WMU Board of Trustees Meetings

4-22-2021

WMU Board of Trustees Formal Session April 22, 2021

WMU Board of Trustees

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Thursday, April 22, 2021

Virtual Meeting Platform Amidst a Continued Global Pandemic

Closed Informal Session – 9:00 AM

Formal Session – 11:00 AM *Livestream at https://wmich.edu/trustees

*Individuals wishing to address the Board of Trustees during either Public Comments sections must notify Dr. Kahler Schuemann at kahler.schuemann@wmich.edu by 5PM Wednesday, April 21st.

1. Acceptance of the Agenda – Chen-Zhang

2. Approval of the Minutes (March 18, 2021 Meeting) – Chen-Zhang

3. Remarks by the Chair – Chen-Zhang

4. Remarks by the President – Montgomery

5. Comments by the Faculty Senate President – Kritzman

6. Comments by the Western Student Association President – West

7. Comments by the Graduate Student Association President – Morris

8. Presentation – Discovering a Pathway to Purpose – Montgomery

9. Public Comments Regarding Action Items – Schuemann

Action Items – Chen-Zhang

10. Undergraduate Tuition Simplification Strategy – Bott

11. WMUK-FM COVID-19 Relief Paycheck Protection Program (PPP) Loan – Bott

12. Consent Items – Chen-Zhang
   A. Curriculum Proposals
   B. Personnel Report

13. General Public Comments – Schuemann

Supplemental and supporting agenda materials can be viewed at: http://www.wmich.edu/trustees
Proposed Meeting Minutes

March 18, 2021

The Western Michigan University Board of Trustees (BOT) Formal Session was called to order by Vice Chair Chen-Zhang at 11:03AM on March 18, 2021. The meeting was conducted, amidst the continued global pandemic, in an online modality with participants engaging through Zoom, a virtual platform. The engagement was streamed live through the BOT website. Prior marketing encouraged the public to engage and those interested in providing comment were asked to notify Board Secretary Schuemann by 5PM Wednesday, March 17th. Presiding were Chair Chen-Zhang, Vice Chair Johnston and Trustees Edgerton, Kitchens, Penn, Rinvelt, Trevan, and Turfe.

A motion to accept the March 18, 2021 BOT agenda was made by Trustee Kitchens, with a second from Vice Chair Johnston. The motion passed unanimously.

A motion to accept the minutes as exhibited from the January 21, 2021 BOT Meeting was made by Trustee Rinvelt, with a second by Trustee Edgerton. The motion passed unanimously.

Remarks were provided by Vice Chair Chen-Zhang – Attachment A, followed by remarks from President Montgomery – Attachment B.

Faculty Senate President M. Kritzman, Western Student Association (WSA) Vice President T. West, and Graduate Student Association (GSA) President C. Morris provided comments regarding their respective areas and their ongoing activities and initiatives relating to shared governance, promoting student involvement, and academic enrichment. See Attachment C for remarks by Faculty Senate President M. Kritzman.

Vice President for Student Affairs D. Anderson presented Celebrating WMU’s Frontline Healthcare Workers.

There was no indicated public interest in providing commentary regarding any Action Items.

As Action Items, the Board considered the Consent Items. A motion to approve the Consent Item was made by Trustee Rinvelt, with a second from Trustee Penn. The BOT unanimously approved the following Consent Items as exhibited: Board of Trustees Meeting Dates 2022, Curriculum Proposals, Personnel Report, Annuity and Life Income Funds Performance Report, and Operating Cash Investment Performance Report.

Commentary was provided during General Public Comments by K. Plier, S. Zegree, J. Wright, and J. Ivey.
The BOT meeting ended at 12:15PM following a motion to adjourn by Trustee Penn, a second by Trustee Edgerton, and unanimous approval.

Respectfully submitted,

[Signature]

Kahler B. Schuemann
Secretary to the Board of Trustees
Western Michigan University
Good Morning. It is my pleasure to welcome everyone to our March board meeting. Our board has already finished a productive informal session. We heard from Athletic Director Kathy Beauregard on many aspects of the athletic department and intercollegiate athletics. We also appreciated hearing from Provost Jennifer Bott and Vice President Terri Kinzy on the impact of interdisciplinarity through academics and research at Western.

I am looking forward to the presentation today from Vice President Diane Anderson about the critical work that Western’s frontline health care workers have taken on throughout the course of the COVID-19 pandemic.

Like their peers across the country and around the world, these dedicated professionals have worked tirelessly to care for the campus community and we are in their debt. To Dr. Gayle Ruggiero, her entire staff, and everyone who is contributing to this effort, thank you all for the very important work that you do.

We are fortunate at Western to have employees across our campus who have gone above and beyond throughout the pandemic. From the custodial staff that keeps every corner of the University clean, to the facilities crews that keep everything running, to the dining services teams, the list goes on, and so does our gratitude for their work. Thank you all.

