simply load them all in as-is (i.e., semi-monthly pay in 2019 and bi-weekly pay in 2020, with "Semi-Monthly" chosen in cell B5 for Pay Cycle Frequency) and do not worry about the change in frequencies.

---

- ▲ In our company, we have a lot of part-time employees (non-seasonal). They were laid off when COVID hit and when we got our PPP loan, we made a good-faith, written offer to rehire all of them. Many declined. For purposes of the FTE Reduction Exception, how exactly does that work? Do I add them back in as .5 headcount and then recalculate my FTE Reduction %? If I don't use .5, then what do I use?

First, you don't need to do any calculations of headcount — the model automatically does both the standard and simplified FTE calculations based on the hours worked data you entered in the Pay Cycle Input tab(s). For the employees you described, simply list them in Table 1 of the Pay Cycle Input tab and put a "Yes" in column E next to their name indicating they qualify as an Exception. The model will take it from there.

---

- ▲ We use two pay cycles: hourly are paid weekly and salaried are bi-weekly. Can this all be entered on the same Pay Cycle 1 worksheet?

No. This exact scenario is why there are two tabs for two different Pay Cycles, Input 1 and Input 2, as outlined in the How-To Video, the User Guide and the webinars that have discussed this.

---

- ▲ If the company started January 1, 2020, is there a place to indicate this so the system isn't looking for data for 2019?

You could simply put a note to that effect in cell B11 of the Pay Cycle 1 Input tab, with no wage or hours information on the rest of line 11 to the right in the model, so the reviewer knows you didn't skip entering necessary data. In such an instance, simply leave Tables 2 and 3 blank since those are asking for 2019 hours information that does not exist.

- 
- ▲ Which date should we enter for each pay period, the period ending date or the actual pay date?

Enter the date that corresponds to your payroll report for ease of reference in the review process.

- 
- ▲ I want to be sure I enter the "stub pay" portion of the payroll input correctly. My Covered Period ended June 11, 2020. I paid payrolls on June 12, 2020 that covers work performed through June 6 and paid my next one on June 19 covering work done through June 13. Do I enter 80% of the payroll I paid on June 19 since my Covered Period ended during that week?

You have it correct. Despite the fact that the June 12, 2020 payroll was paid after the Covered Period, 100% of it was incurred during the period so you can claim all of it for forgiveness. Similarly, you get to claim the portion of your payroll that was incurred during the Covered Period in your last week (work performed June 7 through June 11, 2020) but not any costs incurred on June 12 or June 13 as they occurred after the end of your Covered Period.



Should we list employees covered by grant funding in the salary or hours portions in the model? How do we deal with those people in the model since they're all part of the same payroll run, just using different sources of money?

If they were not paid using any PPP money, exclude them from the model entirely. Make a note in cell C11 of the Pay Cycle 1 Input tab that indicates which employees in the payroll report were paid using grant funds and not PPP funds, then leave all cells in line 11 to the right of cell C11 blank. To be clear, this note goes in the first line of employee data, using cell C11 under the heading "Last 4 of SSN" — do not enter this note in cell B11 where Employee Name goes; just leave cell B11 blank.

If, on the other hand, during the Covered Period part of their pay came from grant funds and part came from PPP funds, do include the employee in the model and list all pay received, regardless of source. Create a supplemental schedule that explains the issue, lists the affected employees and the amounts that were paid using non-PPP funds, note the existence of this schedule in cell C11 of the Pay Cycle 1 Input tab, then upload the supplemental schedule to the portal as a General Document.

---

▲ We are a law firm using a PEO and all partners receive some amount of W-2 wages so that they can get medical benefits. The balance of the non-equity partners' pay is distributed/paid as "Guaranteed Payments" via an ADP direct deposit. How/where do I post the non-equity partners' guaranteed payments?

Guaranteed payments for non-equity partners should be added to the salary they were paid in the period the guaranteed payments were made, so that there is one entry for amounts paid to the employee in the pay period. Example: Salary payment (W-2) of \$4,000, Guaranteed payment (K-1) of \$3,000, enter \$7,000 in the pay period for that non-equity partner.

- 
- ▲ We pay all our employees weekly, but occasionally we have corrections or other off-cycle payments between pay days. Should these checks be counted with the prior week, the following week or should they be entered into the model on a separate date entirely?

