



# Agenda

- **7 Key Topics to Understand**
- **Loan Forgiveness Applications**
  - 3508S
  - 3508EZ
  - 3508
- **Restaurant Revitalization Fund**
- **SBA Resources**
- **Questions**



# 7 Key Topics to Understand



## 7 Key Topics to Understand

1. Covered Payroll Period
2. Cash Compensation
3. Salaries for owner-employee/self-employed/general partners
4. FTE Calculation
5. FTE Reduction Safe Harbors 1 and 2
6. FTE Reduction Exceptions
7. Eligible Payroll and Non-Payroll Costs

# 1. Covered Payroll Period

- **Covered Period** - begins on the date the loan proceeds are disbursed and ends 8 to 24 weeks from that date.
- The covered period (dates) for the First and Second Draw PPP loan **cannot overlap**.
- Borrower **must use all of the proceeds** of the First Draw before the Second Draw loan can be disbursed.

## 2. Cash Compensation

For each individual employee, the total amount of cash compensation eligible for forgiveness may not exceed an annual salary of \$100,000, as prorated for the Covered Period.

For an 8-week Covered Period, that total is capped at \$15,385 per employee.

For a 24-week Covered Period, that total is capped at \$46,154 per employee.

### 3. Owner-Employee/Self Employed/General Partner

- If a 24-week Covered Period applies, for any owner-employee or self-employed individual/general partner, salary is capped at **\$20,833** per individual; **and**
- If the Borrower has elected an 8-week Covered Period, for any owner-employee or self-employed individual/general partner, salary capped at **\$15,385** per individual.
- **\*If 10 weeks, it would be capped at \$19,231.**
- *Excludes owner-employees who own less than 5% of C-Corp. or S-Corp.*



## 4. Required FTE Calculation

- For each employee, for the respective Covered period:
  1. Take the average number of hours paid per week, divide by 40, and round the total to the nearest tenth.
    - The maximum for each employee is capped at 1.0.
  2. Or, simply assign a 1.0 for employees who work 40 hours or more per week and 0.5 for employees who work fewer hours.



## 5a. FTE Reduction Safe Harbor 1

Provides a safe harbor from **reductions in forgiveness**, based on reductions in full-time equivalent (FTE) employees, for borrowers that are unable to return to the same level of business activity prior to February 15, 2020, due to compliance with requirements/guidance between March 1, 2020 and December 31, 2020, or for loans approved after Dec. 27, 2020; not later than the last day of the loan's covered period:

- Secretary of Health and Human Services
- Director of the Centers for Disease Control and Prevention
- Occupational Safety and Health Administration, related to worker or customer safety requirements related to COVID-19.

*Must maintain records regarding the reduction in business activity and the local government's shutdown orders that reference a COVID requirement or guidance.*

## 5b. FTE Reduction Safe Harbor 2

- If the Borrower reduced its FTE employee levels in the period beginning February 15, 2020, and ending April 26, 2020; **and**
- The Borrower then restored its FTE employee levels by not later than December 31, 2020\* to its FTE employee levels in the Borrower's pay period that included February 15, 2020.

*\* For PPP loans approved after December 27, 2020; then not later than the last day of the loan's covered period.*

## 6. FTE Reduction Exceptions

- For any employees during the ... Covered Period
  1. The Borrower made a good-faith, written offer to rehire an employee, which was rejected by the employee
  2. Were fired for cause
  3. Voluntarily resigned
  4. Voluntarily requested and received a reduction of their hours
  5. Borrower made a good faith, written offer to restore any reduction in hours at the same salary or wages, but the employee rejected
  6. Borrower was unable to hire similarly qualified employees for unfilled positions by December 31, 2020; for PPP loans approved after Dec. 27, 2020, then not later than the last day of the loan's covered period.
  7. Have a PPP loan of \$50,000 or less
- Any FTE reductions in these cases do not reduce the Borrower's loan forgiveness.

## 7a. What is 'Payroll Cost'

- Payroll costs consist of:
  - compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips);
  - payment for vacation, parental, family, medical, or sick leave;
  - allowance for separation or dismissal;
  - payment for the provision of employee benefits consisting of group health care coverage, including insurance premiums, retirement, group life, disability, vision, or dental insurance.
  - payment of state and local taxes assessed on compensation of employees;
  - and for an independent contractor or sole proprietor,
    - wage, commissions, income, or net earnings from self-employment or similar compensation.

## 7b. Summary of Eligible Costs - Payroll

- Payroll costs paid and payroll costs incurred during the 8 to 24 weeks Covered Period.
  - Payroll costs are considered paid on the day that paychecks are distributed, or the Borrower originates an ACH credit transaction.
  - Payroll costs are considered incurred on the day that the employee's pay is earned.
  - Payroll costs incurred but not paid during the Borrower's last pay period of the Covered Period are eligible for forgiveness if paid on or before the next regular payroll date.
    - Otherwise, payroll costs must be paid during the Covered Period.

## 7c. Summary of Eligible Costs Non-Payroll

- **Covered mortgage obligations:**
  - Payments of interest (not including any prepayment or payment of principal) on any business mortgage obligation on real or personal property incurred before February 15, 2020.
- **Covered rent obligations:**
  - Business rent or lease payments pursuant to lease agreements for real or personal property in force before February 15, 2020.
- **Covered utility payments:**
  - Business payments for a service for the distribution of electricity, gas, water, transportation, telephone, or internet access for which service began before February 15, 2020.