Before I preview what’s on our agenda for today, I want to take a moment to address a more sobering topic. Since early on in the COVID-19 pandemic when we learned about cases of the virus in China, there have been reports of discrimination against individuals of Asian descent across the country and the world.

During the past year, we’ve even heard accounts of violence. That’s not tolerable here or anywhere else. We stand united in our rejection of discrimination and harassment of any kind targeting any people. We can do better as a society to fight racism in all its forms, and we must do better. Thank you.
Good morning and thank you for that introduction, Chair Chen-Zhang.

As Chair Chen-Zhang noted, we’ll be hearing from Vice President Diane Anderson as part of today’s meeting. She’ll be sharing an overview of the work that our frontline health care workers have been carrying out over the last year. I join with the Board of Trustees and the Western Michigan University community in extending our gratitude and admiration for the dedication that these individuals have demonstrated throughout the COVID-19 pandemic. From their work to set up and carry out rapid-response testing, to implementing the use of telehealth care for members of our community, our Medical Director Dr. Gayle Ruggiero and the entire team have responded to the need to protect the health of our faculty, staff and students. And they have done this while continuing to provide primary care and counseling services to our student body. Thank you to all for your ongoing efforts.

I would also like to recognize Western’s COVID-19 Response team. Led by Kara Wood, associate vice president for community partnerships—and a FEMA-certified emergency manager—Dr. Ruggiero and Lt. Andrew Bachman of the WMU Department of Public Safety. This team hit the ground running last year by collaborating with public health leaders at the state and county levels, monitoring state protocols and executive orders, developing plans to enable our campus to maintain essential services and sharing those updates through the entire community. Their work is not complete, but they are nonetheless deserving of our appreciation.

In addition to recognizing COVID response efforts, I recently had the opportunity to visit the Kalamazoo County Health and Community Services Department’s vaccination site at the Expo Center with Michigan’s Lieutenant Governor Garlin Gilchrist. I spoke with him about our ongoing efforts and challenges related to the pandemic, our pride in the work of our frontline health care professionals, and at that location, to note with pride, that our Bronson College of Nursing students are part of the team that is providing administrative support, giving vaccinations and also monitoring individual’s post-vaccination.

Western Michigan University public health students gained valuable real-world research experience recently by participating in a Centers for Disease Control and Prevention study on mask use. The Mask Adherence Surveillance at Colleges and Universities Project, or MASCUP, included 60 colleges and universities across the country. It was intended to determine the percentage of individuals on each campus wearing masks, and the percentage who were wearing masks correctly—meaning fully covering the nose and mouth. The work yielded some very positive insights for our campus. According to the study’s latest observational results, there was a 99% compliance rate with mask use on Western’s campus, with 94% observed using masks correctly.
I wanted to share a brief update on a couple of University efforts that are underway. Western Michigan University is serious about removing barriers to greater diversity and addressing systemic racism. In response, we established two institution-level endeavors: the Mountaintop Initiatives and the Racial Justice Advisory Committee. The Racial Justice Advisory Committee comprises a cross section of faculty, staff, students, administrators and alumni that are working to identify some of our greatest challenges and areas of need and build a framework for addressing them.

At the same time, the $2 million Mountaintop funds are being used to advance work that addresses diversity, equity and inclusion across our campus. A portion of the funds are supporting the Professional Development Institute, a faculty and staff training program focused on enhancing intercultural communication, and another portion will help develop a Truth, Racial Healing and Transformation center on campus. As I noted when I announced both of these initiatives, we are committed to building a campus where everyone will flourish. It will take time and it will take effort, but we will not be deterred from moving forward with it.

Provost Bott recently hosted a virtual Spring Celebration of Scholarship and Teaching. During this event, she presented the 2019 and 2020 Distinguished Teaching Awards to two very deserving faculty members. Dr. Leah Omilion (Oh-million)-Hodges, the 2019 recipient, is an associate professor of communication in the School of Communication. The 2020 honoree is Dr. Jeffrey Angles, professor of Japanese in the Department of World Language and Literatures. This is the highest honor given by the University to those who are not just exceptional educators, but who also motivate and challenge their students, while inspiring within them a pursuit of lifelong learning. Both of these faculty members excel in this arena and I’m pleased to join the chorus in congratulating them on this honor.

We were pleased to learn that the WMU Department of Public Safety has earned full accreditation status from the Michigan Law Enforcement Accreditation Commission. Completing the rigorous accreditation required the department to comply with 105 standards, participate in an on-site assessment and commit to ongoing compliance reporting. The department is one of 34 units—out of nearly 600 agencies in the state—that has earned accreditation through Michigan Association of Chiefs of Police, the commission’s governing body.

