

EIDL/Payroll Protection Program Allowable Expenses List

Updated 2020.06.05 - Subject to Further Guidance

EIDL/PPP ELIGIBLE EXPENSES		During Covered Period			PPP Loan Related Notes
		EIDL Grant/Loan Eligible	PPP Eligible	PPP Forgiveness	
PAYROLL COSTS					
Gross Payroll (Salary, Wage, Commission, Similar Comp)	[*]	Avoid	Yes	Yes	Excludes annual compensation in excess of \$100,000 of any individual as prorated (\$15,385 for 8 weeks \$46,154 for 24 weeks)
PTO (vacation, family, medical, or sick leave, etc.)	[1]	Avoid	Yes	Yes	Excludes qualified sick leave wages for which a credit is allowed (FFCRA)
Back pay		Yes	Yes	No	
Advance pay		No	No	No	Advances are not considered payroll costs
Hazard pay		Wait	Yes	Yes	
Payroll Bonus		No	Yes	Yes	
SUTA - (WA Unemployment Tax)	[1]	Avoid	Yes	Yes	Does not include any taxes withheld from employee earnings
2019 Retirement Benefits	[1]	Yes	Yes	Maybe	Total amount paid for employer contributions to employee retirement plans, excluding any pre-tax or after-tax contributions by employees
2020 Retirement Benefits	[1]	Avoid	Yes	Yes	Total amount paid for employer contributions to employee retirement plans, excluding any pre-tax or after-tax contributions by employees
Group Health Insurance	[1]	Avoid	Yes	Yes	Total amount paid for employer contributions of health insurance, but excluding any pre-tax or after tax contributions by employees.
Owner Compensation Replacement		Maybe	Yes	Yes	Sch C/Partner Payments - Forgiveness capped at Lesser of: Prorated 2019 Self Employment Income or Prorated of \$100,000 (\$15,385 for 8 week/\$46,154 for 24 weeks expected) - Subject to further guidance
NON PAYROLL COSTS					
Rent	[**]	Wait	Yes	Yes	Rent or lease payments pursuant to lease agreements in force before 2/15/2020
Utilities: Gas/Electric, Water, Telephone, Internet		Wait	Yes	Yes	Payments of electricity, gas, water, telephone, or internet access for which service began before 2/15/2020
Interest on debt		Wait	Yes	Yes	Payments of interest (not including any prepayment or payment of principal) on any business obligation incurred before 2/15/2020
OTHER					
Payables - supplies		Yes	No	No	
Equipment	[4]	Maybe	No	No	
Payments to 1099's	[4]	Usually	No	No	
Other business expenses	[4]	Usually	No	No	
Owner loans	[3]	No	No	No	
Refinancing debt	[2]	No	No	No	

Note:

- [*] Payroll costs are considered incurred on the day that the employee's pay is earned. Payroll costs incurred but not paid during the Borrower's last pay period of the Covered Period (or Alternative Payroll Covered Period) are eligible for forgiveness if paid on or before the next regular payroll date. Otherwise, payroll costs must be paid during the Covered Period (or Alternative Payroll Covered Period).
- [**] An eligible nonpayroll cost must be paid during the Covered Period or incurred during the Covered Period and paid on or before the next regular billing date, even if the billing date is after the Covered Period. Eligible nonpayroll costs cannot exceed 25% of the total forgiveness amount. Count nonpayroll costs that were both paid and incurred only once.
- [1] EIDL and PPP can't be used for same purpose. We suggest exhausting PPP funds on items listed as "wait" to show no duplication. Some guidance suggests loan after 4/3 can't be used for payroll. Just avoid using for payroll.
- [2] Misusing funds could result in fraud charges. Please review the agreements, expenses paid, and carefully track your expenses.
- [3] EIDL is for working capital to carry the business until resumption of normal operations and expenditures necessary to alleviate the economic injury, but not to exceed what the business could have provided had the injury not occurred. (Don't use it to expand the business, to refinance existing debt, or for owners draws and distributions).
- [4] Can be used to repay obligations that cannot be met due to revenue losses.