



SBA PPP Loan Forgiveness Application Schedule A Worksheet Instructions for Excel Template

Banner Bank created this Excel template to help you complete your application for Paycheck Protection Program (PPP) loan forgiveness. Use of this template is optional. Alternatively, you may manually complete the SBA's Schedule A Worksheet or provide a comparable report from your CPA or third party payroll provider. If you did not make any changes to your payroll or reduce your headcount during the covered period, you may skip this worksheet and continue directly to completion of the Form 3508EZ.

While the SBA does not require that you submit your Schedule A Worksheet, they do require that you retain it with your records in the event that they subsequently request it as part of your application review. Banner Bank requires you to submit a Schedule A Worksheet (or an equivalent report) if you must apply with a full Form 3508 application. However, you are not required to submit it if you apply with the Form 3508EZ.

There are two tabs in this workbook (you can see the tabs in the lower part of your display). You can click on each tab to navigate between them.

- PPP Schedule A Worksheet tab – This tab is where you will enter relevant compensation-related expense information.
- FTE Reduction Safe Harbor tab – This tab is where you will calculate any required reductions to your loan forgiveness amount due to a reduction in your in your Full Time Equivalency (FTE) headcount.



PPP Schedule A Worksheet Instructions

This template contains formulas that will automatically calculate any potential reductions to your loan forgiveness amount based on changes in your payroll and/or the SBA's maximum allowable amounts paid to employees in excess of \$100,000 annually and to owners. Please input your data into the fields highlighted in yellow. The blue shaded boxes indicate amounts you input directly into your Schedule A. Each table has an "Add Row" button if you need additional lines to capture all of your employees' data.

Enter Period Dates:

The first section is where you indicate your covered period. The "Beginning Date" is the date that you received your PPP loan proceeds. The "Covered Period" is the period of time in which you used the loan proceeds. If your PPP loan was approved before June 5, 2020, you may choose to use either an 8-week period or 24-week period. If your PPP loan was approved on or after June 5, 2020, you will automatically choose the 24 week period.

Table 1:

The first table is where you list employees who were actively employed at any time during the Covered Period or the Alternative Payroll Covered Period whose principal residence is in the United States and who received compensation at an annualized rate of less than or equal to \$100,000 for all pay periods in 2019 (or were not employed by you at any time in 2019).

For each employee, fill in the data in each field highlighted in yellow according to the column heading. (The data fields not shaded in yellow will auto-calculate.):

- **Employee Name** – Separately list each employee. Do not include any independent contractors, owner-employees, self-employed individuals, or partners.
- **Employee Identifier** – the last four digits of the employee's Social Security number.
- Indicate whether the employee is Hourly (**H**) or Salaried (**S**). This is a drop down field, so click on the small arrow to make your selection.

First Quarter of 2020 (reference period)

- **Gross Wages** – Enter the sum of gross salary, gross wages, gross tips, gross commissions, paid leave (vacation, family, medical or sick leave, not including leave covered by the Families First Coronavirus Response Act), and allowances for dismissal or separation paid or incurred during the period January 1 to March 31, 2020. Note that if the Gross Wages exceed \$25,000, the worksheet will prompt you to move the employee to Table 2.
- **Average FTE** - For each employee, take the average number of hours paid per week, divide by 40, and round the total to the nearest tenth. The maximum for each employee is capped at 1.0. A simplified method that assigns a 1.0 for employees who work 40 hours or more per week and 0.5 for employees who work fewer hours may be used if you choose.
- **Weeks Paid** – Enter the number of weeks the employee received compensation during the period January 1 – March 31, 2020. Note that there were 13 weeks in the first quarter of 2020.
- **Hours Worked** – If the employee is hourly, input the average number of hours worked per week during the period January 1 – March 31, 2020.

Covered Period / Alternative Payroll Covered Period – This section of the table captures what your actual compensation was for each employee during your selected covered period (8-weeks or 24-weeks as indicated in the Covered Period box above).

- **Gross Wages** – Enter the sum of gross salary, gross wages, gross tips, gross commissions, paid leave (vacation, family, medical or sick leave, not including leave covered by the Families First Coronavirus Response Act), and allowances for dismissal or separation paid or incurred during the Covered Period or Alternative Payroll Covered Period.
- **Average FTE** – Use the same methodology that you used in the First Quarter 2020 field: take the average number of hours paid per week, divide by 40, and round the total to the nearest tenth. The maximum for each employee is capped at 1.0. Alternatively, you may use a simplified method by assigning a 1.0 for employees who work 40 hours or more per week and 0.5 for employees who work fewer hours each week
- **Weeks Paid** – enter the number of weeks paid during the Covered Period or Alternative Payroll Covered Period. This can be less than the number of weeks indicated in the Covered Period Box above (in cell F8) but cannot exceed the designated 8- or 24-week period.
- **Hours Worked** – If the employee is hourly, input the average number of hours worked per week during the Covered Period or Alternative Payroll Covered Period.