In less than a month we’ll complete our 10-year comprehensive evaluation process through the Higher Learning Commission. The final step in the process is a modified site visit, which will take place April 12 and 13. Maintaining HLC accreditation is an important part of our ongoing work to ensure that we are striving toward providing a high-quality educational experience for our students. Completing the comprehensive evaluation is a major undertaking that requires campus wide participation. I would especially like to thank the core team that manages this effort.
Andrew Holmes, our director of university accreditation, Adriana Cardoso Reyes, assistant director of institutional accreditation and Amanda Geer, WMUx copywriter, have done exceptional work in guiding us through the entire effort, but especially the final steps that have taken place during the pandemic. Thanks to each of you.

With that I’ll conclude my remarks today. Thank you.
Good morning Chair Cheng-Zhang, members of the Board, President Montgomery and valued colleagues. On behalf of the Faculty Senate, I thank you for this opportunity to share comments this morning.

Just one year ago, the world as we knew it, took a turn as the World Health Organization declared a then little-known virus, dubbed Covid-19, a global pandemic. Here on campus, our three week pause from in-person instruction stretched to a year-long, and still evolving adventure in education. Classroom instruction flipped on a dime, and our classes and work meetings switched to Zoom and WebEx. Our dining rooms, kitchens and bedrooms became offices. Pets joined meetings, small children, albeit unintentional, streaked classes and the great toilet paper shortage of 2020 made the news. We collectively watched family, friends, students and colleagues battle Covid-19. Some prevailed and we celebrated. Some did not and we mourned. Science raced to find a shot that would curb the impact of the devastation of the last twelve months.

When faced with the impossible, campus leaders came together to make the best possible decisions, based on what we knew at the time. There were successes. There were mid-course corrections. But regardless of what happened on any given day... we, as Broncos, persisted. As we move toward a revised normal on campus, may we never forget the lessons learned, the leadership given and the grace extended during these past twelve months. On behalf of the Faculty Senate Executive Board, I extend our collective appreciation and thanks to our colleagues for their herculean efforts.

Our country provides us the unapparelled opportunity for free speech. Higher education further provides faculty and scholars academic freedom in their class rooms and in their content area of expertise. Freedom of expression is one of the hallmarks of shared governance. The WMU Faculty Senate, as the designated partner in shared governance, is dedicated to fostering productive, vigorous, and meaningful dialogue and debate in an environment of civil discourse that respects various points of view. To guide our efforts and appreciate the meaning and practical applications of that discourse as we strive to advance the Academy, the Faculty Senate approved an aspirational civility statement in 2016 that remains relevant today. It reads...

Western Michigan University is committed to creating and sustaining an environment that honors the inherent dignity and worth of all members of the WMU community. Respectful behavior expressed verbally, textually, visually, and physically should be the norm in all University communications and venues including classrooms, meetings, offices, workplaces, forums, events, social media, and residential communities. As an institution of higher education, we welcome a diverse range of perspectives and opinions and uphold the importance of civil debate. We fully support the free exchange of ideas and beliefs, as well as the expression of provocative or unpopular ideas. It is through this process that we generate knowledge and deepen our understanding of humanity. Freedom of thought and expression may create conflict, strong emotions, and divergent ideological positions.
While these effects are expected and welcomed, all members of the community have a responsibility to behave in a manner that does not harm others nor creates a hostile environment. Behavior that attacks, humiliates, belittles, or conveys hatred towards others diminishes our thriving and safe university environment. Each member of our academic community is encouraged to be thoughtful and sensitive in their choice of words and behaviors. We should be aware of how our behavior affects others. Furthermore, we carry a responsibility to challenge those who communicate intolerance, hatred, and bigotry. Words and actions matter. Everyone is asked to do their part in creating a healthy and positive university community and a culture that truly values each member’s uniqueness, experiences, and perspectives.

The Senate Executive Board affirms this statement. Civility must be woven into the fabric of the University’s culture. We shared this at our most recent Senate meeting, are sharing it at Council meetings and are asking our colleagues to share this classes and in departments.

The Faculty Senate Executive Board agreed to support our Academic and Information Technology Council’s recommendation from the Office of Information Technology to require two factor authentications for all WMU employees.

The Executive Board accepted the Last Lecture Series implementation plan at our most recent meeting. The Last Lecture Series is a collaborative effort between the Faculty Senate, the President’s Office, the Provost’s Office, Marketing and Strategic Communication, and University Advancement. This newly created and on-going initiative will provide retiring faculty an opportunity to share career-closing thoughts with colleagues, students, alumni, family, and friends as well as providing recognition for the faculty from the University, students, and colleagues. A dedicated website where faculty will complete an online form to register to provide their last lecture is nearly ready to launch.

The 2021 WMU Faculty Senate Appraisal of the Provost has concluded. The response rate was 33.3% or 279 out of 840 eligible faculty and academic administrators. A copy of the numerical results was provided to Board Chair Chen-Zhang.

The Graduate Studies Council reviewed content and discussed its charge related to the development of a process to designate service-learning status for graduate courses while the International Education Council is working with the University College to incorporate global content into the programs of students with undetermined majors.

