

# PPP Loan Forgiveness Application Strategies for Success

## Before you get started

- In order to maximize the amount of your PPP loan forgiveness, make sure you have used all your PPP loan funds for eligible costs. **You have up to 24 weeks from the time of the loan to use the PPP funds on eligible expenses.** This is known as the “covered period.”
- **You must apply for PPP loan forgiveness within 10 months of the end of the covered period to avoid having your loan go into repayment before a loan forgiveness decision is made. No PPP loan payments are due during this time until a final loan forgiveness decision is made by the SBA.**
- **Have all of your documents supporting forgivable expenses ready to upload** to our PPP Loan Forgiveness Application online portal.
- **Consider contacting your payroll service provider** (if applicable) to see if they have prepared special forgiveness reports that will make completing the application easier.
- **Consider contacting your CPA** for additional guidance on how to interpret the PPP Loan Forgiveness rules for your organization.
- **If you received an Economic Injury Disaster Loan (EIDL)** from the SBA you will need to know your EIDL loan number and the portion of EIDL funds you received which were considered an EIDL advance grant. The SBA will deduct the amount of your EIDL advance grant against your PPP Loan Forgiveness total.
- **Don't over complicate** your submission for loan forgiveness. If you have enough documentation to support full forgiveness in just payroll expenses, you are not obligated to enter and submit data for non-payroll expenses.

## Using our secure PPP Loan Forgiveness Application Portal

- Enterprise Bank has set up an online portal to help our customers complete and submit their PPP Loan Forgiveness Application and supporting documents. There are Help buttons throughout the portal to guide you through the application process. **All PPP Loan Forgiveness Applications must be submitted through the online portal.**

- Our PPP Loan Forgiveness Application Portal has been set up to be accessed by the primary contact provided by each of our PPP Loan customers. Enterprise Bank will send an email to the primary contact with a link to the portal. **The primary contact may designate an authorized representative to fill out the PPP Loan Forgiveness Application** on their behalf, by logging in to the portal and entering the name and email address of that authorized representative in the designated spaces on the first page of the application form, and then click on the “Save and Exit” button. A link to the portal will then be emailed to the authorized representative of the borrower.
- Each time authorized users log in to the PPP Loan Forgiveness Application Portal, they will be emailed a **one-time verification code**. The one-time verification code can be used for 5 minutes. Users can click on the “Resend” button if they do not receive the one-time verification code within 2 minutes.
- The PPP Loan Forgiveness Application Portal has been designed to help our PPP Loan customers with their loan forgiveness calculations. **Applicants should fill in the unshaded boxes in the Portal.** The shaded boxes are either prefilled based on data from your original PPP Loan Application, or are calculated fields based on data you are entering into the Portal at the time of your PPP Loan Forgiveness Application. If any of the pre-filled data does not agree with your records please contact us.
- The PPP Loan Forgiveness Application Portal offers our customers an online workbook which can be filled out to determine how much of their payroll and non-payroll expenses qualify for forgiveness. Alternatively, customers who have already made those calculations on their own may upload their own manual **workbook showing those calculations which must tie back to the expense figures stated on the PPP Loan Forgiveness Application.** Please note that the online workbook available in the portal will accommodate payroll data up to 200 employees. If you have more than 200 employees, you will need to upload a manual workbook showing your calculations of your total forgivable expenses.

*Continued on next page*

877-671-2265  
EnterpriseBanking.com

Member  
FDIC

 **Enterprise Bank**  
CREATE SUCCESS

*Continued from previous page*

- The PPP Loan Forgiveness Portal will prompt you to upload documents supporting the expense figures on your application. Please upload supporting documents that are not encrypted or password protected; and are **smaller than 5 MB each**.
- As you enter your information into our portal **your entries will be saved automatically** when you click on the "Continue" button on the bottom of each page and click on the "Save" button in the Online Workbook.

## Payroll Expense Guidance

- Please keep in mind the **limits on employee cash compensation** that qualify for forgiveness. Under the PPP program's rules, cash compensation paid to an employee in excess of a \$100,000 annualized rate of pay during the covered period does not qualify for forgiveness. For example, forgivable cash compensation for an 8-week covered period would be capped at **\$15,385**, for a full 24-week covered period it would be capped as **\$46,153**. This cap would be prorated if you apply for forgiveness partially through the 24-week covered period.
- **Owners compensation** is capped at **\$15,385** for an 8-week covered period and **\$20,833** for a 24-week covered period. The 24-week covered period limit is based on 2.5 months of each owner's 2019 compensation up to \$100,000 annualized ( $2.5/12 * \$100,000 = \$20,833$ ). Owners are defined as anyone on the company's payroll who owns at least 5% of the company.
- **The compensation of sole proprietors** can be documented by providing a copy of Schedule C from your 2019 Form 1040 Income Tax Return.
- The online workbook available in the portal will automatically calculate cash compensation limits. If you are uploading your own calculation workbook for payroll and non-payroll expenses, **please make sure the cash compensation expenses listed in your calculation workbook comply with the forgivable cash compensation limits above.**
- **When calculating the number of Full Time Equivalent employees (FTE)** during the covered expense period and the reference period prior to the covered expense period, the FTE figure should be based on the employee's average weekly hours during the period. Employees working 40 hours or more per week on average count as 1.0 FTE. Employees working less than 40 hours per week on average count as 0.5 FTE, or you may choose to round to the nearest 10th for all part time employees (i.e. 30 hour/week average = .8 FTE)

## Non-Payroll Expense Guidance

- For utility expenses, **please provide a copy of your February 2020 monthly invoice statement** as well as each of the monthly invoice statements for your covered period. You must also provide proof of payment of those invoices, either via a canceled check, receipt or as reflected on the subsequent monthly bill from your provider.
- **Rent/lease payments to affiliates and related parties** are eligible for forgiveness as long as (1) the amount of loan forgiveness requested for rent or lease payments to a related party is no more than the amount of mortgage interest owed on the property during the Covered Period that is attributable to the space being rented by the business, and (2) the lease and the mortgage were entered into prior to February 15, 2020. Any ownership in common between the business and the property owner is a related party for these purposes. To claim these expenses, you must provide mortgage interest documentation to substantiate these payments. While rent or lease payments to a related party may be eligible for forgiveness, mortgage interest payments to a related party are not eligible for forgiveness.
- **Business utility payments which qualify for forgiveness** include electricity, gas, water, telephone, transportation or internet access that began before Feb. 15, 2020.
- **Heating oil, propane and natural gas** utilities fall under the gas utilities expense category. (This expense category does not include gas for vehicles.)
- **Transportation utility expense** refers to transportation infrastructure utilities billed to businesses by state and local governments.

## Other

- **Once you submit your PPP Loan Forgiveness Application through the online portal, you can log in to the portal to check on the status of your application.** Under the PPP Program rules, the Bank must review your completed application within 60 days of receipt, and then forward it on to the SBA for a final decision on your loan forgiveness. The SBA has 90 days from the date the Bank submits your application to remit your loan forgiveness payment to the Bank. We will notify you of the SBA's decision at that time.

877-671-2265  
EnterpriseBanking.com

Member  
FDIC

 **Enterprise Bank**  
CREATE SUCCESS