



PPP Forgiveness Eligible Expenses Reference Guide

The amount of your loan that is eligible to be forgiven will be determined based on the total amount of loan proceeds that you spend during the Covered Period to retain employees and on certain other non-payroll covered expenses.

At least 60% of the amount forgiven must be used for eligible payroll costs

| # | PAYROLL COST | FORGIVABLE |
|----|--|------------|
| 1 | Salary, wages, tips, paid leave, bonuses, and commissions up to \$100K annually | Yes |
| 2 | Allowance for separation or dismissal | Yes |
| 3 | Vacation, parental, family, medical, and sick leave not credited under Families First Coronavirus Response Act (“FFCRA”) | Yes |
| 4 | Group health care benefits paid by EMPLOYER (Not Self-Employed or Partnership), including life, disability, medical, dental and vision | Yes |
| 5 | Retirement 401(k) employer match | Yes |
| 6 | Defined-benefit plan employer contribution | Yes |
| 7 | Defined-contribution plan employer contribution | Yes |
| 8 | Employer-paid state disability insurance (in applicable states) | Yes |
| 9 | State unemployment insurance | Yes |
| 10 | Employer-paid state and local employment taxes | Yes |

For self-employed individuals:

IF YOU USE THE 8 WEEK COVERED PERIOD – The amount of “owner compensation replacement” you’re eligible to claim for forgiveness is calculated by multiplying your reported net income (up to \$100,000) in 2019 on your Schedule C by 8/52 (or 0.154).

IF YOU USE THE 24 WEEK COVERED PERIOD – The amount of ‘owner compensation replacement’ you’re eligible to claim for forgiveness is calculated by multiplying your reported net income (up to \$100,000) in 2019 on your Schedule C by 2.5/12 (or .208).

This is pending evolving SBA guidance and may change.

Please note – All expenses must be for services obtained **prior** to 2/15/2020 and borrowers are **NOT** authorized to submit expenses related to new services obtained after 2/15/2020. Pending complete SBA guidance

Please note – Forgiveness for self-employed individuals:

- If you have mortgage interest, rent, or utilities expenses, you must have claimed or had been entitled to claim a deduction for those expenses on your 2019 Form 1040 Schedule C in order to claim them for forgiveness.
- For example, if you are currently working from home in 2020, but did not work from home in 2019, you cannot claim home mortgage interest payments for forgiveness since (most likely) you did not claim home mortgage interest as a deduction on your 2019 taxes.

Only up to 40% can be used on non-payroll covered expenses

| # | CATEGORY | NON-PAYROLL COST | FORGIVABLE |
|----|-------------------|---|------------------------------------|
| 1 | Mortgage Interest | Mortgage interest payments on real or personal property obtained before 2/15/2020 | Yes |
| 1A | Mortgage Interest | Auto loan interest on a vehicle used to make business deliveries / conduct business operations | Yes |
| 2 | Rent | Rent payments on real or personal property lease in force before 2/15/2020 | Yes |
| 3 | Utility | Utility payments (on service beginning before 2/15/2020) | Yes |
| 3A | Utility | Electricity | Yes |
| 3B | Utility | Gas | Yes |
| 3C | Utility | Water | Yes |
| 3D | Utility | Internet | Yes |
| 3E | Utility | Telephone | Yes |
| 3F | Utility | Sewage | Yes |
| 3G | Utility | Transportation (Generally interpreted to mean expenses such as gas for business vehicles, but need more SBA guidance) | Yes, but pending complete guidance |
| 4 | Other | Operations: Software, cloud computing, and other human resources and accounting needs | Yes |
| 4 | Other | Property Damage: Property damage due to public disturbances that occurred during 2020 that are not covered by insurance | Yes |
| 4 | Other | Supplier Cost*: Expenditures to a supplier pursuant to a contract, purchase order, or order for goods in effect prior to taking out the loan | Yes |
| 4 | Other | Worker Protection: Personal protective equipment and adaptive investments made between 3/1/2020 and the end of national emergency declaration | Yes |

Hancock Whitney Bank, Member FDIC.

*Supplier costs of perishable goods can be made before or during the life of the loan.

PPP loans are all eligible to utilize the expanded forgivable expenses except for borrowers who have already had their loans forgiven.

This information is accurate and updated as of 1/11/2021. Information provided by the Bank, on this website and through other resources, should not be considered a substitute for legal or accounting advice. Borrowers are encouraged and should confirm legal and accounting advice through their consultants and through their own due diligence. Please note that the information provided is based on guidance provided by the U.S. Treasury and the SBA, including information included as part of the form of Paycheck Protection Program Loan Forgiveness Application currently published by the SBA. This information is provided solely for your convenience. It is not intended to be, and should not be considered, comprehensive or definitive. To the extent of any conflict between any information posted below or in any FAQ and the information and guidance issued directly by the SBA and/or the U.S. Treasury, the information provided directly by the SBA and/or U.S. Treasury will control.