As my comments end, I extend thanks and appreciation to the members of our Councils and Committees for their time, effort and hard work. I also want to thank Senate Vice President Sarah Summy and members of the Senate Executive Board for their endless hours of meetings, collaboration, and problem-solving. Together we have achieved much. We have met nearly every week for the past year. The work of the Faculty Senate is true service to Western Michigan University as it comes on top of our normal workload. I am blessed and honored to have these fine men and women on my team and representing the faculty at Western Michigan University as the designated partner in shared governance.

Thank-you, Chair Chen-Zhang, for this opportunity to address the Board.
PROPOSAL: Undergraduate Tuition Simplification Strategy

Background

The current undergraduate tuition and fee rate structures are difficult to understand and expressed differently from our peers, making Western’s good value hard to discern for prospective students and families who compare the cost of attendance here versus other public four-year schools in the state. A newly proposed streamlined tuition structure will bring new clarity for students and their families, making costs easier to understand and anticipate. This restructuring is a crucial step to enable multi-year financial aid strategies and simplified rate structures that would benefit students and families.

Currently, undergraduate tuition and fees at WMU vary by course modality (Main Campus in-person, regional in-person and online), residency status and lower and upper level. Main Campus and regional site credit hours are assessed based on residency status and class-level classification. A unique rate is assessed for online credit hours regardless of either residency status or class level. A $20 technology fee is also assessed per online course. An enrollment fee is assessed based on main campus in-person credit hours. Differential tuition is also assessed in three colleges by credit hour on main campus in-person and regional site courses.

Under the proposed approach, all registered undergraduate credit hours will be included in the University’s flat-rate tuition model. Programs that are 100% online are not included in the University’s flat-rate tuition model due to the market conditions and enrollment patterns that are particular to online degrees. Therefore, the pricing model for these programs will not change with the proposed tuition restructuring plan.

The proposed simplification strategy for undergraduate tuition includes:

- One tuition rate schedule across all course modalities (main, regional site or online).
- Enrollment fee would be eliminated by including it in the tuition rate, as other Michigan publics do.
- Eliminate the technology fee charged per online course.
- All registered credit hours will be included in the flat-rate tuition model wherein students pay the same rate for a course load that ranges from 12 to 15 credit hours while maintaining current student classifications for level and residency.
• Eliminate the legacy tuition rate structure that has been in place for non-resident undergraduate students that were admitted prior to summer I 2017.
• Programs that are 100% online are not included in the flat rate and will be assessed their own rate.
• Student Assessment Fee and Sustainability Fee are student-body imposed fees administered outside of Western’s administration. They will continue to be assessed to all undergraduates and graduate students except those in fully online programs.

Recommended Action
It is recommended that effective with the Fall 2021 semester, the Board of Trustees approves the proposed undergraduate tuition assessment strategy.
PROPOSAL: WMUK-FM COVID-19 Relief Paycheck Protection Program (PPP) Loan

Background

The Administration is requesting authority from the Board of Trustees to approve the University’s application for a forgivable Paycheck Protection Program (PPP) loan on behalf of WMUK-FM.

WMUK is the public radio service of Western Michigan University, providing NPR news, information and cultural programming to West Michigan and Northern Indiana. The Board of Trustees holds the FCC license to WMUK 102.1 FM. The Station operates its primary NPR service on 102.1 FM, and its new secondary classical music service on 89.9 FM as well as the secondary digital channel (HD-2) of 102.1 FM.

Since the outbreak of the COVID-19 pandemic caused large-scale disruptions to the regional economy, WMUK has experienced a severe contraction in the amount of underwriting (advertising) business sales revenue that is normally generated by the Station. Underwriting is paid on-air acknowledgement of support from a business or organization, and underwriting revenue constitutes approximately 10-15% of WMUK’s direct revenues.

Prior to the pandemic, WMUK would typically anticipate approximately $150,000 to $175,000 in business revenue for a given fiscal year. Due to the pandemic, many businesses and organizations across the nation were forced to significantly reduce and/or close operations due to COVID, creating a severe economic shock across the U.S. As a result, marketing budgets have been significantly reduced by those same underwriters. This has resulted in a sharp decline in revenue for WMUK.

Given the above factors, WMUK anticipates that it will fall approximately $108,000 short of its initial underwriting revenue projection of $175,000 for FY2021 (July 1, 2020 – June 30, 2021). This represents a major operating loss for WMUK. Further drops in underwriting revenue support are also anticipated for FY2022 and beyond, as the economy slowly recovers from the pandemic.

This loss of revenue, combined with an across the board 20-percent budget reduction in University support in 2020, has placed a significant strain on WMUK’s operating budget, requiring the Station to draw down all of its cash reserves to avoid further reductions to an already minimal staffing level.

The Station has requested, and the Administration supports, an effort to utilize one of the COVID-19 Relief Options passed by Congress in 2020, and recently extended through
May 31, 2021. Specifically, WMUK-FM seeks to apply for a forgivable Paycheck Protection Program (PPP) loan.

