COVID-19 Payroll Protection Program Loan FAQs
Brought to you by Nonprofits First and the Nonprofit Chamber of Palm Beach County

Disclaimer: The guidance below is gathered from a number of sources, and we do our best to ensure the information is accurate as of the date above. However, this is a rapidly emerging situation, and as always, you should consult your attorney and tax professional prior to making decisions that impact your organization. We will update this guidance as new information become available. Visit www.NonprofitsFirst.org/page/Covid19Resources for the latest information and resources.

Q: Our staffing level is changing for reasons other than COVID-19. Do we still qualify for a Paycheck Protection Program loan?
A: Yes! You do not need to take the full amount of the loan that you qualify for under the average monthly payroll calculation; you only need to apply for the amount you anticipate needing in the 8 weeks following the loan origination date to cover payroll, benefits, utilities, and mortgage interest or rent payments. Any additional loan funds received that are greater than you pay out for the above costs are not eligible for forgiveness and will remain as a 10-year loan with interest capped at 4%.

Q: Does the “Average Monthly Payroll” include wages only?
A: No, the “Average Monthly Payroll” includes benefits. See the Determining PPP Loan Amount spreadsheet to help determine what can be included, and find the maximum loan amount for your organization.

Q: Are Federal Payroll Taxes included in the PPP eligibility calculation and loans?
A: Federal payroll taxes were NOT included in the PPP portion of the CARES Act. The CARES Act does allow employers to defer the payment of the employer portion of the payroll taxes for wages paid through Dec 31, 2020 for up to two years.

Q: Do I need to enter anything into the Applicant Ownership section of the application?
A: No, that section is for businesses where an investor owns a stake in the organization, or there are multiple owners (partnerships, etc.). Nonprofits have no “owner” per se, so you should generally ignore the “owner” word in the questions that follow and answer as if the wording was “Is the Business…” or “Has the Business…” If your organization has an affiliate that is fully controlled by the parent organization (a supporting foundation or single member LLC, for example) that has separate payroll, the Applicant Ownership section may apply to those subsidiaries.