

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."
- **In order to avoid making monthly payments, you must apply for PPP loan forgiveness within 10 months of the end of the covered period. No PPP loan payments are due during this time until a final loan forgiveness decision is made by the SBA. However, you can apply for forgiveness at any point prior to the maturity of the loan. If approved, any payments made will also be forgiven.**
- **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.
- Our 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.
- **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.**
- **The Portal is best viewed using one of the following internet browsers: Chrome 60 or greater, Firefox 55 or greater, Microsoft Edge (Chromium Based).** Internet Explorer 11 and Microsoft Edge Legacy are also supported. The Safari browser is not recommended.

- 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.
- 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.
- **For 1st Draw PPP loans \$150,000 and under, you will not be required to supply supporting documentation with your forgiveness application under recently revised rules. For 2nd Draw loan forgiveness applications, you will be required to provide documentation of a 25% or more reduction in gross receipts during 2020 with your forgiveness application.**
- **Customers are required to complete the Borrower's Disclosure of Certain Controlling Interest From if a company owner or spouse is a Federal Government Official.** The 3508D Form must be submitted with the loan forgiveness application and can be accessed from the Bank's PPP webpage.

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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 10-week covered period would be capped at **\$19,231**, and 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 owners compensation limits apply to each individual owner in total across all businesses in which he or she has an ownership stake.
- The compensation of sole proprietors can be documented by providing a copy of Schedule C from your 2019 or 2020 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)
- **For loans greater than \$50,000 and \$150,000 or less**, certain reductions in loan forgiveness will occur if you reduced your number of FTE's during the covered period or reduced any one employee's salary or hourly wage by more than 25%. **If your company experienced these reductions you must follow the SBA Form 3508 and its instructions to calculate the Requested Loan Forgiveness Amount, but you can apply for forgiveness using the 3508S Forgiveness Application Form. You can reference the Application Instructions for the 3508 Forgiveness Application located on the Bank's PPP Webpage at <https://www.enterprisebanking.com/news/article/paycheck-protection-program-ppp-updates>.**

Nonpayroll Expense Guidance

- **Rent/lease payments to affiliates and related parties are eligible for forgiveness as long as the rent is paid to an unrelated third party.** If the rent is paid to a related entity, then only the mortgage interest during the covered period is allowed.
- 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.
- Business utility payments which qualify for forgiveness include electricity, gas, water, telephone, transportation or internet access that began before Feb. 15, 2020.
- Transportation utility expense refers to transportation infrastructure expenses billed to businesses by state and local governments.
- **(NEW) Operations Expenditures** include business software and cloud computing services that facilitate business operations.
- **(NEW) Property Damage Costs** include costs related to property damage caused by vandalism or looting caused by public disturbances **not covered by your insurance.**
- **(NEW) Supplier Costs** includes expenditures made for the supply of goods that are essential to the operations of your business, and made pursuant to a contract, order, or purchase order in effect prior to the beginning of the Covered Period.
- **(NEW) Worker Protection Expenditures** include operating or capital expenditures made to protect employees and the public from COVID-19 risk such as PPE masks, sanitizers, physical barriers, health screening tools etc.

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.