The PPP loan program is “designed to provide direct incentive for small businesses to keep their workforce on payroll.” The program is administered by the Small Business Administration (SBA) through financial lenders in the U.S. If approved, WMUK-FM will utilize any PPP funds to offset payroll costs, including benefits. This is in keeping with the intent of the program.

Use of the funds will be carefully monitored. By utilizing the funds for payroll costs, WMUK will meet all requirements for the loan repayments to be forgiven, per the terms of the PPP program as currently written. As a University-licensed public broadcast organization, WMUK meets the newly expanded definition of a small business as defined by Congress in recent legislation passed in January 2021. Therefore, WMUK’s application meets both the letter and spirit of Congress’ intent for the PPP loan program, particularly as it pertains to providing a vital lifeline to small businesses and the employees who rely on them for a livelihood.

An exact estimate of the potential PPP loan award is unknown, as this will be determined in partnership with a financial lender. However, based on the current approved methodology for calculating loan amounts, WMUK projects that the PPP award would be approximately $100,500. This would cover a substantial amount of the lost business revenue that WMUK continues to incur due to the pandemic. There is currently some ambiguity in how this program affects other federal programs to address the pandemic. In the event WMUK’s PPP request adversely impacts the University’s ability to receive other federal assistance, the request will be withdrawn.

Attached is a projection of WMUK’s underwriting and membership revenues, including projected revenue losses, as of March 23, 2021 (Attachment A). Also attached is an FAQ explaining in detail the SBA’s procedures for calculating PPP loan amounts, with relevant information highlighted as it pertains to WMUK’s application (Attachment B).

**Recommended Action**

It is recommended the Board of Trustees authorize the University’s application and use, on behalf of WMUK-FM (the Station), of any and all forgivable PPP Loan Funds as described above and as determined by the Treasurer, Assistant Treasurer or General Counsel to be in the best interests of WMU. This includes first, second and other subsequent draws approved by Congress – for which WMUK-FM is eligible – and for which the Administration deems the loan draws to be in the best interests of the University and the Station.
WMUK-FM Past Performance and Projection for FY2021
As of March 23, 2021

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Underwriting Revenue (Ads)</th>
<th>Membership Revenue (Gifts)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY18</td>
<td>$192,225.86</td>
<td>$427,749.27</td>
</tr>
<tr>
<td>FY19</td>
<td>$151,977.67</td>
<td>$373,294.83</td>
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<tr>
<td>FY20</td>
<td>$163,645.70</td>
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</tr>
<tr>
<td>FY21</td>
<td>$60,653.97</td>
<td>$390,026.44</td>
</tr>
</tbody>
</table>

Average underwriting performance (FY18-FY20): $169,283.08
FY21 estimated actual as of March 2021: $60,653.97
Projected loss for FY21 (to date): $108,629.11

* FY21 figures are estimates and may vary based on market conditions.
PAYCHECK PROTECTION PROGRAM
HOW TO CALCULATE MAXIMUM LOAN AMOUNTS FOR FIRST DRAW
PPP LOANS AND WHAT DOCUMENTATION TO PROVIDE – BY BUSINESS TYPE

The Small Business Administration (SBA), in consultation with the Department of the Treasury, is providing this updated guidance to assist businesses in calculating their payroll costs (and the relevant documentation that is required to support each set of calculations) for purposes of determining the maximum amount of a First Draw Paycheck Protection Program (PPP) loan for each type of business.

Borrowers and lenders may rely on the guidance provided in this document as SBA’s interpretation of the CARES Act, the Economic Aid Act, and of the Paycheck Protection Program Interim Final Rules. The U.S. government will not challenge lender PPP actions that conform to this guidance and to the PPP Interim Final Rules and any subsequent rulemaking in effect at the time the action is taken.

The guidance describes payroll costs using calendar year 2019 as the reference period for payroll costs used to calculate loan amounts. However, borrowers are permitted to use payroll costs from either calendar year 2019 or calendar year 2020 for their First Draw PPP Loan amount calculation. Documentation, including IRS forms, must be supplied for the selected reference period.

1. **Question:** I am self-employed and have no employees, how do I calculate my maximum First Draw PPP Loan amount if I use net profit? (Note that PPP loan forgiveness amounts will depend, in part, on the total amount spent by the borrower during the covered period following disbursement of the PPP loan.)

   **Answer:** The following methodology should be used to calculate the maximum amount that can be borrowed if you are self-employed and have no employees, and your principal place of residence is in the United States, including if you are an independent contractor or operate a sole proprietorship, and you use net profit (but not if you are a partner in a partnership):

   - **Step 1:** Find your 2019 IRS Form 1040 Schedule C line 31 net profit amount. If this amount is over $100,000, reduce it to $100,000. If this amount is zero or less, you are not eligible for a PPP loan.
   - **Step 2:** Calculate the average monthly net profit amount (divide the amount from Step 1 by 12).

