

# Paycheck Protection Program Update June 4, 2020

**Loan Forgiveness Application**



The Jewish Federations®  
OF NORTH AMERICA

# Overview of Paycheck Protection Forgiveness Act of 2020 (HR7010)

- Extend eligibility until 12/31
- Covered period is earlier of 24 weeks or 12/31 but option to use 8 weeks
- 75% payroll changed to 60%
- Rehire date extend to 12/31
- Repayment term extended to 5 years
- Eligible to defer 2020 payroll taxes

# Summary of Topics Covered

- Use of Loan Proceeds
- Payroll and Non-Payroll Costs
- Definition of Covered Period
- FTE Definitions
- Forgiveness
- Application Process
- Repayment

# Use of Proceeds: Eligible Payroll Costs

- How do we calculate payroll when it does not perfectly lineup with our payroll schedule?
- Can we prepay an entire payroll?
- How can bonuses be paid using the funds? Can this be paid in lieu of pay increases?
- Is a contribution to a retirement account eligible for forgiveness?
- Can we include vacation payouts or benefits paid for staff on furlough?

# Use of Proceeds: Teacher Pay

- Our teachers are paid over 12 months but work 10 months. Can we claim the proportionate amount of summer pay to our 8 or 24 weeks?
- We did not pay our hourly teachers during the 8 or 24 week covered period. How does that impact forgiveness?

# Use of Proceeds: Non-Payroll Costs

- What percent of the funds can be spent on non-payroll costs?
- What documentation is required to include utility payments in the loan?
- Does internet count as a utility expense? What about bus expenses?

# Definition of Covered Period

- When does the “covered period” end?
- What is the timeline to spend the loan money?

# FTE Definitions

- How has the change from 30 to 40 hours effect forgiveness calculation?
- What are the forgiveness implications of a part-time hourly employee without fixed hours who has been working fewer hours?



# Forgiveness

- How do I decide if I use the 8 week covered period or elect the 24 week period?
- I included seasonal staff for PPP, now camp is not opening. How does this impact forgiveness?

# Application Process

- What do we need to provide to apply for forgiveness?
- What is the timeframe to submit the forgiveness application?
- How do I provide the documents to my lender?
- When does the SBA review my forgiveness documentation?

# Repayment

- When does loan repayment begin?
- How long do I have to repay the loan?
- Our loan amount was more than we could spend in 8 or 24 weeks. Do we need to return the difference, or can we spend it and then pay it as loan?

FOR MORE INFORMATION

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