



PIECES OF THE PUZZLE

May 2020

SBA Releases PPP Loan Forgiveness Application

The Small Business Administration (SBA) has released a loan forgiveness application for the Paycheck Protection Program (PPP), which was created by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The application and its instructions provide step-by-step guidance on calculating a borrower's PPP loan forgiveness amount. Among other things, the application (1) allows borrowers to use an "alternative payroll covered period" to compute payroll costs; (2) permits the inclusion of eligible nonpayroll costs incurred during the covered period and paid on or before the next regular billing date (even if that date is after the covered period); and (3) adds a new exemption from the loan forgiveness reduction for a good-faith, written offer to rehire an employee during the covered period that was rejected by that employee. The SBA plans to issue guidance soon to assist borrowers and lenders through the forgiveness process. A copy of the application is available at www.sba.gov/document/sba-form--paycheck-protection-program-loan-forgiveness-application .

Source: Thomson Reuters

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