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1 This document does not carry the force and effect of law independent of the statutes and regulations on which it is based.
2 All components of payroll costs must be from the same calendar year. Payroll costs, including for covered benefits, can only be included for employees whose principal place of residence is in the United States.
3 If you are using 2020 amounts and have not yet completed a 2020 return, fill out the required portions and compute the values.
As of March 12, 2021

• **Step 3:** Multiply the average monthly net profit amount from Step 2 by 2.5.

• **Step 4:** Add the outstanding amount of any Economic Injury Disaster Loan (EIDL) made between January 31, 2020 and April 3, 2020 that you seek to refinance. Do not include the amount of any advance under an EIDL COVID-19 loan (because it does not have to be repaid).

Your 2019 IRS Form 1040 Schedule C must be provided to substantiate the applied-for PPP loan amount. You must also provide a 2019 IRS Form 1099-MISC detailing nonemployee compensation received (box 7), IRS Form 1099-K, invoice, bank statement, or book of record establishing you were self-employed in 2019 and a 2020 invoice, bank statement, or book of record establishing you were in operation on February 15, 2020.

2. **Question:** I am self-employed and have employees, how do I calculate my maximum First Draw PPP Loan amount (up to $10 million) if I use net profit? (Note that PPP loan forgiveness amounts will depend, in part, on the total amount spent by the borrower during the covered period following disbursement of the PPP loan.)

**Answer:** The following methodology should be used to calculate the maximum amount that can be borrowed if you are self-employed with employees, including if you are an independent contractor or operate a sole proprietorship and use net profit (but not if you are a partner in a partnership):

• **Step 1:** Compute your 2019 payroll costs by adding the following:
  - 2019 IRS Form 1040 Schedule C line 31 net profit amount:
    - if this amount is over $100,000, reduce it to $100,000,
    - if this amount is less than zero, set this amount at zero;
  - 2019 gross wages and tips paid to your employees whose principal place of residence is in the United States, up to $100,000 per employee, which can be computed using:
    - 2019 IRS Form 941 Taxable Medicare wages & tips (line 5c-column 1) from each quarter,
    - Plus any pre-tax employee contributions for health insurance or other fringe benefits excluded from Taxable Medicare wages & tips, and
    - Minus (i) any amount paid to any individual employee in excess of $100,000, and (ii) any amounts paid to any employee whose principal place of residence is outside the United States;
  - 2019 employer contributions for employee group health, life, disability, vision, and dental insurance (the portion of IRS Form 1040 Schedule C

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4 If you are using 2020 payroll costs and have not yet completed a 2020 return, fill it out and compute the value.
As of March 12, 2021

line 14 attributable to those contributions);
  o 2019 employer contributions to employee retirement plans (IRS Form 1040 Schedule C line 19); and
  o 2019 employer state and local taxes assessed on employee compensation, primarily state unemployment insurance tax (from state quarterly wage reporting forms).

- **Step 2:** Calculate the average monthly payroll costs amount (divide the amount from Step 1 by 12).

- **Step 3:** Multiply the average monthly payroll costs amount from Step 2 by 2.5.

- **Step 4:** Add the outstanding amount of any EIDL made between January 31, 2020 and April 3, 2020 that you seek to refinance. Do not include the amount of any advance under an EIDL COVID-19 loan (because it does not have to be repaid).

Your 2019 IRS Form 1040 Schedule C, IRS Form 941 and state quarterly wage unemployment insurance tax reporting form from each quarter (or equivalent payroll processor records or IRS Wage and Tax Statements), along with documentation of any retirement or group health, life, disability, vision, and dental contributions, must be provided to substantiate the applied-for PPP loan amount. A payroll statement or similar documentation from the pay period that covered February 15, 2020 must be provided to establish you were in operation and had employees on that date.

3. **Question:** I am a self-employed farmer or rancher who reports my income on IRS Form 1040 Schedule F. What documentation must I provide in place of Schedule C and how should my maximum loan amount be determined (up to $10 million)?

**Answer:** Self-employed farmers and ranchers (i.e., those who report their net farm profit on IRS Form 1040 Schedule 1 and Schedule F) should use IRS Form 1040 Schedule F in lieu of Schedule C.

The calculation for self-employed farmers and ranchers without employees is the same as for Schedule C filers that have no employees, except that Schedule F line 9 (gross income) should be used to determine the loan amount rather than Schedule C line 31 (net profit).

The calculation for self-employed farmers and ranchers with employees is the same as for Schedule C filers that have employees with several exceptions. First, in place of Schedule C line 31 (net profit), the difference between Schedule F line 9 (gross income) and the sum of Schedule F lines 15, 22, and 23 (for employee payroll) should be used. Second, employer contributions for employee group health, life, disability, vision and dental insurance (portion of Schedule F line 15 attributable to those contributions) and employer contributions for employee retirement contributions (Schedule F line 23) should be used in place of those respective lines on Schedule C.
As of March 12, 2021

The documentation requirements are the same as for Schedule C filers except the 2019 IRS Form 1040 Schedule 1 and Schedule F must be included with the loan application in place of IRS Form 1040 Schedule C. Additionally, for farmers and ranchers with employees, IRS Form 943 should be provided in addition to, or in place of, IRS Form 941, as applicable.

