

Proceeds of a PPP Loan

This information is contained in the Interim Final Rule #1 released on 1-6-2021 providing amendments to the Paycheck Protection Program (first and second draw loans). Pages 48-51 further detail the following acceptable uses of PPP funds.

- 1) Payroll costs
- 2) Costs related to the continuation of group health care, life, disability, vision or dental benefits.
- 3) Mortgage interest payments (does not cover mortgage prepayments or principal payments).
- 4) Rent payments
- 5) Utility payments
- 6) Interest payments on other debt obligations that were incurred before 2-15-2020.
- 7) Refinancing an EIDL loan made between 1-31-2020 and 4-3-2020.
- 8) Covered operations expenses (examples are payments for business software or icloud computing services that facilitates business operations, product or service delivery, payroll expense processing, payment or tracking, human resources, sales and billing functions, accounting or tracking of supplies, inventory, records and expenses).
- 9) Covered property damage costs (costs related to 2020 public disturbances not covered by insurance).
- 10) Covered supplier costs (expenditures made by borrower to a supplier of goods that are essential to borrower operations at the time the expenditure is made and is made pursuant to a contract, order or purchase order in effect at any time before the covered period).
- 11) Covered worker protection expenditures (examples provided would be a drive through window installation, ventilation or filtration system installation, physical barriers, expansion of business space (for social distancing), onsite or offsite health screening capability).

For further information you may visit www.sba.gov.