## 7c. Eligible Non-Payroll Costs – Cont'd

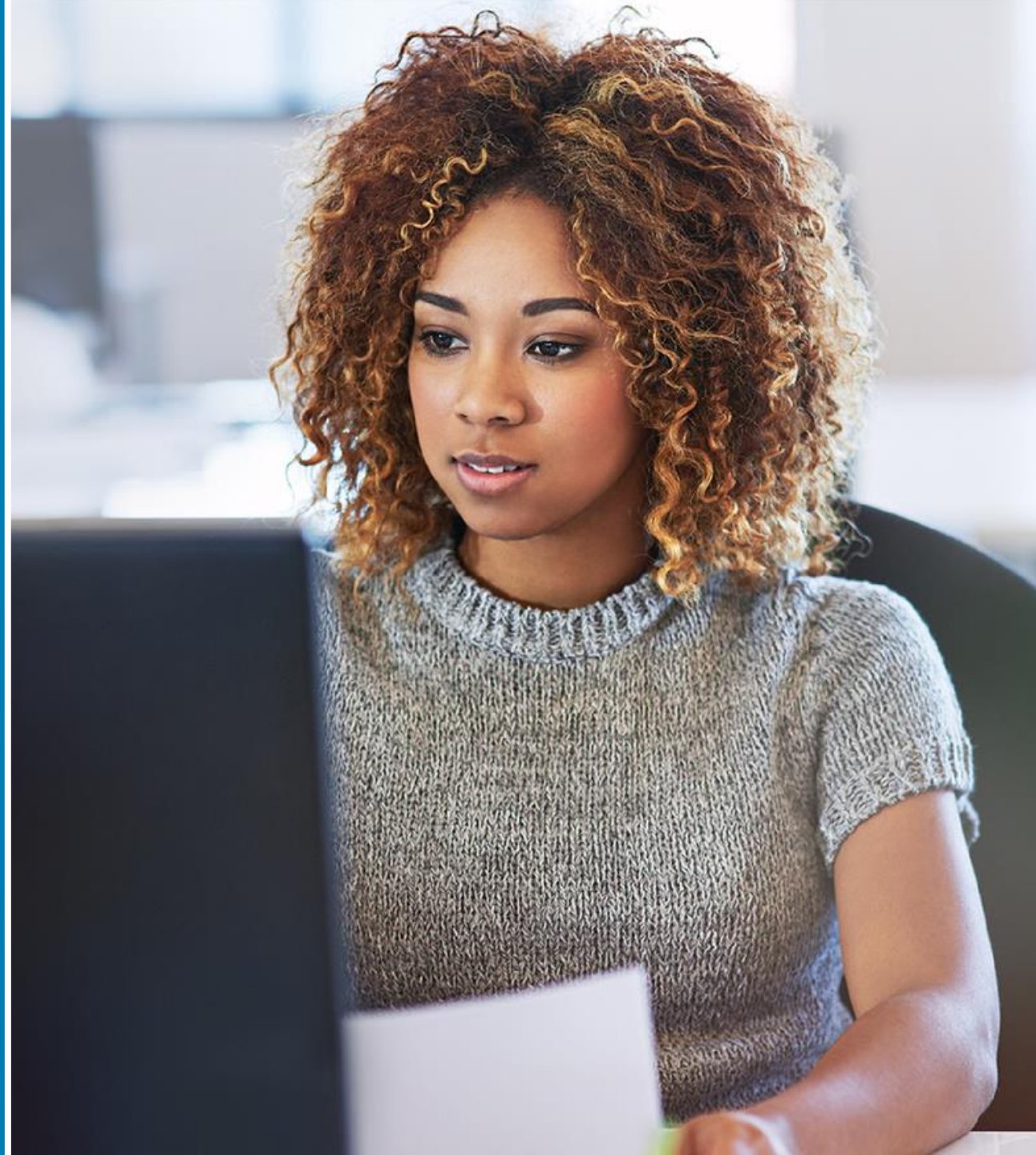
- **Covered operations expenditures.** Payments for any business software or cloud computing service that facilitates business operations, product or service delivery, the processing, payment, or tracking of payroll expenses, human resources, sales and billing functions, or accounting or tracking of supplies, inventory, records, and expenses.
- **Covered property damage costs.** Costs related to property damage due to public disturbances that occurred during 2020 that are not covered by insurance.
- **Covered supplier costs.** Expenditures to a supplier pursuant to a contract, purchase order, or order for goods in effect prior to taking out the loan that are essential to the recipient's operations at the time at which the expenditure was made. Supplier costs of perishable goods can be made before or during the life of the loan.
- **Covered worker protection expenditure.** Personal protective equipment and adaptive investments to help a loan recipient comply with federal health and safety guidelines or any equivalent State and local guidance related to COVID-19 during the period between March 1, 2020, and the ending date on which the national emergency declared by the President under the National Emergencies Act expires.



## 7c. Eligible Costs Non-Payroll – Cont'd

1. If a borrower is renting a space, and they sublease a portion of the space, the borrower can only claim the net rent expense. In other words, if the rent is \$7,000 per month, and they sublease for \$3,000 per month; they can only claim \$4,000 for non-payroll expenses.
2. If a borrower has a mortgage on the building, and they lease 25% of the fair market value of the building, they can only claim 75% of the mortgage expense for forgiveness.
3. If the borrower shares the space with another business, they must prorate the rent and utility payments in the same manner as on the borrower's 2019 tax filings, or if a new business, the borrower's expected 2020 tax filings.
4. If the borrower is paying rent to a real estate holding company (which they own), the borrower can only claim that portion of rent that does not exceed the monthly interest payments on the loan, for the covered period.
5. If the borrower works out of their home, they can only include that portion of non-payroll expenses (for the covered period) that were deductible on the borrower's 2019 tax filings, or for a new business, the borrower's expected 2020.

# **PPP Forgiveness Applications 3508S and 3508EZ**



# PPP Forgiveness Application 3508S

- Loan Forgiveness Application 3508S – 2 pages

1. PPP Forgiveness Application & Certification (p 1)
2. Borrower Demographics (p 2)
3. Instructions

This application is only for the following Borrowers:

- PPP loan amount of **\$150,000 or less**
- Borrowers with loans **\$50,000 or less** are exempt from reductions to the forgiveness amount if they have not received a First or Second Draw PPP loan (with affiliates) totaling \$2MM or more.