Such non-standard payments to employees should be added to the salary they were paid in the period when the payments should have been made if they are corrections, or in the next pay period if they are payments such as bonuses, commissions or severance. Do not enter "off-cycle" pay periods in the model — stay consistent so the proper calculations can be made.

- 
- ▲ How do we handle overtime, vacation, sick or holiday hours in the Hours tables of Pay Cycle 1 or Pay Cycle 2 worksheets?

List all paid hours in the Hours tables (Tables 2-4).

- 
- ▲ When we originally calculated our loan needs, we did not know we should have included seasonal employees and did not use those numbers to calculate our loan needs. Should we still list any seasonal staff payroll info in Table 3 for seasonal employees?

It doesn't matter what you used as the basis for your loan when you applied. Now, it's only about how you spent the loan, so include all employees paid during the Covered Period and the baseline periods. Also, you only need to complete Table 3 if you consider yourself a seasonal employer and wish to use that as your baseline period for purposes of calculating the FTE Reduction Factor. If you anticipate using either of the two "standard" look-back periods, use Tables 2 and 4 to enter the hours everyone

worked. Just to be clear, you enter the wages of all employees, seasonal or not, in Table 1.

---

- ▲ Since salaried employees don't have "hours worked," should I just skip entering hours since that doesn't apply to the exempt staff?

No, do not skip entering this data as none of the FTE calculations will be correct.

Salaried employees should have their hours entered as:

- 40 hours for each pay period if you pay your employees weekly
  - 80 hours if you pay bi-weekly
  - 86.7 hours if you pay semi-monthly
- 

- ▲ I'm trying to reduce the volume of required data in the model. Can we just use a simplified reporting method for employees receiving a 2019 Form W-2 with gross wages of \$100k and above? Will the 2019 ACA Form 1095-C monthly checkbox data suffice for FTE calculations?

No, the model does all calculations based on detailed data. Summary data will not work in the spreadsheet. As to ACA data, the ACA defines FTEs differently than the SBA is using for the PPP program, so this is definitely not a correct approach.

---

- ▲ Do we enter the employer payments for Medical in total or by employee, and are they net of employee contributions?

Enter them in total, net of any employee contributions, i.e., only enter the amount paid as the employer's portion of the expense.

---

- ▲ During our eight-week period, we had five employees who were paid via the EPSLA rules. How do I account for the gross wages for those employees in the data entry, since they were deducted from our payroll tax liability and thus should not be part of the loan forgiveness calculations?

If all of their pay during the Covered Period was from non-PPP sources, exclude them from the model entirely (including from 2019 and Q1 2020 data so you don't accidentally trigger a reduction factor that shouldn't exist). Make a note in cell C11 of the Pay Cycle 1 Input tab that indicates which employees in the payroll report were paid using EPSLA funds and not PPP funds, then leave all cells in line 11 to the right of cell C11 blank. To be clear, this note goes in the first line of employee data, using cell C11 under the heading "Last 4 of SSN" — do not enter this note in cell B11 where Employee Name goes; just leave cell B11 blank.

If, on the other hand, during the Covered Period part of their pay came from EPSLA funds and part came from PPP funds, do include the employee in the model and list all pay received, regardless of source. Create a supplemental schedule that explains the issue, lists the affected employees and the amounts that were paid using non-PPP funds, note the existence of this schedule in cell C11 of the Pay Cycle 1 Input tab, then upload the supplemental schedule to the portal as a General Document.

---

## Utilities Tab

⤴ Collapse All

- ▲ I did not see a tab for Transportation expense broken out in the Forgiveness Calculation Model. Where should this expense be added?



Simply list any eligible Transportation expenses on the Utilities tab 6. You will note in cell A3 of this tab that allowable Utilities expenses includes Transportation.

---

## Portal

⤴ Collapse All

### ▲ Can multiple people have portal access?

Yes. When you initially sign into the portal, you will have an option to add "Trusted Advisors" to have access to the portal. These could be assistants, other staff, your CPA, or anyone you choose.

---

### ▲ If a CPA is helping me with our application, are they able to see everything on the portal that I can see?

Yes, so long as you have listed them as one of your "Trusted Advisors."

---

### ▲ How do we handle the signature process on the application?

Certifications and signatures will be handled electronically via DocuSign.

---

## Allowable Expenses

### Payroll Costs

⤴ Collapse All

### ▲ What is allowed in payroll costs?