Calculate Wage Changes – The template will automatically calculate any changes in wages between your selected covered period and the reference period so there are no data input fields in this section. This calculation will be used to determine whether your loan forgiveness amount must be reduced due to a statutory requirement concerning reductions in employee salary and wages. Borrowers are eligible for loan forgiveness for certain expenditures during the Covered Period or the Alternative Payroll Covered Period. However, the actual amount of loan forgiveness the Borrower will receive may be less, depending on whether the salary or hourly wages of certain employees during the Covered Period or the Alternative Payroll Covered Period was less than during the period from January 1, 2020 to March 31, 2020.

Forgiveness Safe Harbor for Salary Reductions – If you restored salary/hourly wage levels, you may be eligible for elimination of the Salary/Hourly Wage Reduction amount. Borrowers must complete this worksheet to determine whether to reduce the amount of loan forgiveness for which they are eligible.

- **Wage on Feb. 15** – input the employee’s annual salary or hourly wage as of Feb. 15, 2020.
- **Wage Feb. 15 thru April 26** – input the employee’s average annual salary or hourly wage during the period Feb. 15 – April 26, 2020.
- **Wage as of date of application or Dec. 31** – input the employee’s annual salary or hourly wage as of the date of your application or December 31, 2020, whichever is earlier.

The worksheet will calculate any wage reductions after applying the Safe Harbor provision and show the total required reduction in the blue box at the bottom of the table.

Table 2:

For each individual employee, the total amount of cash compensation eligible for forgiveness may not exceed annualized wages of \$100,000, as prorated for the Covered Period. For an 8-week Covered Period, that total is \$15,385. For a 24-week Covered Period, that total is \$46,154.

This table is used to calculate the maximum allowable compensation to be forgiven for employees who earned compensation at an annualized rate in excess of \$100,000 for any period in 2019. Please input the employee’s name, identifier # (last four digits of Social Security Number), and gross wages paid during the Covered Period.

In the last column (column E), indicate each employee's average full time equivalency value: take the average number of hours paid per week, divide by 40, and round the total to the nearest tenth. The maximum for each employee is capped at 1.0. Alternatively, you may use a simplified method by assigning 1.0 for employees who work 40 hours or more per week and 0.5 for employees who work fewer hours each week.

Table 3:

The total amount of cash compensation paid to owners, self-employed individuals, and general partners eligible for forgiveness is capped at \$15,385 for the 8-week period or \$20,833 for the 24-week period. These caps apply to anyone who owns 5% or more of the company. Owner's compensation is recorded in Table 3.

FTE Reduction Safe Harbor Tab

The Average FTE calculation will be used to determine whether your loan forgiveness amount must be reduced due to a statutory requirement concerning reductions in full-time equivalent (FTE) employees. Borrowers are eligible for loan forgiveness for certain expenditures during the Covered Period or the Alternative Payroll Covered Period. However, the actual loan forgiveness amount that the Borrower will receive may be less, depending on whether the Borrower's average weekly number of FTE employees during the Covered Period or the Alternative Payroll Covered Period was less than during the Borrower's chosen reference period.

The Borrower is exempt from such a reduction if either of these FTE Reduction Safe Harbors applies:

1. The Borrower is exempt from the reduction in loan forgiveness based on a reduction in FTE employees described above if the Borrower, in good faith, is able to document that it was unable to operate between February 15, 2020, and the end of the Covered Period at the same level of business activity as before February 15, 2020, due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020, by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration, related to the maintenance of standards for sanitation, social distancing, or any other worker or customer safety requirement related to COVID-19.
2. The Borrower is exempt from the reduction in loan forgiveness based on a reduction in FTE employees described above if both of the following conditions are met: (a) the Borrower reduced its FTE employee levels in the period beginning February 15, 2020, and ending April 26, 2020; and (b) the Borrower then restored its FTE employee levels by not later than December 31, 2020 to its FTE employee levels in the Borrower's pay period that included February 15, 2020.

You can document this second Safe Harbor in the table on the "FTE Reduction Safe Harbor" tab in the Excel template.