

PPP Forgiveness Webinar - QUESTIONS AND ANSWERS

Q: When will my business receive the link to start my forgiveness application?

A: If your 8-week covered period has lapsed, then you should have already received a link to begin forgiveness via the email address on file. If you have not received, please contact your Relationship Manager and a new link will be initiated.

Q: Do I need a cell phone number to access the portal or can I use my land line?

A: You will need a cell phone number tied to your account as that is the way we authenticate the proper person to access your information. Please contact your Relationship Manager if a cell phone number needs to be added to your account.

Q: If I start the application in the portal, can I exit and return to finish it later?

A: Yes, the application can be saved at any time and all information will remain for the next time you log in.

Q: If I have an accountant as an authorized user, can I still go through the application to answer some of the questions as well?

A: Yes, anyone with access to your portal may edit your forgiveness application.

Q: A box in the online application is grayed out, how do I change that?

A: Any box that is grayed out in the forgiveness portal is not editable by you. This box contains information that is preloaded from information we have on file or is an auto-calculation from information entered in the other boxes. Certain boxes may be editable by Bank First; reach out to your Relationship Manager with those questions.

Q: How do you determine if you should select 8 or 24 weeks?

A: You can use the 8 week covered period if you have accumulated enough payroll, interest, lease, and utility costs to receive full loan forgiveness. If you need additional weeks to achieve forgiveness, you must choose the 24 week period.

Q: When we initiated our PPP loan, did we designate the loan to be 8 weeks or 24 weeks or is this a tool for us to use depending on how long it took to use the PPP loan money?

A: Your covered period was not designated at origination and you have the option to choose either based on how long was needed to use the funds appropriately.

Q: I am using a 24-week covered period but have met all my expenses in week 16, can I submit my application before the end of 24 weeks?

A: You may submit your application before the end of the 24 weeks; however, you are attesting that you will be keeping your FTE count through the full 24 week period.

Q: What is my payroll frequency if I pay some employees weekly and some bi-weekly?

A: You may choose the weekly frequency as you are running a payroll on a weekly basis or you may choose "other" and list your specific scenario.

Q: What is the limit on adjusting the alternative payroll period?

A: The starting date of your alternative payroll period should be the starting date of the most recent payroll period or your next payroll period surrounding your loan origination/funding date (one in the same)

Q: Do I use actual paid expenses or accrued expenses during my covered period?

A: You have the option to use actual paid expenses or accrued expenses for all qualifying items including payroll as long as it is consistent throughout the covered period.

Q: What is needed for proof of payroll payment?

A: Proof of payroll expenses are required as part of the forgiveness application. You may submit payroll software records, copies of pay stubs, quarterly tax reporting, or any other form of payroll record that can identify the gross amount paid and whom it was paid too.

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Q: Is payroll compensation based on gross or net pay?

A: The w-2 compensation paid to employees should be based on gross pay.

Q: Can I include wages paid to owners as payroll expense?

A: You may include w-2 wages paid to owners as well as employers share of retirement and insurance expenses. The compensation must be w-2 wages or another form of compensation subject to payroll tax. Draws or Distributions (outside of guaranteed payments made to partners) are not qualifying payroll expenses.

Q: If I have enough payroll costs to receive full forgiveness, do I still need to claim my lease, interest, and utility payments?

A: No. If payroll is enough to receive full forgiveness, you are not required to show any other expenses. You will just enter \$0.00 in those sections of the Forgiveness Portal.

Q: It is my understanding that rent payments to a related party landlord can only be forgiven up to the amount of interest the landlord paid on the mortgage for that month. Is this correct?

A: Yes this is correct according to a recent update from the SBA. The rent expense paid to a related party is capped at the interest paid by that related party during the covered period. This also needs to be supported by an executed lease that was in place prior to February 15, 2020.

Q: Are insurance premiums paid recorded at what the employer is billed or the billed premium less employee deductions?

A: Both insurance and retirement benefit payments should be only the employers share of payments.

Q: For the FTE count, what if a full-time employee worked only 36 hours in a given week. Are they considered full or part-time?

A: If an employee typically averages 40 hours per week then they can be considered full-time even if they work 36 hours in one given week.

Q: What if your employee count between the times of your covered period is restored to normal levels, but then after the end of your covered period you had to lay employees off again?

A: For the forgiveness application, you will be using only the average FTE count during your covered period. Once the covered period expires, you may operate business as you like.

Q: What do we do if we lose an employee during the covered period due to voluntary leave or termination with cause?

A: If an employee turns down an offer of employment or you need to terminate an employee with cause, this employee can be taken out of the FTE calculation and a note of the situation should be included in your supporting documents. Under the safe harbor provisions this will not reduce your potential forgiveness amount.

Q: Is the number of employees equal to FTE or all employees?

A: On the application, you may use whichever count that you used at loan origination; however, when completing the calculations for your FTE count during your covered period and reference periods, you must use either the simplified FTE Calculation or the average FTE calculation to differentiate between full-time and part-time employees.

Q: Is my FTE count, the actual count of FTE's at the end of the covered period or the average during the covered period.

A: The FTE count for your FTE reduction quotient calculation is based on the average FTE's during your covered period.

Q: How long do you estimate it will take Bank First to review my application before sending to SBA for approval?

A: You can expect that your application for forgiveness will be reviewed within 7 business days starting on September 8.

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Q: How does the EIDL Advance I received affect my forgiveness amount?

A: If you received an EIDL Advance, you will be required to pay back an equivalent amount from your PPP loan according to SBA regulations. The amount of the advance (maximum is \$10,000) will be deducted from your final forgiveness amount.

For example, if you have a \$100,000 PPP loan with a \$5,000 EIDL Advance and you have accrued enough payroll costs to have full PPP forgiveness, the SBA will still only send \$95,000 to the Bank (plus accrued interest) and you will be required to pay the remaining \$5,000.

Even if your calculated forgiveness amount is higher than your loan amount, you will still be responsible for the full EIDL advance amount.

Q: What happens if Bank First or SBA finds errors in my application?

A: Bank First will make a good faith review of all applications sent to us. If we find something that causes questions or concerns, you will be contacted by someone in our SBA department or your Relationship Manager to resolve before we submit to the SBA.

If an error is found by the SBA or your file is pulled for full review, they will send a message to Bank First and we have 5 business days to inform you of the SBA's review. We will then work with SBA on supplying information from your file as needed and would reach out to you to gather any additional information.

Q: Will the business be responsible for the accrued interest on a PPP Loan at time of payoff?

A: No, the SBA will include all accrued interest on the forgiven portion when the payment is submitted to Bank First for processing.