

EXAMPLES OF METHODOLOGY FOR CALCULATING MAXIMUM AMOUNT ELIGIBLE TO BORROW

The examples below illustrate the methodology.

- i. Example 1 - No employees make more than \$100,000
Annual payroll: \$120,000
Average monthly payroll: \$10,000
Multiply by 2.5 - \$25,000
Maximum loan amount is \$25,000
- ii. Example 2 - Some employees make more than \$100,000
Annual payroll: \$1,500,000
Subtract compensation amounts in excess of an annual salary of \$100,000; \$1,200,000
Average monthly qualifying payroll: \$100,000
Multiply by 2.5 = \$250,000
Maximum loan amount is \$250,000
- iii. Example 3 - No employees make more than \$100,000, outstanding EIDL loan of \$10,000.
Annual payroll: \$120,000
Average monthly payroll: \$10,000
Multiply by 2.5 = \$25,000
Add EIDL loan of \$10,000 = \$35,000
Maximum loan amount is \$35,000
- iv. Example 4 - Some employees make more than \$100,000, outstanding EIDL loan of \$10,000
Annual payroll: \$1,500,000
Subtract compensation amounts in excess of an annual salary of \$100,000: \$1,200,000
Average monthly qualifying payroll: \$100,000
Multiply by 2.5 = \$250,000
Add EIDL loan of \$10,000 = \$260,000
Maximum loan amount is \$260,000