4. **Question:** How do partnerships apply for PPP loans, and how is the maximum First Draw PPP Loan amount calculated for partnerships (up to $10 million)? Should partners’ self-employment income be included on the business entity level PPP loan application or on separate PPP loan applications for each partner? (Note that PPP loan forgiveness amounts will depend, in part, on the total amount spent during the covered period following disbursement of the PPP loan.)

**Answer:** The following methodology should be used to calculate the maximum amount that can be borrowed for partnerships (partners’ self-employment income should be included on the partnership’s PPP loan application; individual partners may not apply for separate PPP loans):

- **Step 1:** Compute 2019 payroll costs by adding the following:
  - 2019 Schedule K-1 (IRS Form 1065) Net earnings from self-employment of individual U.S.-based general partners that are subject to self-employment tax, multiplied by 0.9235, up to $100,000 per partner.
  - Compute the net earnings from self-employment of individual U.S.-based general partner that are subject to self-employment tax from box 14, Code A of IRS Form 1065 Schedule K-1 and subtract (i) any section 179 expense deduction claimed in box 12; (ii) any unreimbursed partnership expenses claimed; and (iii) any depletion claimed on oil and gas properties:
    - if this amount is over $100,000, reduce it to $100,000;
    - if this amount is less than zero, set this amount at zero;
  - 2019 gross wages and tips paid to employees whose principal place of residence is in the United States (if any), up to $100,000 per employee, which can be computed using:
    - 2019 IRS Form 941 Taxable Medicare wages & tips (line 5c-column 1) from each quarter,
    - Plus any pre-tax employee contributions for health insurance or other fringe benefits excluded from Taxable Medicare wages & tips, and
    - Minus any amounts paid to any individual employee in excess of

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5 This treatment follows the computation of self-employment tax from IRS Form 1040 Schedule SE Section A line 4 and removes the “employer” share of self-employment tax, consistent with how payroll costs for employees in the partnership are determined.
6 If the partnership is using 2020 payroll costs and the Form 1065 for 2020 has not yet been completed, fill out the form.
$100,000 and any amounts paid to any employee whose principal place of residence is outside the United States;

- 2019 employer contributions for employee (but not partner) group health, life, disability, vision, and dental insurance, if any (portion of IRS Form 1065 line 19 attributable to those contributions);
- 2019 employer contributions to employee (but not partner) retirement plans, if any (IRS Form 1065 line 18); and
- 2019 employer state and local taxes assessed on employee compensation, primarily state unemployment insurance tax (from state quarterly wage reporting forms), if any.

**Step 2:** Calculate the average monthly payroll costs (divide the amount from Step 1 by 12).

**Step 3:** Multiply the average monthly payroll costs from Step 2 by 2.5.

**Step 4:** Add any outstanding amount of any EIDL made between January 31, 2020 and April 3, 2020 that you seek to refinance. Do not include the amount of any advance under an EIDL COVID-19 loan (because it does not have to be repaid).

The partnership’s 2019 IRS Form 1065 (including K-1s) must be provided to substantiate the applied-for First Draw PPP Loan amount. If the partnership has employees, other relevant supporting documentation, including the 2019 IRS Form 941 and state quarterly wage unemployment insurance tax reporting form from each quarter (or equivalent payroll processor records or IRS Wage and Tax Statements) along with records of any retirement or group health, life, disability, vision, and dental insurance contributions must also be provided to substantiate the First Draw PPP Loan amount. If the partnership has employees, a payroll statement or similar documentation from the pay period that covered February 15, 2020 must be provided to establish the partnership was in operation and had employees on that date. If the partnership has no employees, an invoice, bank statement, or book of record establishing the partnership was in operation on February 15, 2020 must instead be provided.

5. **Question:** How is the maximum First Draw PPP Loan amount calculated for S corporations and C corporations (up to $10 million)? (Note that PPP loan forgiveness amounts will depend, in part, on the total amount spent during the covered period following disbursement of the PPP loan.)

**Answer:** The following methodology should be used to calculate the maximum amount that can be borrowed for corporations, including S and C corporations:

**Step 1:** Compute 2019 payroll costs by adding the following:

- 2019 gross wages and tips paid to your employees whose principal place of residence is in the United States, up to $100,000 per employee, which can be computed using:
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- 2019 IRS Form 941 Taxable Medicare wages & tips (line 5c-column 1) from each quarter,
- Plus any pre-tax employee contributions for health insurance or other fringe benefits excluded from Taxable Medicare wages & tips,
- Minus (i) any amounts paid to any individual employee in excess of $100,000, and (ii) any amounts paid to any employee whose principal place of residence is outside the United States;
  - 2019 employer group health, life, disability, vision, and dental insurance contributions (portion of IRS Form 1120 line 24 or IRS Form 1120-S line 18 attributable to those contributions);
  - 2019 employer retirement contributions (IRS Form 1120 line 23 or IRS Form 1120-S line 17); and
  - 2019 employer state and local taxes assessed on employee compensation, primarily state unemployment insurance tax (from state quarterly wage reporting forms).