[www.sba.gov/ppp](https://www.sba.gov/ppp) under “Loan Details and Forgiveness

# 3508S PPP Forgiveness Application

- The Borrower) can apply for forgiveness of your First or Second Draw Paycheck Protection Program (PPP) Loan using this SBA Form 3508S only if the loan amount you received from your Lender was \$150,000 or less for an individual First or Second Draw PPP Loan.
- If you are not eligible to use this form, you must apply for forgiveness of your PPP loan using SBA Form 3508 or 3508EZ (or lender's equivalent form).
- SBA Form 3508S requires fewer calculations and less documentation for eligible borrowers.
- SBA Form 3508S does not require borrowers to show the calculations used to determine their loan forgiveness amount. However, SBA may request information and documents to review those calculations as part of its loan review or audit processes.
- If this loan forgiveness application is being submitted for a Second Draw PPP Loan, the Borrower must submit simultaneously to its lender documentation supporting the gross receipts reduction certification on the Borrower's loan application (if the Borrower did not previously submit such documentation to the lender). *Such documentation may include relevant tax forms, including annual tax forms, or, if relevant tax forms are not available, a copy of the applicant's quarterly income statements or bank statements.*

# 3508S PPP Forgiveness Application - Cont'd

- FTE and Salary/Wage Reductions: Borrowers that received a PPP loan more than \$50,000 and Borrowers of \$50,000 or less that together with their affiliates received First Draw PPP Loans totaling \$2 million or more or Second Draw PPP Loans totaling \$2 million or more must adjust their “Requested Loan Forgiveness Amount” due to statutory requirements concerning reductions in either full-time equivalent employees or employee salary and wages.
- If the Borrower is subject to reductions in its Requested Loan Forgiveness Amount, the Borrower must follow SBA Form 3508 and its instructions to calculate its Requested Loan Forgiveness Amount. The Borrower is not required to submit the Form 3508 or any related documentation with this forgiveness application. However, SBA may request information and documents to review those calculations as part of its loan review and audit processes.

***\*Please read the Instructions for the 3508S Application for more details.***



## Paycheck Protection Program

PPP Loan Forgiveness Application Form 3508S Revised January 19, 2021

OMB Control No.: 3245-0407

Expiration Date: 7/31/2021

**A BORROWER MAY USE THIS FORM ONLY IF THE BORROWER RECEIVED A PPP LOAN OF \$150,000 OR LESS**

Business Legal Name ("Borrower")		DBA or Tradename, if applicable	
Business Address	NAICS Code	Business TIN (EIN, SSN)	Business Phone
			( ) -
		Primary Contact	E-mail Address

☐ First Draw PPP Loan ☐ Second Draw PPP Loan (check one)

SBA PPP Loan Number: \_\_\_\_\_

Lender PPP Loan Number: \_\_\_\_\_

PPP Loan Amount: \_\_\_\_\_

PPP Loan Disbursement Date: \_\_\_\_\_

Employees at Time of Loan Application: \_\_\_\_\_

Employees at Time of Forgiveness Application: \_\_\_\_\_

Covered Period: \_\_\_\_\_ to \_\_\_\_\_

If Borrower (Together with Affiliates, if Applicable) Received First Draw PPP Loans of \$2 Million or More or Second Draw PPP Loans of \$2 Million or More, Check Here: ☐

Amount of Loan Spent on Payroll Costs: \_\_\_\_\_ Requested Loan Forgiveness Amount: \_\_\_\_\_



**By Signing Below, You Make the Following Representations and Certifications on Behalf of the Borrower:**

The Authorized Representative of the Borrower certifies to all of the below by **initialing** next to each one.

\_\_\_\_\_ The Borrower has complied with all requirements in the Paycheck Protection Program Rules (Sections 7(a)(36), (7)(a)(37), and 7A of the Small Business Act, the PPP interim final rules, and guidance issued by SBA through the date of this application), including the rules related to:

- eligible uses of PPP loan proceeds;
- the amount of PPP loan proceeds that must be used for payroll costs;
- the calculation and documentation of the Borrower's revenue reduction (if applicable); and
- the calculation of the Borrower's Requested Loan Forgiveness Amount.

Information regarding these requirements may be found in the Form 3508S Instructions and the Paycheck Protection Program Rules.

\_\_\_\_\_ The information provided in this application is true and correct in all material respects. I understand that knowingly making a false statement to obtain forgiveness of an SBA-guaranteed loan is punishable under the law, including 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

Following submission of this forgiveness application, the Borrower must retain all records necessary to prove compliance with Paycheck Protection Program Rules for four years for employment records and for three years for all other records. SBA may request additional information for the purposes of evaluating the Borrower's eligibility for the PPP loan and for loan forgiveness, and the Borrower's failure to provide information requested by SBA may result in a determination that the Borrower was ineligible for the PPP loan or in a denial of the Borrower's loan forgiveness application.

The Borrower's eligibility for loan forgiveness will be evaluated in accordance with the Paycheck Protection Program Rules. SBA may direct a lender to disapprove the Borrower's loan forgiveness application if SBA determines that the Borrower was ineligible for the PPP loan.

\_\_\_\_\_  
Signature of Authorized Representative of Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title



# PPP Forgiveness Application 3508EZ

- Loan Forgiveness Application 3508EZ – 3 pages

1. PPP Forgiveness Application (p 1)
2. Certification (p 2)
3. Borrower Demographics (p 3)
4. Instructions

This application is only for the following Borrowers:

- Self employed and have no employees.
- Did not reduce the salaries or wages of their employees by more than 25%, and did not reduce the number or hours of their employees; or
- Experienced reductions in business activity as a result of health directives related to Covid-19 and did not reduce the salaries or wages of their employees by more than 25%.

[www.sba.gov/ppp](https://www.sba.gov/ppp) under “Loan Details and Forgiveness



**Paycheck Protection Program**  
**PPP Loan Forgiveness Application Form 3508EZ Revised January 19, 2021**

OMB Control No.: 3245-0407  
Expiration Date: 7/31/2021

<b>Business Legal Name ("Borrower")</b>		<b>DBA or Tradename, if applicable</b>	
<b>Business Address</b>	<b>NAICS Code</b>	<b>Business TIN (EIN, SSN)</b>	<b>Business Phone</b>
			( ) -
		<b>Primary Contact</b>	<b>E-mail Address</b>

☐ **First Draw PPP Loan** ☐ **Second Draw PPP Loan** (check one)

**SBA PPP Loan Number:** \_\_\_\_\_ **Lender PPP Loan Number:** \_\_\_\_\_

**PPP Loan Amount:** \_\_\_\_\_ **PPP Loan Disbursement Date:** \_\_\_\_\_

**Employees at Time of Loan Application:** \_\_\_\_\_ **Employees at Time of Forgiveness Application:** \_\_\_\_\_

**Covered Period:** \_\_\_\_\_ to \_\_\_\_\_

**If Borrower (Together with Affiliates, if Applicable) Received First Draw PPP Loans of \$2 million or More or Second Draw PPP Loans of \$2 Million or More, check here:** ☐

