### CARES II: Quick Reference Guide

#### PPP-2 First Draw
- 500 or fewer employees (*Note*, employers with more than 500 employees may be eligible if they otherwise meet SBA size requirements under SBA regulations)
  - Maximum Draw: $10 million
  - Maximum loan amount: 2.5x average monthly payroll
  - 8-24 week covered period
  - 60% used for payroll costs for full forgiveness (if not *pro rata* reduction)
  - Borrowers who missed previous PPP or returned funds may re-apply
  - Borrower’s whose 1st draw loan was not forgiven, may seek an increase of the loan under certain circumstances
  - Covered expenses now also include PPE, certain vendor costs, costs of upgrading cloud-based inventory control systems
  - Program closes March 31, 2021
  - Simplified forgiveness for loans under $150,000

#### PPP-2 Second Draw
- Open only to businesses that have received a 1st draw PPP loan
- 300 or fewer employees
- Maximum Draw: $2 million
- Maximum loan amount: 2.5x average monthly payroll – NAICS Code 72 (restaurants and accommodations) businesses get 3.5x average monthly payroll costs
- Must demonstrate a 25% reduction in gross receipts by comparing 2020 gross receipts to 2019, or at least one quarter of 2020 to the corresponding quarter of 2019
- If you are using 2019 average monthly payroll costs and the same bank, no need to submit new eligibility documents
- 8-24 week covered period
- 60% used for payroll costs for full forgiveness (if not *pro rata* reduction)
- Covered expenses now also include PPE, certain vendor costs, costs of upgrading cloud-based inventory control systems
- Program closes March 31, 2021
- Simplified forgiveness for loans under $150,000

#### Employee Retention Tax Credit (ERTC)
- 20% reduction in revenue (was 50% under CARES I)
- Virtually all employee wages are qualified wages if less than 500 employees
- 70% of qualified wages, up to $7,000 per employee per quarter (max of $14,000 per employee)
- Fully refundable tax credit and an be applied to future payroll taxes
- Claim on Form 941
- Can be used *in addition to* PPP-2 (*Note*, cannot get both ERTC and have PPP-2 loan forgiven)