



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 aligns with business operations and minimizes the impact of a reduction in either the number of full-time equivalent (FTE) employees, or in the total payroll amount, which can affect loan forgiveness. This strategy will be based on the SBA guidance available at the time our engagement team begins its work 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 who 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 whose reduction in salary or wages could result in a reduction of loan forgiveness, and monitor those wages to maximize loan forgiveness.
- Compare the 8-week or 24-week covered period data to the baseline data and compute your preliminary loan reduction (if any) based on a 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 to support 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 pursue Main Street Program loans, 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.

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