**Forgiveness Amount Calculation:**

Payroll and Nonpayroll Costs

Line 1. Payroll Costs: \_\_\_\_\_

Line 2. Business Mortgage Interest Payments: \_\_\_\_\_

Line 3. Business Rent or Lease Payments: \_\_\_\_\_

Line 4. Business Utility Payments: \_\_\_\_\_

Line 5. Covered Operations Expenditures:

\_\_\_\_\_

Line 6. Covered Property Damage Costs:

\_\_\_\_\_

Line 7. Covered Supplier Costs:

\_\_\_\_\_

Line 8. Covered Worker Protection Expenditures:

\_\_\_\_\_

Potential Forgiveness Amounts

Line 9. Sum the amounts on lines 1 through 8:

\_\_\_\_\_

Line 10. PPP Loan Amount:

\_\_\_\_\_

Line 11. Payroll Cost 60% Requirement (divide Line 1 by 0.60):

\_\_\_\_\_

Forgiveness Amount

Line 12. Forgiveness Amount (enter the smallest of Lines 9, 10, and 11):

\_\_\_\_\_



**Paycheck Protection Program**  
**PPP Loan Forgiveness Application Form 3508EZ Revised January 19, 2021**

OMB Control No.: 3245-0407  
Expiration Date: 7/31/2021

**By Signing Below, You Make the Following Representations and Certifications on Behalf of the Borrower:**

The Authorized Representative of the Borrower certifies to all of the below by **initialing** next to each one.

- \_\_\_\_\_ The dollar amount for which forgiveness is requested (which does not exceed the principal amount of the PPP loan):
- was used to pay business costs that are eligible for forgiveness (payroll costs to retain employees; business mortgage interest payments; business rent or lease payments; business utility payments; covered operations expenditures; covered property damage costs; covered supplier costs; or covered worker protection expenditures);
  - includes payroll costs equal to at least 60% of the forgiveness amount; and
  - for any owner-employee (with an ownership stake of 5% or more) or self-employed individual/general partner, does not exceed 2.5 months' worth of compensation received during the year used to calculate the PPP loan amount, capped at \$20,833 per individual in total across all businesses.
- \_\_\_\_\_ I understand that if the funds were knowingly used for unauthorized purposes, the federal government may pursue recovery of loan amounts and/or civil or criminal fraud charges.
- \_\_\_\_\_ The Borrower did not reduce salaries or hourly wages of any employee by more than 25 percent for any employee during the Covered Period compared to the most recent quarter before the Covered Period. For purposes of this certification, the term "employee" includes only those employees that did not receive, during any single period during 2019, wages or salary at an annualized rate of pay in an amount more than \$100,000.
- \_\_\_\_\_ The Borrower has accurately verified the payments for the eligible payroll and nonpayroll costs for which the Borrower is requesting forgiveness.
- \_\_\_\_\_ I have submitted to the Lender the required documentation verifying payroll costs, the existence of obligations and service (as applicable) prior to February 15, 2020, and eligible business mortgage interest payments, business rent or lease payments, business utility payments, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures.
- \_\_\_\_\_ If this application is being submitted for a Second Draw PPP Loan, the Borrower used all First Draw PPP Loan amounts on eligible expenses prior to disbursement of the Second Draw PPP Loan.

\_\_\_\_\_ The information provided in this application and the information provided in all supporting documents and forms is true and correct in all material respects. I understand that knowingly making a false statement to obtain forgiveness of an SBA-guaranteed loan is punishable under the law, including 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

\_\_\_\_\_ The tax documents I have submitted to the Lender (if applicable) are consistent with those the Borrower has submitted or will submit to the IRS and/or state tax or workforce agency. I also understand, acknowledge, and agree that the Lender can share the tax information with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of ensuring compliance with PPP requirements and all SBA reviews.

\_\_\_\_\_ I understand, acknowledge, and agree that SBA may request additional information for the purposes of evaluating the Borrower's eligibility for the PPP loan and for loan forgiveness, and that the Borrower's failure to provide information requested by SBA may result in a determination that the Borrower was ineligible for the PPP loan or a denial of the Borrower's loan forgiveness application.

In addition, the Authorized Representative of the Borrower must certify by **initialing at least ONE** of the following two items:

\_\_\_\_\_ The Borrower did not reduce the number of employees or the average paid hours of employees between January 1, 2020 and the end of the Covered Period (other than any reductions that arose from an inability to rehire individuals who were employees on February 15, 2020, if the Borrower was unable to hire similarly qualified employees for unfilled positions on or before December 31, 2020 (or, for a PPP loan made after December 27, 2020, before the last day of the Covered Period), and reductions in an employee's hours that a borrower offered to restore and were refused).

\_\_\_\_\_ The Borrower was unable to operate between February 15, 2020, and the end of the Covered Period at the same level of business activity as before February 15, 2020 due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020 (or, for a PPP loan made after December 27, 2020, requirements established or guidance issued before the last day of the Covered Period), by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration, related to the maintenance of standards of sanitation, social distancing, or any other work or customer safety requirement related to COVID-19.

The Borrower's eligibility for loan forgiveness will be evaluated in accordance with the PPP regulations and guidance issued by SBA through the date of this application. SBA may direct a lender to disapprove the Borrower's loan forgiveness application if SBA determines that the Borrower was ineligible for the PPP loan.

# PPP Forgiveness Application Revised





# PPP Loan Forgiveness Application Revised

- Loan Forgiveness Application Revised – 5 pages
  1. PPP Forgiveness Application Calculation (p 1)
  2. Certification (p 2)
  3. Schedule A (p 3)
  4. Schedule A worksheet (p 4)
  5. Borrower Demographics (p 5)
  6. Instructions

[www.sba.gov/ppp](https://www.sba.gov/ppp) under Loan Details and Forgiveness.



# **Schedule A Worksheet**



**Paycheck Protection Program**  
**Loan Forgiveness Application Form 3508 Revised January 19, 2021**

OMB Control No.: 3245-0407  
Expiration Date: 7/31/2021

**PPP Schedule A Worksheet**

**Table 1:** List employees who:

- Were employed by the Borrower at any point during the Covered Period whose principal place of residence is in the United States; and
- Received compensation from the Borrower at an annualized rate of less than or equal to \$100,000 for all pay periods in 2019 or were not employed by the Borrower at any point in 2019.

