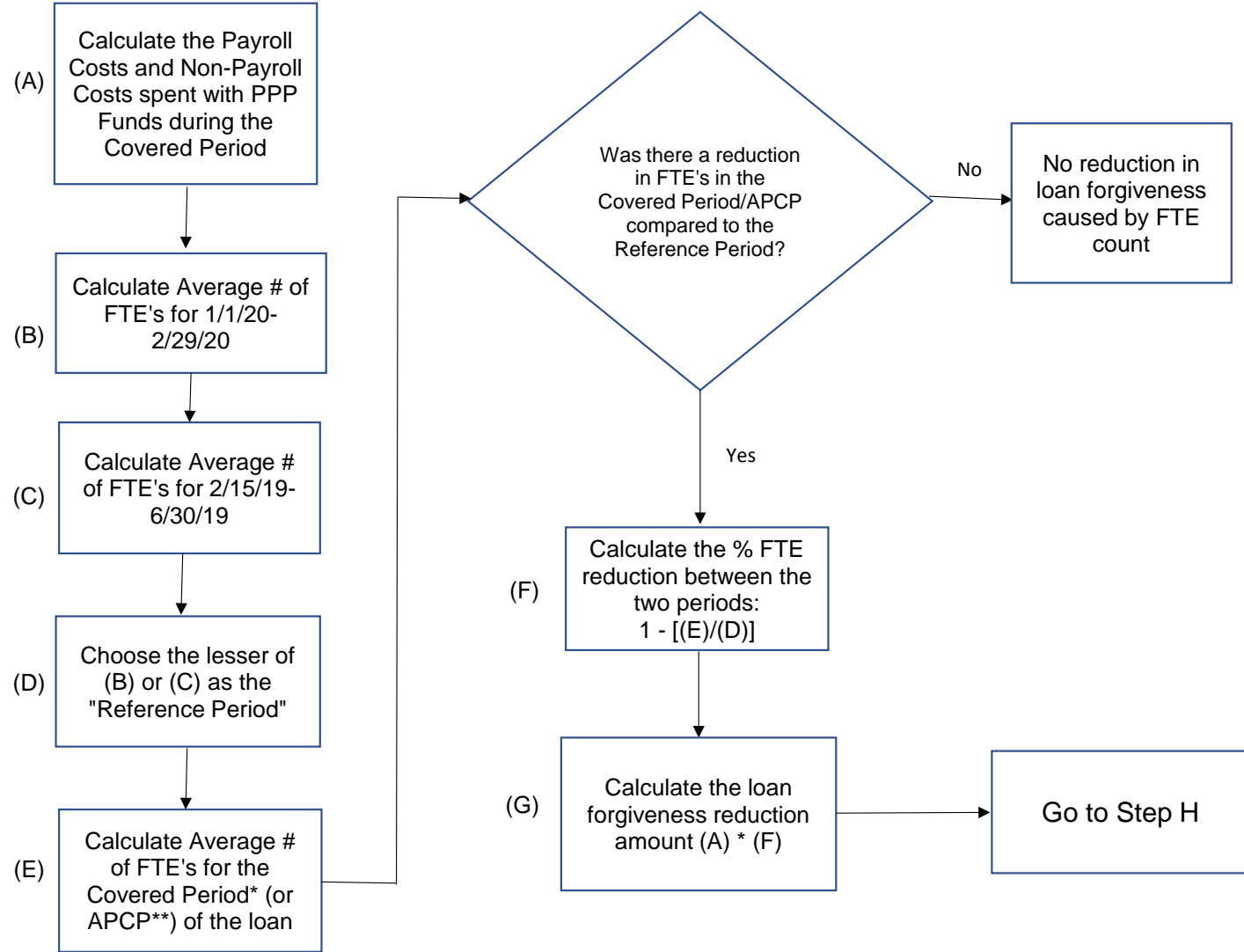




PPP Loan Forgiveness Reduction - FTE's Flowchart

Flowchart:



