The Paycheck Protection Program (PPP), a provision of the CARES Act, offers forgivable low-interest loans to small businesses facing uncertainty during the COVID-19 emergency, so they can retain workers, maintain payroll, and cover certain other existing overhead costs.

As your payroll and HR partner, ADP has put together a comprehensive guide, available at adp.com/PPP, to help you learn about the PPP, how to complete your borrower application and gather the information you need to apply for these loans with ADP’s PPP reports.

ADP clients can access two new reports to help navigate this process:

- **Eligibility**, based on employee headcount, to help a client determine if it qualifies for PPP
- **Maximum loan amount**, based on certain monthly payroll costs, to help a client determine the potential maximum loan amount that it can request in a loan application

**Eligibility Report: 2020 CARES SBA-PPP: Headcount (for ADP Workforce Now users)**

The first step to see if you qualify for the PPP is to calculate your headcount. ADP clients can quickly run a headcount report to determine if they meet the qualification criterion for number of employees (500 or less).

This report calculates headcount for employees paid through ADP. Even if your headcount exceeds 500, your company may still be eligible for a loan under special rules, including if the NAICS Code begins with 72 (Accommodation and Food Services) or if the company is a franchise.

Note: ADP clients on RUN Powered by ADP® have fewer than 500 employees; this report is not needed for the application process and is not available in that platform.

Once you’ve determined whether your organization meets the headcount qualification, the second step in the PPP application process is to determine the maximum loan amount to include in the application. This report assists you in determining your business’s potential maximum loan amount under the PPP and provides you with valuable information:

- You may run the report for the 2019 calendar year or the 1-year period prior to the date of the loan, at your option (depending on what is required by your lender)
- For companies with seasonal business, the payroll cost calculation is based on the 12 weeks beginning on February 15, 2019 or March 1, 2019
- If you were not in business from February 15, 2019 through June 30, 2019, then the period used to calculate payroll costs is January 1, 2020 to February 29, 2020
- For those employees who made more than $100,000, in the month in which the employee's cash compensation exceeds $100,000, any additional cash compensation thereafter is excluded.

How to Apply:
Visit the Small Business Administration website at www.sba.gov for information on the loan application process for the Paycheck Protection Program.

Access our Comprehensive PPP Guide:
Go to adp.com/PPP for more detailed information about these reports, loan application details, FAQs including how the reports are calculated, and more.

The CARES Act, along with the Families First Coronavirus Response Act (H.R. 6201, “FFCRA”), are just two pieces of important legislation passed in response to COVID-19 that may impact your business. An employer may not be able to apply more than one program at a time and will need to independently assess which of these new options are best for their circumstances. We encourage you to speak to your accountant or trusted advisor for additional guidance. Visit our COVID-19 toolkit for additional resources and information at adp.com/covid-19.

NOTE: All reports may not be available to all clients. ADP does not provide financial or legal advice. Companies should contact their financial or legal advisors or the Small Business Administration for more information regarding eligibility and their application.