Employee's Name	Employee Identifier	Cash Compensation	Average FTE	Salary / Hourly Wage Reduction
<b>FTE Reduction Exceptions:</b>				
<b>Totals:</b>		<b>Box 1</b>	<b>Box 2</b>	<b>Box 3</b>

**Table 2:** List employees who:

- Were employed by the Borrower at any point during the Covered Period whose principal place of residence is in the United States; and
- Received compensation from the Borrower at an annualized rate of more than \$100,000 for any pay period in 2019.

Employee's Name	Employee Identifier	Cash Compensation	Average FTE
Totals:		Box 4	Box 5

Attach additional tables if additional rows as needed.

**FTE Reduction Safe Harbor 2:**

- Step 1. Enter the borrower's total average FTE between February 15, 2020 and April 26, 2020. Follow the same method that was used to calculate Average FTE in the PPP Schedule A Worksheet Tables. Sum across all employees and enter: \_\_\_\_\_.
- Step 2. Enter the borrower's total FTE in the Borrower's pay period inclusive of February 15, 2020. Follow the same method that was used in step 1: \_\_\_\_\_.
- Step 3. If the entry for step 2 is greater than step 1, proceed to step 4. Otherwise, FTE Reduction Safe Harbor 2 is not applicable and the Borrower must complete line 13 of PPP Schedule A by dividing line 12 by line 11 of that schedule.
- Step 4. Enter the borrower's total FTE (a) for a PPP loan made before December 27, 2020, as of December 31, 2020 or (b) for a PPP loan made after December 27, 2020, the last day of the covered period: \_\_\_\_\_.
- Step 5. If the entry for step 4 is greater than or equal to step 2, enter 1.0 on line 13 of PPP Schedule A; the FTE Reduction Safe Harbor 2 has been satisfied. Otherwise, FTE Reduction Safe Harbor 2 does not apply and the Borrower must complete line 13 of PPP Schedule A by dividing line 12 by line 11 of that schedule.

# Schedule A



**Paycheck Protection Program**  
**Loan Forgiveness Application Form 3508 Revised January 19, 2021**

OMB Control No.: 3245-0407  
Expiration Date: 7/31/2021

**PPP Schedule A**

PPP Schedule A Worksheet, Table 1 Totals

Line 1. Enter Cash Compensation (Box 1) from PPP Schedule A Worksheet, Table 1: \_\_\_\_\_

Line 2. Enter Average FTE (Box 2) from PPP Schedule A Worksheet, Table 1: \_\_\_\_\_

Line 3. Enter Salary/Hourly Wage Reduction (Box 3) from PPP Schedule A Worksheet, Table 1:  
If the average annual salary or hourly wage for each employee listed on the PPP  
Schedule A Worksheet, Table 1 during the Covered Period was at least 75% of such  
employee's average annual salary or hourly wage for the most recent full quarter before  
the Covered Period, check here ☐ and enter **0** on line 3. \_\_\_\_\_

PPP Schedule A Worksheet, Table 2 Totals

Line 4. Enter Cash Compensation (Box 4) from PPP Schedule A Worksheet, Table 2: \_\_\_\_\_

Line 5. Enter Average FTE (Box 5) from PPP Schedule A Worksheet, Table 2: \_\_\_\_\_

Non-Cash Compensation Payroll Costs During the Covered Period

Line 6. Total amount paid or incurred by Borrower for employer contributions for employee insurance: \_\_\_\_\_

Line 7. Total amount paid or incurred by Borrower for employer contributions to employee retirement plans: \_\_\_\_\_

Line 8. Total amount paid or incurred by Borrower for employer state and local taxes assessed on employee compensation: \_\_\_\_\_

Compensation to Owners

Line 9. Total amount paid to owner-employees/self-employed individual/general partners: \_\_\_\_\_  
This amount may not be included in PPP Schedule A Worksheet, Table 1 or 2. If there is more than one individual included, attach a separate table that lists the names of and payments to each.

Total Payroll Costs

Line 10. Payroll Costs (add lines 1, 4, 6, 7, 8, and 9): \_\_\_\_\_

Full-Time Equivalency (FTE) Reduction Calculation

If you satisfy **any** of the following three criteria, check the appropriate box, skip lines 11 and 12, and enter **1.0** on line 13; otherwise, complete lines 11, 12, and 13:

**No reduction in employees or average paid hours:** If you have not reduced the number of employees or the average paid hours of your employees between January 1, 2020 and the end of the Covered Period, check here ☐.

**FTE Reduction Safe Harbor 1:** If you were unable to operate between February 15, 2020, and the end of the Covered Period at the same level of business activity as before February 15, 2020 due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020 (or, with respect to a PPP loan made on or after December 27, 2020, between March 1, 2020 and the last day of the Covered Period with respect to such loan), by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration related to the maintenance of standards for sanitation, social distancing, or any other worker or customer safety requirement related to COVID-19, check here ☐.

**FTE Reduction Safe Harbor 2:** If you satisfy FTE Reduction Safe Harbor 2 (see PPP Schedule A Worksheet), check here ☐.

Line 11. Average FTE during the Borrower's chosen reference period: \_\_\_\_\_

Line 12. Total Average FTE (add lines 2 and 5): \_\_\_\_\_

Line 13. FTE Reduction Quotient (divide line 12 by line 11) or enter 1.0 if any of the above criteria are met: \_\_\_\_\_



# **Application Calculation Form**



**Paycheck Protection Program**  
**Loan Forgiveness Application Form 3508 Revised January 19, 2021**

OMB Control No.: 3245-0407  
Expiration Date: 7/31/2021

**PPP Loan Forgiveness Calculation Form**

Business Legal Name ("Borrower")		DBA or Tradename, if applicable	
Business Address	NAICS Code	Business TIN (EIN, SSN)	Business Phone
			( ) -
		Primary Contact	E-mail Address

☐ First Draw PPP Loan ☐ Second Draw PPP Loan (check one)

SBA PPP Loan Number: \_\_\_\_\_ Lender PPP Loan Number: \_\_\_\_\_

PPP Loan Amount: \_\_\_\_\_ PPP Loan Disbursement Date: \_\_\_\_\_

Employees at Time of Loan Application: \_\_\_\_\_ Employees at Time of Forgiveness Application: \_\_\_\_\_

