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**PAYCHECK
PROTECTION
PROGRAM**



Today the [American Institute of CPAs \(AICPA\)](#) renewed its urgent call for key guidance on Paycheck Protection Program (PPP) loan forgiveness calculations. The nation's 44,000 CPA firms have quickly mobilized to get PPP funds into the hands of small businesses, however they and their clients say that the lack of guidance makes it difficult for them to make critical decisions on important matters, such as staff retention.

“Our members greatly appreciate the existing guidance and remain strongly committed to helping their clients understand how PPP policies apply to them.

While Treasury and the SBA have repeatedly said that more guidance is forthcoming,

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restrictions that:

- the 8-week covered period under PPP should align with the beginning of a pay period, not the date loan proceeds are received;
- the 8-week period should commence when restrictions are lifted and the borrower is allowed to operate, not when loan proceeds are received, so small businesses have adequate funds to ramp up operations;
- full-time job equivalents (FTEs) can be calculated using a simple wage-based proxy when hours worked are not tracked by the employer, and
- Payroll reduction calculations should be based on average payroll per employee per week, not total compensation per employee.

Earlier this week AICPA [released recommendations](#) on the appropriate documents and calculations that small businesses should use to qualify for PPP loan. The recommendations were made in consultation with an AICPA-led [small business funding coalition](#), the banking community, CPA firms and other key stakeholders. They build on previous guidelines the AICPA has provided to help bring clarity to the implementation of the PPP.

The AICPA has a [resource page](#) to assist CPA firms on PPP issues and continues to update its main [COVID-19 Resource Center](#).

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