

Timing of Expenses for PPP Funds

The SBA has allowed some flexibility in timing for the use of PPP funds. Businesses may seek forgiveness for payroll costs paid or incurred during the 24 weeks beginning on either:

- The date you receive the funds ("covered period"), or
- The first day of the first payroll cycle in the covered period ("alternate covered period")

The PPP Flexibility Act extended the covered period from eight weeks to 24; however, businesses may choose to use an eight-week period.

Payroll costs paid or incurred during the 24-week period are eligible for forgiveness. Payroll costs incurred during the eight-week period are eligible for forgiveness if paid on or before the next regular payroll date. Otherwise, they must be paid during the 24 weeks. Payroll costs are considered "paid" on the day paychecks are distributed or your business originates an ACH credit transaction. They are considered "incurred" on the day the employee earned the pay.

Mortgage interest, rent, and utilities need to be paid during the covered period or paid on or before the next regular billing date, even if the billing date is after the covered period.