Covered Period: \_\_\_\_\_ to \_\_\_\_\_

If Borrower (Together with Affiliates, if Applicable) Received First Draw PPP Loans of \$2 Million or More or Second Draw PPP Loans of \$2 Million or More, check here: ☐

**Forgiveness Amount Calculation:**

Payroll and Nonpayroll Costs

Line 1. Payroll Costs (enter the amount from PPP Schedule A, line 10): \_\_\_\_\_

Line 2. Business Mortgage Interest Payments: \_\_\_\_\_

Line 3. Business Rent or Lease Payments: \_\_\_\_\_

Line 4. Business Utility Payments: \_\_\_\_\_

Line 5. Covered Operations Expenditures:

\_\_\_\_\_

Line 6. Covered Property Damage Costs:

\_\_\_\_\_

Line 7. Covered Supplier Costs:

\_\_\_\_\_

Line 8. Covered Worker Protection Expenditures:

\_\_\_\_\_

Adjustments for Full-Time Equivalency (FTE) and Salary/Hourly Wage Reductions

Line 9. Total Salary/Hourly Wage Reduction (enter the amount from PPP Schedule A, line 3):

\_\_\_\_\_

Line 10. Sum the amounts on lines 1 through 8, then subtract the amount entered in line 9:

\_\_\_\_\_

Line 11. FTE Reduction Quotient (enter the number from PPP Schedule A, line 13):

\_\_\_\_\_

Potential Forgiveness Amounts

Line 12. Modified Total (multiply line 10 by line 11):

\_\_\_\_\_

Line 13. PPP Loan Amount:

\_\_\_\_\_

Line 14. Payroll Cost 60% Requirement (divide line 1 by 0.60):

\_\_\_\_\_

Forgiveness Amount

Line 15. Forgiveness Amount (enter the smallest of lines 12, 13, and 14):

\_\_\_\_\_



**Paycheck Protection Program**  
**Loan Forgiveness Application Form 3508 Revised January 19, 2021**

OMB Control No.: 3245-0407  
Expiration Date: 7/31/2021

**By Signing Below, You Make the Following Representations and Certifications on Behalf of the Borrower:**

The authorized representative of the Borrower certifies to all of the below by **initialing** next to each one.

- \_\_\_\_\_ The dollar amount for which forgiveness is requested (which does not exceed the principal amount of the PPP loan):
- was used to pay business costs that are eligible for forgiveness (payroll costs to retain employees; business mortgage interest payments; business rent or lease payments; business utility payments; covered operations expenditures; covered property damage costs; covered supplier costs; or covered worker protection expenditures);
  - includes all applicable reductions due to decreases in the number of full-time equivalent employees and salary/hourly wage reductions;
  - includes payroll costs equal to at least 60% of the forgiveness amount;
  - for any owner-employee (with an ownership stake of 5% or more) or self-employed individual/general partner, does not exceed 2.5 months' worth of compensation received during the year used to calculate the PPP loan amount, capped at \$20,833 per individual in total across all businesses.
- \_\_\_\_\_ I understand that if the funds were knowingly used for unauthorized purposes, the federal government may pursue recovery of loan amounts and/or civil or criminal fraud charges.
- \_\_\_\_\_ The Borrower has accurately verified the payments for the eligible payroll and nonpayroll costs for which the Borrower is requesting forgiveness.
- \_\_\_\_\_ I have submitted to the Lender the required documentation verifying payroll costs, the existence of obligations and service (as applicable) prior to February 15, 2020, and eligible business mortgage interest payments, business rent or lease payments, business utility payments, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures.
- \_\_\_\_\_ If this application is being submitted for a Second Draw PPP Loan, the Borrower used all First Draw PPP Loan amounts on eligible expenses prior to disbursement of the Second Draw PPP Loan.
- \_\_\_\_\_ The information provided in this application and the information provided in all supporting documents and forms is true and correct in all material respects. I understand that knowingly making a false statement to obtain forgiveness of an SBA-guaranteed loan is punishable under the law, including 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

\_\_\_\_\_ The tax documents I have submitted to the Lender (if applicable) are consistent with those the Borrower has submitted/will submit to the IRS and/or state tax or workforce agency. I also understand, acknowledge, and agree that the Lender can share the tax information with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of ensuring compliance with PPP requirements and all SBA reviews.

\_\_\_\_\_ I understand, acknowledge, and agree that SBA may request additional information for the purposes of evaluating the Borrower's eligibility for the PPP loan and for loan forgiveness, and that the Borrower's failure to provide information requested by SBA may result in a determination that the Borrower was ineligible for the PPP loan or a denial of the Borrower's loan forgiveness application.

\_\_\_\_\_ If the Borrower has checked the box for FTE Reduction Safe Harbor 1 on PPP Schedule A, the Borrower was unable to operate between February 15, 2020 and the end of the Covered Period at the same level of business activity as before February 15, 2020 due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020 (or, for a PPP loan made after December 27, 2020, requirements established or guidance issued between March 1, 2020 and the last day of the Covered Period), by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration, related to the maintenance of standards of sanitation, social distancing, or any other work or customer safety requirement related to COVID-19.

The Borrower's eligibility for loan forgiveness will be evaluated in accordance with the PPP regulations and guidance issued by SBA through the date of this application. SBA may direct a lender to disapprove the Borrower's loan forgiveness application if SBA determines that the Borrower was ineligible for the PPP loan.

\_\_\_\_\_  
Signature of Authorized Representative of Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

SBA Form 2508 (01/21)

# Loan Forgiveness Submission Process

- Once the Loan Forgiveness Application is received, the Lender has 60 days to submit a decision to the SBA, using the SBA's Payroll Protection Forgiveness Platform.
- The SBA has 90 days to make a decision and remit the forgiveness funds to the lender.
- If the SBA determines that the borrower was ineligible, the loan will not be eligible for loan forgiveness. In this case, the **Lender is responsible for notifying the borrower.**
- If only a portion of the loan is forgiven, or if the forgiveness request is denied, any remaining balance must be repaid on or before the five-year maturity or two-year maturity of the loan.
- Payments are deferred for borrower payments of principal, interest, and fees on PPP loans to the date that SBA remits the borrower's loan forgiveness amount to the lender
- or, if the borrower does not apply for loan forgiveness, 10 months after the end of the borrower's loan forgiveness covered period

# Loan Necessity Questionnaire

- SBA will review all PPP loans to Borrowers that, together with their affiliates, received loans of \$2 million or greater, for loan necessity.
- Each of these Borrowers must complete a Loan Necessity Questionnaire and submit it, along with the required supporting documents, to the Lender servicing the Borrower's PPP loan.
- For-Profit Borrowers will be required to complete the For-Profit Questionnaire (SBA Form 3509).
- Non-Profit Borrowers will be required to complete the Non-Profit Questionnaire (SBA Form 3510).



