



Secure Forgiveness for Your PPP Loan

The Paycheck Protection Program (PPP) aims to provide relief to businesses struggling to manage revenue losses amid prolonged economic uncertainty due to the global pandemic. Navigating loan eligibility and forgiveness is a struggle for many businesses, particularly as guidance is still being provided. Once you've received your PPP loan, it is imperative that you establish a strategy to ensure that your spending falls within Small Business Administration (SBA) guidelines.

HOW REDW CAN HELP

Our Team Can:

- Help you develop a strategy to maximize the use of PPP loan funds that align with business operations and minimize the amount of reduction from either (i) a reduction in full-time equivalent (FTE) employees, or (ii) a reduction to salary and wages. This strategy will be based on the SBA guidance currently available at the time our engagement team begins and as further guidance is provided. The strategies and computations discussed below will be updated to reflect these changes.
- Monitor the spending of your PPP loan proceeds, both payroll and non-payroll costs, to evaluate whether it would be beneficial to rehire and pay additional wages before December 31, 2020 to some or all employees that were terminated between February 15, 2020 and April 26, 2020.
- Help you accumulate and organize the historic baseline information that will be compared to the data from your covered period (8 or 24 weeks).
- Calculate the number of FTE employees for each pay period relevant to the loan forgiveness calculation, both historical and projected; we can also help to identify and document exemptions.
- Identify those employees, and relative wages, whose reduction in salaries and wage could result in a reduction of loan forgiveness, then monitor those wages to maximize loan forgiveness.
- Compare the 8 or 24 covered period data to the baseline data and compute your preliminary loan reduction (if any) based on the decrease in FTEs and wages.
- Prepare an electronic binder that contains relevant documentation, including flow of funds, which you can provide to your lender when you request loan forgiveness. This binder can also be used as support during a future SBA review of your loan.
- Review options for additional relief. Companies receiving PPP Loans are eligible to defer Federal employer payroll taxes and the Main Street Lending Program, as well as a number of other loans, grants, and insurance recovery.
- Develop a strategy for the path forward. Consider leading practices and strategies to preserve cash, manage liquidity, optimize operations, manage risk and drive cost savings as you embark on the process of returning to work and beyond.

In challenging times, count on us to see you through.

Contacts