

COVID-19 Webinar Series – Part 7: Cash Management for PPP Loan – Answers to Questions Received

Question Asked	Answer Given
I don't understand what the math is re: Loan forgiveness on employees paid over \$100k. The plan only covers 8 weeks so does it 100% exclude all payroll for those employees that make over \$100k?	The calculation takes into account employees that make over \$100k over a full year. Thus, for the 8-week forgiveness, a prorated amount should be used. Therefore, for all \$100k earners, weekly compensation should be ~\$1,923 (based on a 52-week year).
If we move a payroll up to include in the 8-week period, can it be the full pay or is it prorated?	Payroll costs would be pro-rated.
And you said if the next month's rent is outside the 8-week window, we can pay that earlier and still include in the forgiveness \$?	No, only that portion incurred during the 8 weeks, this would also need to be pro-rated.
We pay payroll semi-monthly. How do we calculate the payroll when it does not line up with payroll?	On a pro-rated basis.
Any strong opinion on pre-paying rent, healthcare premiums, and/or employee bonusing during the 8-week forgiveness period?	We would default to the wording for all expenses during the covered period (2/15/2020 - 6/30/2020) to be INCURRED and PAID. For bonus, as long as it is paid, we can claim that it was incurred and paid. For rent, we will need to be cautious of pre-paying rent as that service/expense has yet to be 'incurred'. Further guidance will help to better clarify this in the weeks ahead.

**Answers provided by:**

**Dave Gaino, CPA – Principal**

**Brandon Fredericks, CPA – Senior Manager**

**Matt Silla – Senior Manager**

Apple Growth Partners' published material provides general coverage of its subject area and is presented to the reader for educational purposes based on the most current regulatory information available at the time it was written. All communications, whether written or oral should be reaffirmed prior to the submission of any application. All information in this published material and on our website is provided in good faith; however, we make no representation or warranty of any kind, express or implied, regarding the accuracy, adequacy, validity, reliability, availability, compliance with any law (federal, state or local) or professional standard or completeness of any information. We assume no responsibility to any recipient of this material to correct or update its contents for any reason, including changes in any law or professional standard. It is not intended to be audit, tax, accounting, advisory, consulting or investment advice. The information in this article is also not a substitute for legal advice and may not be suitable in a particular situation. Consult your attorney for legal advice.

Our articles, other published materials and website occasionally contain links to other web pages. Links to organizations and government agencies are provided as a convenience to our readers. The firm does not endorse and is not responsible for any third-party content that may be accessed from its website and does not recommend or endorse the use of any third-party's services. The links are to be accessed at the user's own risk, and the authors of this website make no representations or warranties about the content of these links.