# **Restaurant Revitalization Fund**

# Current RRF Resources

*You can not yet apply! Stay tuned...*

*Today – a preview of the actual draft application*

- [www.sba.gov/restaurants](https://www.sba.gov/restaurants) (or /restaurantes for español)
  - Program details
  - Supplemental documents
    - Application
    - Program Guide
  - Who can apply
  - How to apply
  - When to apply
  - Set asides
  - Funding amount
  - Allowable use of funds
  - Get help

## Other Languages:

[Español](#)

[Français](#)

[العربية](#)

[Deutsche](#)

[中文简体](#)

[ગુજરાતી](#)

[中文繁體](#)

[हिन्दी भाषा](#)

[Tiếng Việt](#)

[Kreyòl Ayisyen](#)

[Polski](#)

[Italiano](#)

[Português](#)

[日本語](#)

[русский язык](#)

[한국어](#)

[Tagalog](#)

*This information and more can be found at [www.sba.gov/restaurants](https://www.sba.gov/restaurants)*

# Restaurant Revitalization Fund (RRF)

## What Is It?

- The American Rescue Plan Act (ARPA) became public law on March 11, 2021 and established the RRF
- ARPA appropriated \$28.6 billion for RRF, authorizing SBA to award funds
- The appropriations remain available until expended
- Fund must be used for eligible uses no later than March 11, 2023

*This information and more can be found at [www.sba.gov/restaurants](https://www.sba.gov/restaurants)*

# Restaurant Revitalization Fund (RRF)

## Who Is Eligible?

- Eligible entities are businesses that are not permanently closed and include businesses where the public or patrons assemble for the primary purpose of being served food or drink
- **Includes:**
  - Restaurants
  - Food stands, food trucks, food carts
  - Caterers
  - Bars, saloons, lounges, taverns
  - Snack and nonalcoholic beverage bars (e.g., coffee shops, ice cream shops)
  - Licensed facilities or premises of a beverage alcohol producer where the public may taste, sample, or purchase products
  - Other similar places of business in which the public or patrons assemble for the primary purpose of being served food or drink
  - Those with onsite sales to the public that comprise at least 33% of gross receipts:
  - Bakeries Brewpubs, tasting rooms, taprooms, Breweries and/or microbreweries, Wineries and distilleries, and Inns\*

*All entities listed above that do not have an asterisk are presumed to have greater than 33% onsite in 2019 food and beverage sales*

*This information and more can be found at [www.sba.gov/restaurants](https://www.sba.gov/restaurants)*

# Restaurant Revitalization Fund (RRF)

## How Much Am I Eligible For?

- SBA may provide funding up to \$5 million per location, not to exceed \$10 million total for the applicant and any affiliated businesses
- Minimum award is \$1,000

*This information and more can be found at [www.sba.gov/restaurants](https://www.sba.gov/restaurants)*

# Restaurant Revitalization Fund (RRF)

## Who Is Ineligible?

- Entities are ineligible if any of the following apply... the Entity:
  - Is a State or local government-operated business;
  - **As of March 13, 2020, owns or operates** (together with any affiliated business) **more than 20 locations**, regardless of whether those locations do business under the same or different names or are in different industries;
  - Has a pending application for or has received a Shuttered Venue Operators Grant;
  - Is a Publicly-Traded Company;
  - Is permanently closed;
  - Is a Nonprofit organization;
  - Is not eligible for funding of at least \$1,000;

*This information and more can be found at [www.sba.gov/restaurants](https://www.sba.gov/restaurants)*

# Restaurant Revitalization Fund (RRF)

## Who Is Eligible? – Form Of Organization

- Eligible Applicants must be one of the following forms of organization:
  - C-Corporations\*
  - S-Corporations\*
  - Partnerships
  - Limited Liability Companies
  - Sole Proprietors
  - Self-Employed Individuals\*
  - Independent Contractors
  - Tribal Businesses
  - LLC taxed as S-Corporations, or Sole Proprietors

\*B-Corporations are eligible, but they will select either C-Corp or S-Corp on the application, depending on how they are taxed

\* Refer to your tax return to see self-employed vs. sole proprietor distinction

*This information and more can be found at [www.sba.gov/restaurants](https://www.sba.gov/restaurants)*



# Restaurant Revitalization Fund (RRF)

## Who Is Eligible? – Bankruptcy

### Bankruptcy

- Applicants that are operating under an approved plan of reorganization, under either a Chapter 11, Chapter 12 or Chapter 13 bankruptcy and meet all program requirements are eligible for funding
- An Applicant is not eligible if it has:
  - Permanently closed;
  - Filed a Chapter 7 liquidation bankruptcy; or
  - Filed for either a Chapter 7 or Chapter 11, 12, and 13 bankruptcy but is not under an approved plan of reorganization.
- Permanently closed does not include businesses who temporarily closed their doors due to state or local restrictions or other pandemic causes but are still in operation or have reopened

*This information and more can be found at [www.sba.gov/restaurants](https://www.sba.gov/restaurants)*

# Restaurant Revitalization Fund (RRF)

## When Can I Apply?

- **Pilot Period:** Pilot Period participants will be randomly selected from existing PPP borrowers who self identified as members of RRF priority groups. Pilot participants will not receive funds until RRF is open to the public at application launch.
- **Priority Period: Days 1-21** - During the initial 21-day Priority Period, SBA will accept applications from all eligible Applicants. Only applications from small businesses owned by women, veterans, and socially and economically disadvantaged Applicants will be funded during this period.
- **Day 22:** All eligible applications will be processed and funded until program funds are exhausted.

