

Guide to Calculating Max Loan Amount

The purpose of this guide is to help you maximize the loan amount you can receive by including all your eligible expenses for your payroll calculation.

Step 1: Calculate Max Loan Amount:

Calculate the maximum amount of money you can borrow by applying the max loan calculation:

Max Loan Calculation:

Maximum Loan Amount = 2.5 x average monthly payroll costs, not to exceed \$10 million.

Step 2: Increase Max Loan Amount

To increase the maximum amount you can borrow, you need to include all eligible expenses under the program definition of “payroll”. By including all the eligible expenses, your payroll increases, which directly increases your maximum loan amount. Send your finance team the Guide to Calculating Max Loan Amount so they know which eligible expenses can be added to your payroll, to maximize the amount of your loan.

Maximum Loan Amount:

Utilize the [Corona Calculator](#) to determine the maximum amount of money you can borrow or follow the Instructions below to do it manually:

Maximum Loan Calculation

Sum of **INCLUDED** payroll costs **minus** Sum of **EXCLUDED** payroll costs = **Payroll Costs**

Guide to Calculating Max Loan Amount *(Continued)*

INCLUDED Payroll Cost:

For Employers: The sum of payments of any compensation with respect to employees that is a:

- Salary, wage, commission, or similar compensation (capped at \$100,000 an annualized basis for each employee)
- Payment of cash tip or equivalent
- Payment for vacation, parental, family, medical, or sick leave
- Allowance for dismissal or separation
- Payment required for the provisions of group health care benefits, including insurance premiums
- Payment of any retirement benefit
- Payment of state or local tax assessed on the compensation of the employee

EXCLUDED Payroll Cost:

- Compensation of an individual employee in excess of an annual salary of \$100,000, as prorated for the period February 15, to June 30, 2020
- Federal payroll taxes, railroad retirement taxes, and income taxes
- Any compensation of an employee whose principal place of residence is outside of the United States
- Qualified sick leave wages for which a credit is allowed under section 7001 of the Families First Coronavirus Response Act (Public Law 116- 5 127); or qualified family leave wages for which a credit is allowed under section 7003 of the Families First Coronavirus Response Act

Calculate Maximum Loan Amount:

Calculate the maximum loan amount by multiplying 2.5 X your updated payroll number, including all eligible expenses. Utilize the [Corona Calculator](#) to calculate your maximum loan amount, and to find out how you can have your loan forgiven.

Guide to Calculating Max Loan Amount *(Continued)*

Loan Calculation Formula

Maximum loan = 2.5 x Avg monthly payroll costs incurred during the year prior to the loan date

ACTIONS:

- Collect all documents related to all your payroll costs
- Calculate the maximum amount of money you can borrow by applying the max loan calculation:

Maximum Loan Amount = 2.5 x average monthly payroll costs, not to exceed \$10 million.

- To increase the maximum amount you can borrow, you need to include all eligible expenses under the program definition of “payroll”. By including all the eligible expenses, your payroll increases, and so does your maximum loan amount. Send your finance team the [Guide to Maximizing Loan Amount](#), because they will learn about all the eligible expenses they can add to your payroll, to maximize the amount of your loan.
- Appoint someone to identify all the eligible expenses the programs according to the definition of “Payroll”. Identify all, so you can include them in your payroll calculations and thus receive a larger loan.
- Create a worksheet showing the calculations of your average monthly total payroll amount for the past 12 months and have an exhibit of payroll documents that support each amount listed on that worksheet
- Contact your financial and legal advisors before they become overwhelmed with inbound requests. Send them the [Guide to Applying for a PPP Loan](#) so they can get up to speed