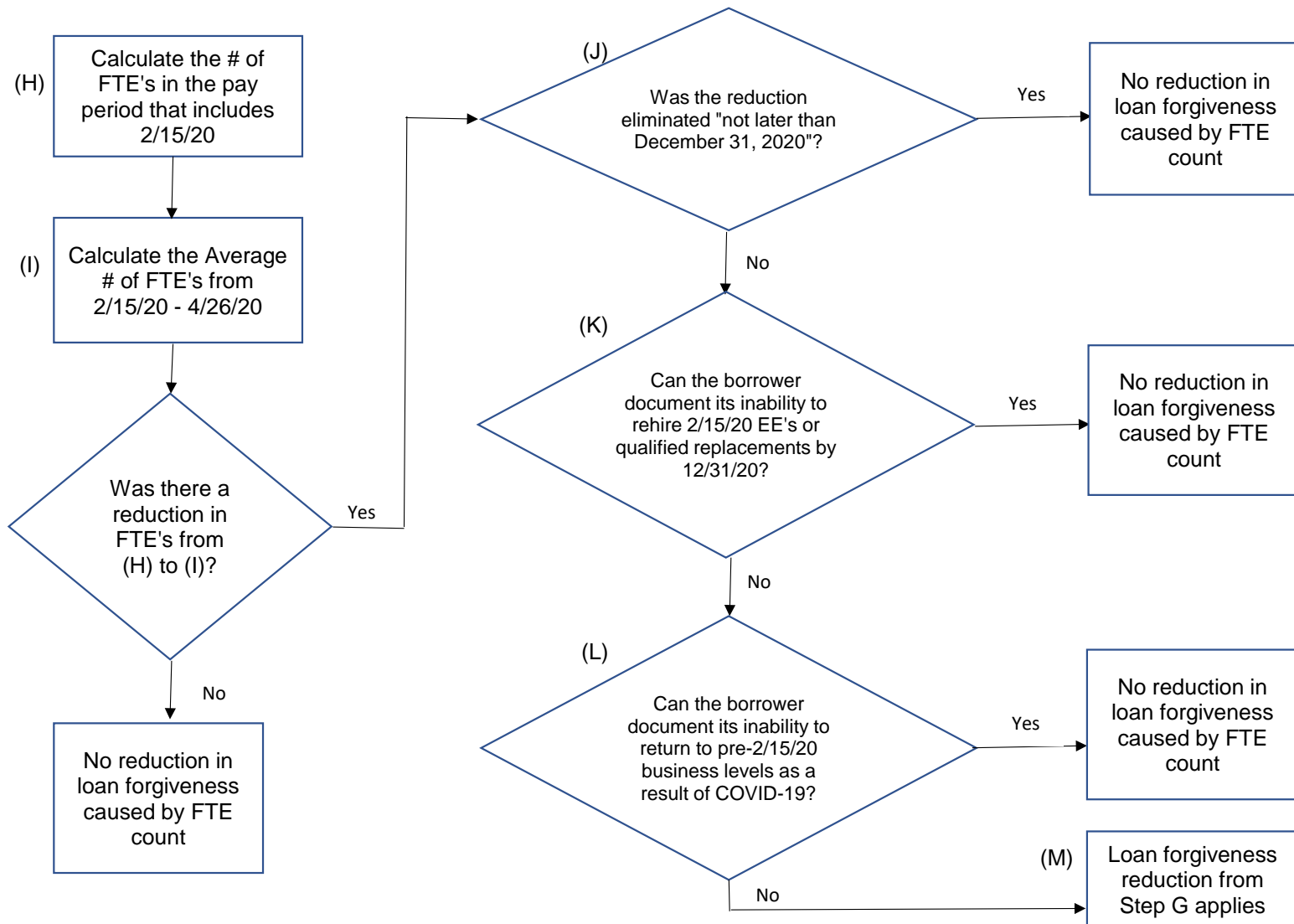
Example:

(A) PPP Loan Amount	<u>\$ 320,000</u>
Amounts Spent in Covered Period on:	
Payroll Costs	<u>\$ 250,000</u>
Non-Payroll Costs	<u>70,000</u>
Maximum Forgiveness	<u>\$ 320,000</u>
Payroll Cost %	<u>78%</u>

FTE's:	
(B) 1/1/20-2/29/20 Avg	30
(C) 2/15/19-6/30/19 Avg	34
(D) Reference Period Avg	30
(E) Covered Loan Period Avg	<u>24</u>
(F) Reduction	<u>6</u>
(F) Reduction %	<u>20%</u>

(G) Potential Loan Forgiveness Reduction
 (Reduction % * Max Forgiveness) \$ 64,000

*Covered Period - The 24 weeks beginning on the day PPP loan proceeds are received.
 ** Alternative Payroll Covered Period (APCP) - The 24 weeks beginning on the first day of the first pay period after PPP loan proceeds are received.



Example (same as above):

PPP Loan Amount	<u>\$ 320,000</u>
Amounts Spent in Covered Period on:	
Payroll Costs	<u>\$ 250,000</u>
Non-Payroll Costs	<u>70,000</u>
Maximum Forgiveness	<u>\$ 320,000</u>
Payroll Cost %	<u>78%</u>

FTE's:	
1/1/20-2/29/20 Avg	30
2/15/19-6/30/19 Avg	34
Reference Period Avg	30
Covered Loan Period Avg	<u>24</u>
Reduction	<u>6</u>
Reduction %	<u>20%</u>

Scenario ---->	# 1	# 2	# 3	# 4	# 5
(G) Potential Loan Forgiveness Reduction	<u>\$ 64,000</u>	<u>\$ 64,000</u>	<u>\$ 64,000</u>	<u>\$ 64,000</u>	<u>\$ 64,000</u>
(H) FTE's in pay period inc 2/15/20	28	28	28	28	28
(I) 2/15/20-4/26/20 Avg FTE's	28	22	22	22	22
(J) Highest FTE's in pay periods from 4/26/20-12/31/20	N/A	28	27	27	27
(K) Inability to Rehire Safe Harbor met?	N/A	N/A	Yes	No	No
(L) Inability to Restore Business to pre-2/15/20 Levels Safe Harbor met?	N/A	N/A	N/A	Yes	No
(M) Actual Loan Forgiveness Reduction	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,000</u>
	No FTE reduction	(J) is satisfied	(K) is satisfied	(L) is satisfied	Forgiveness Reduction
Unforgiven Loan Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,000</u>

Scenario Descriptions:

- #1 - Average FTE's for 2/15/20-4/26/20 did not decline from 2/15/20.
- #2 - Average FTE's for 2/15/20-4/26/20 declined, but was restored to 2/15/20 levels by 12/31/20.
- #3 - Average FTE's for 2/15/20-4/26/20 declined, and was not restored by 12/31/20, but the company was able to document its inability to rehire 2/15/20 employees or qualified replacements.
- #4 - Average FTE's for 2/15/20-4/26/20 declined, and was not restored by 12/31/20, but the company was able to document its inability to return to pre-2/15/20 business levels due to COVID-19 restrictions.
- #5 - Average FTE's for 2/15/20-4/26/20 declined, and was not restored by 12/31/20, and the company was NOT able to document the requirements of (K) or (L).

