

MoDOT Paycheck Protection Program (PPP) Requirements

General Overhead Reporting Requirements

If the company has a PPP loan forgiven in any amount, the overhead rate calculations must reflect both the adjusted overhead rate (includes the credit) and the unadjusted overhead rate (does not include the credit).

- If forgiveness has been granted during the year in which the PPP funds were used, the amount forgiven should be included in the overhead rate schedule as a General and Administrative (G&A) credit in that same fiscal year.
- If forgiveness has not been granted during the year in which the PPP funds were used or the forgiven amount is not known prior to completion of that year's overhead calculations, the amount forgiven should be included in the overhead rate schedule as a G&A credit in the year the forgiven amount is known.

Required Overhead Schedule Documents

Provide two overhead rate calculations (can be two separate schedules or one combined scheduled showing both calculations):

One overhead rate calculation, called the credited rate, should include –

- A single-line item credit for PPP loan forgiveness to the G&A section of the overhead schedule. The amount of credit adjustment must be supported by the loan forgiveness application and the forgiving entity's notification document (if it has been received).
- If the company wishes to present the overhead rate adjustment for forgiveness in a format other than a single-line adjustment and/or in an amount different than the total amount forgiven, the company must provide the methodology used to calculate the adjustment amount(s). Supporting financial statement documents, including tax returns, loan forgiveness application, loan forgiveness notification/approval document, and/or other documents that support the amount breakouts, may be requested.
- See the link to the U.S. Department of Transportation-Federal Highway Administration Memorandum HCFB-30, provided below.

One overhead rate calculation, called the non-adjusted rate, should include –

- No adjustments for the PPP loan forgiveness credit

Note: The direct and indirect labor amounts will be the same for both overhead rate calculations.

Required Certification and Disclosure Statement

- Provide a [Certificate of Final Indirect Costs](#).
- Every consultant requesting financial pre-qualification (whether receiving a PPP loan or not) must complete and sign the [MoDOT Paycheck Protection Program \(PPP\) Disclosure](#).

Resources:

- [U.S. Department of Transportation-Federal Highway Administration Memorandum HCFB-30](#), provides guidance to A&E consultants stating PPP loan proceeds cannot be used to fund

compensation costs of direct labor and other direct costs dedicated to federally funded contracts as this would result in an improper payment for billing the federal government twice.

- PPP funds applied to federally funded contracts will be recorded as a single line item credit to the General and Administrative (G&A) overhead, [FAR 31.201-5 Credits](#), regardless if it was used for direct or indirect costs.

Contract Type Overhead Rate Application

- The overhead rate credit for PPP loan forgiveness will be used to determine final costs for the applicable year in which the credit is recognized as part of a pre-qualified overhead rate on actual cost-plus fixed fee contracts. There will be no impact to lump sum, cost per unit, or specific rate of compensation contracts where pricing is set in advance.
- For any new contracts the non-adjusted rate will be used to estimate cost and establish the contract maximum.