



PPP Loan Forgiveness Information Sheet

OVERVIEW:

This information sheet is a “guide” to reference as you begin the process of determining the “forgivable” portion of your PPP loan only. It is not intended to recap the “loan determination amount” of your PPP loan. *(NOTE: The amount of your loan was determined by you at time of application. Marquette validated the amount with a review and assessment of the data you provided).* It is very important to begin this process NOW by starting to compile relevant data.

As your bank, it is our intent to keep YOU current with updates to changes in the guidelines as well as our interpretations of the guidelines.

As of May 18, 2020, the Small Business Administration (SBA) will soon issue regulations and guidance to further assist borrowers as they complete their applications, and to provide lenders with guidance on their responsibilities. Marquette is continually monitoring information and will post updates as they become available on our website: Marquettesavings.bank.

WHAT YOU NEED TO KNOW:

Loan forgiveness is based on certain costs over an 8-week period the “covered period”. The covered period begins on the date Marquette funded the loan proceeds into your Marquette account.

The “Alternate Payroll Covered Period.” – The SBA has provided an Alternate Covered Period defined as for administrative convenience, borrowers with a biweekly (or a more frequent) payroll schedule may elect to calculate eligible payroll costs using the eight-week (56-day) period that begins on the first day of their first pay period following their PPP loan disbursement date. (See the PPP Loan Forgiveness Application detail report example).

What costs are eligible for loan forgiveness? The actual amount of the loan forgiveness is based on certain eligible costs incurred and payments made during the covered period.

IMPORTANT– *ALL “eligible costs” need to be in existence on February 15, 2020. HOWEVER, the “forgivable” portion will be determined based on expenses incurred and paid during the “8-week “covered period”.*

LOAN FORGIVENESS REQUIREMENT:

To ensure all eligible expenses can be applied to PPP loan forgiveness, an accurate accounting of expenses must be presented. We highly recommend starting this process now. Please keep a folder that includes cancelled checks or online confirmations of satisfactory payments for ALL your eligible payroll and utility costs to submit to Marquette when applying for loan forgiveness.

PAYROLL COSTS:

The following payroll costs are eligible:

- ✓ Salaries, wages, commissions or similar compensation (including cash and housing stipend and allowance)
- ✓ Payments for vacation, parental family, medical or sick leave
- ✓ Allowance for dismissal or separation
- ✓ Payments for the provisions of group health care benefits, including insurance premiums
- ✓ Payments for retirement benefits
- ✓ State employer unemployment taxes

The following payroll costs are NOT eligible:

- ✓ Payments to an independent contractor
- ✓ Cash compensation in excess of \$100,000
- ✓ The Employer's share of federal payroll taxes
- ✓ Qualified sick leave and qualified parental leave wages for which credit is allowed under the Families First Coronavirus Response Act (FFCRA)

OVERHEAD EXPENSES:

Other eligible expenses

- ✓ Copies of all **lease/rent** agreements for real estate and tangible personal property should be presented along with proof of payment,
- ✓ Copies of all statements of **interest paid** on debt obligations incurred prior to February 15, 2020 reflecting interest payments and **proof of payments**.
- ✓ Copies of all cancelled checks, and/or statements or other evidence of **utilities** paid during the covered period.
 - **Utilities include –**
 - **Electricity**
 - **Gas**
 - **Water**
 - **Telephone and internet**
 - **Transportation (gasoline the company pays for company vehicles)**
- ✓ Any and all additional documentation required by the Lender to support and document the use of proceeds of the loan.

Mortgage and lease/rent payments –

- ✓ Interest payments on a mortgage incurred in the ordinary course of business on real or personal property and that was in existence on February 15, 2020 – keep in mind, this includes ONLY the interest portion of your loan payment. For example, if your monthly payment is \$1,023.91 and the breakdown of your payment was \$691.00 towards principal and \$332.91 represents the interest portion, then only the \$332.91 is an eligible cost.
- ✓ Rent payments under lease agreements in existence on February 15, 2020.
- ✓ Utility payments for electricity, gas, water, transportation, telephone and Internet for which service was in existence on February 15, 2020.

ADDITIONAL RESOURCES:

Please refer to the checklist provided on the PPP Loan Forgiveness Information Center for more information. These tools are provided to assist customers to ensure all eligible expenses can be applied to PPP loan forgiveness, it is important to still verify materials with your CPA or Financial Advisor.