

PPP Information Sheet for Borrowers – CALCULATION EXAMPLES

The following examples are estimates only and should only be used to give an overview in order to help make decisions for your establishment. The Restaurant Association of Maryland strongly encourages every business to work with their Accountant, Tax Advisor, Payroll Processor and SBA lender to decide the best course of action during this crisis.

Total Payroll Cost from the Previous Year: _____
Don't forget to include the declared tips from tipped employees.

Divide Total Payroll Cost by 12: _____
This is your average monthly payroll cost.

Multiply your Average Monthly Payroll Cost by 2.5: _____
This is the maximum loan amount

EXAMPLES

The store sales and 33% payroll cost are being used as an example only. Your actual payroll expense from the previous year should be used in the formula.

Store Sales	\$1.5 million	\$2.5 million	\$4 million
Total Payroll Cost using 33%	\$495,000	\$825,000	\$1,320,000
Average Monthly Payroll Cost	\$41,250	\$68,750	\$110,000
<i>Total Payroll Cost divided by 12</i>			
Maximum Loan Amount	\$103,125	\$171,875	\$275,000
<i>Avg Monthly Payroll Cost multiplied by 2.5</i>			

How do I achieve 100% loan forgiveness? You will owe money when your loan is due if you use the loan amount for anything other than payroll costs, mortgage interest, rent, and utilities payments over the 8 weeks after getting the loan. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs. See the PPP Information Sheet for more details.

75% of Loan Amount must be used for payroll costs. See <i>PPP Information Sheet for Borrowers</i> for clarification on what is included in payroll costs.	\$77,344	\$128,907	\$206,250
25% of Loan Amount may be used for Rent, Mortgage interest and Utilities	\$25,781	\$42,968	\$68,750
Total Loan Amount	\$103,125	\$171,875	\$275,000