*This information and more can be found at [www.sba.gov/restaurants](https://www.sba.gov/restaurants)*

# Restaurant Revitalization Fund (RRF)

## What Are The Priority Groups?

- A small business concern that is at least **51 percent owned and the management and daily business operations of the applicant are controlled** by one or more individuals who are:
  - **Women**
  - **Veterans**
  - **Socially and Economically Disadvantaged**
- Applicants must **self-certify** on the application that they meet eligibility requirements
- For example: An applicant has five owners who each own 20 percent of the applicant. Two owners are veterans, and one owner is a socially and economically disadvantaged individual. SBA will consider this applicant to meet the requirement that at least 51 percent of the applicant is owned by a priority group.

*This information and more can be found at [www.sba.gov/restaurants](https://www.sba.gov/restaurants)*

# Restaurant Revitalization Fund (RRF)

## Priority Group Definitions

- **Socially disadvantaged individuals** are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities.
  - Individuals who are members of the following groups are presumed to be socially disadvantaged: Black Americans; Hispanic Americans; Native Americans (including Alaska Natives and Native Hawaiians); Asian Pacific Americans; or Subcontinent Asian Americans.
- **Economically disadvantaged individuals** are those socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same business area who are not socially disadvantaged.

*This information and more can be found at [www.sba.gov/restaurants](https://www.sba.gov/restaurants)*

# SBA Resources



# SBA Resources

## Texas Gulf Coast Small Business Development Center (SBDC)

713-752-8444  
[www.sbdc.uh.edu](http://www.sbdc.uh.edu)

## WBEA Women's Business Center (WBC)

713-681-9232  
[www.wbea-texas.org/womens-business-center](http://www.wbea-texas.org/womens-business-center)

## Houston SCORE

713-487-6565  
[www.houston.score.org](http://www.houston.score.org)

## For EIDL Loan Applicants

1-800-659-2955  
TTY: 1-800-877-8339  
Email:  
[disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov)

## Houston District Office SBA

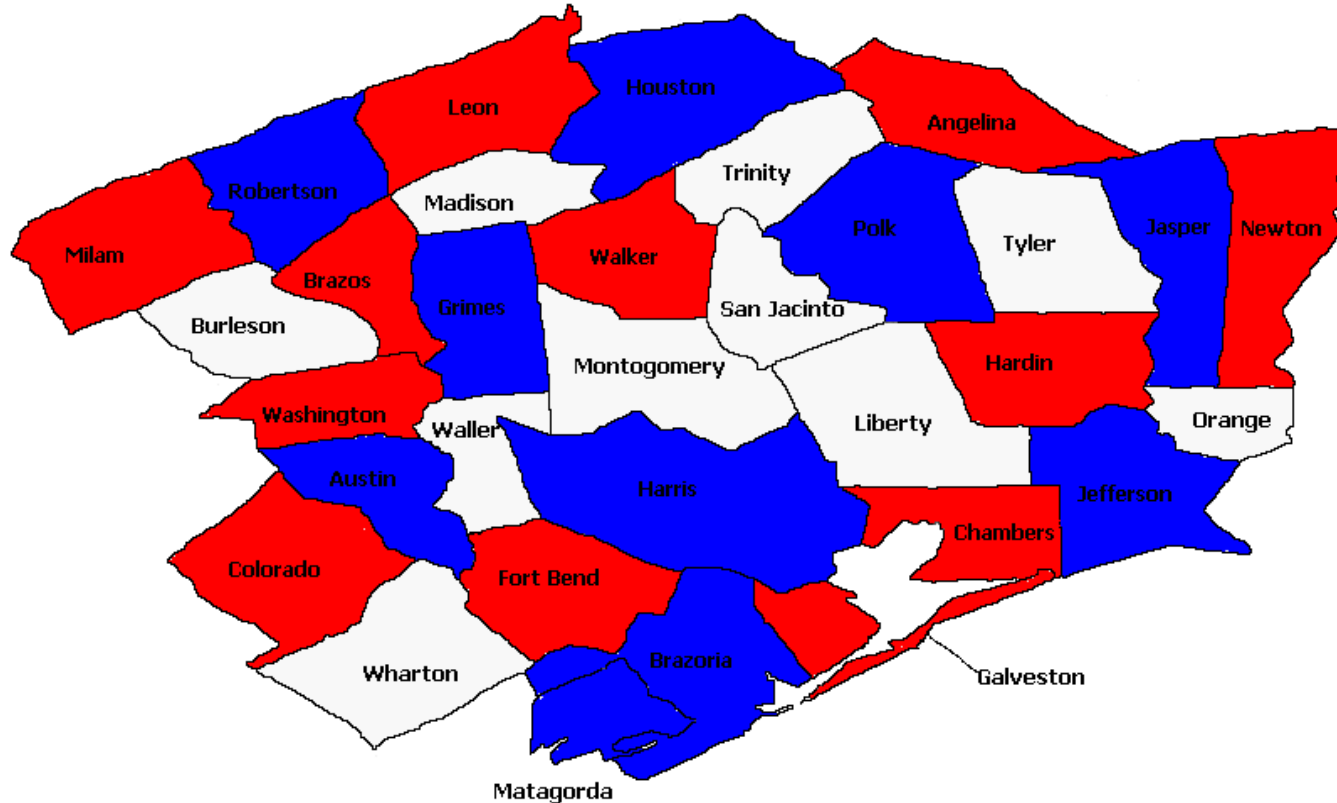
713-773-6500  
[www.sba.gov/tx/houston](http://www.sba.gov/tx/houston)  
Email: [houston@sba.gov](mailto:houston@sba.gov)  
Twitter: @SBA\_Houston

## Other SBA District Offices

[www.sba.gov/about-sba/sba-locations](http://www.sba.gov/about-sba/sba-locations)

# SBA Houston District Serves 32 Counties

Angelina  
Austin  
Brazoria  
Brazos  
Burleson  
Chambers  
Colorado  
Fort Bend  
Galveston  
Grimes  
Hardin  
Harris  
Houston  
Jasper  
Jefferson  
Leon



Liberty  
Madison  
Matagorda  
Milam  
Montgomery  
Newton  
Orange  
Polk  
Robertson  
San Jacinto  
Trinity  
Tyler  
Walker  
Waller  
Washington  
Wharton