**Step 2:** Calculate the average monthly payroll costs (divide the amount from Step 1 by 12).

**Step 3:** Multiply the average monthly payroll costs from Step 2 by 2.5

**Step 4:** Add the outstanding amount of any EIDL made between January 31, 2020 and April 3, 2020 that you seek to refinance. Do not include the amount of any advance under an EIDL COVID-19 loan (because it does not have to be repaid).

The corporation’s 2019 IRS Form 941 and state quarterly wage unemployment insurance tax reporting form from each quarter (or equivalent payroll processor records or IRS Wage and Tax Statements), along with the filed business tax return (IRS Form 1120 or IRS 1120-S) or other documentation of any retirement and group health, life, disability, vision, and dental insurance contributions, must be provided to substantiate the applied-for PPP loan amount. A payroll statement or similar documentation from the pay period that covered February 15, 2020 must be provided to establish you were in operation and had employees on that date.

6. **Question:** How is the maximum First Draw PPP Loan amount calculated for eligible nonprofit organizations (up to $10 million)? (Note that PPP loan forgiveness amounts will depend, in part, on the total amount spent during the covered period following disbursement of the PPP loan.)

**Answer:** The following methodology should be used to calculate the maximum amount that can be borrowed for eligible nonprofit organizations (eligible nonprofit religious

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7 Note that employer contributions for group health, life, disability, vision, and dental insurance for S-Corporation employees who own more than a 2 percent stake in the business (or employees who are family members of such owners) are not included in this figure as such contributions are already included in gross wages.
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institutions or other eligible nonprofits without an IRS Form 990 filing requirement, see the next question):

• **Step 1:** Compute 2019 payroll costs by adding the following:
  o 2019 gross wages and tips paid to your employees whose principal place of residence is in the United States, up to $100,000 per employee, which can be computed using:
    • 2019 IRS Form 941 Taxable Medicare wages & tips (line 5c-column 1) from each quarter,
    • Plus any pre-tax employee contributions for health insurance or other fringe benefits excluded from Taxable Medicare wages & tips, and
    • Minus (i) any amounts paid to any individual employee in excess of $100,000, and (ii) any amounts paid to any employee whose principal place of residence is outside the U.S.;
  o 2019 employer group health, life, disability, vision, and dental insurance contributions (portion of IRS Form 990 Part IX line 9 attributable to those contributions);
  o 2019 employer retirement contributions (IRS Form 990 Part IX line 8); and
  o 2019 employer state and local taxes assessed on employee compensation, primarily state unemployment insurance tax (from state quarterly wage reporting forms).

• **Step 2:** Calculate the average monthly payroll costs (divide the amount from Step 1 by 12).

• **Step 3:** Multiply the average monthly payroll costs from Step 2 by 2.5.

• **Step 4:** Add the outstanding amount of any EIDL made between January 31, 2020 and April 3, 2020 that you seek to refinance. Do not include the amount of any advance under an EIDL COVID-19 loan (because it does not have to be repaid).

The nonprofit organization’s 2019 IRS Form 941 and state quarterly wage unemployment insurance tax reporting form from each quarter (or equivalent payroll processor records or IRS Wage and Tax Statements), along with the filed IRS Form 990 Part IX or other documentation of any retirement and group health, life, disability, vision, and dental insurance contributions, must be provided to substantiate the applied-for PPP loan amount. A payroll statement or similar documentation from the pay period that covered February 15, 2020 must be provided to establish you were in operation and had employees on that date. Eligible nonprofits that file IRS Form 990-EZ should rely on that form and those that do not file an IRS Form 990 or 990-EZ, typically those with gross receipts less than $50,000, should see the next question.
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7. **Question:** How is the maximum First Draw PPP Loan amount calculated for eligible nonprofit religious institutions, veterans organizations, and tribal businesses (up to $10 million)? (Note that PPP loan forgiveness amounts will depend, in part, on the total amount spent during the covered period following disbursement of the PPP loan.)

**Answer:** The following methodology should be used to calculate the maximum amount that can be borrowed for eligible nonprofit religious institutions, veterans organizations and tribal businesses:

- **Step 1:** Compute 2019 payroll costs by adding the following:
  - 2019 gross wages and tips paid to employees whose principal place of residence is in the United States, up to $100,000 per employee, which can be computed using:
    - 2019 IRS Form 941 Taxable Medicare wages & tips (line 5c-column 1) from each quarter,
    - Plus any pre-tax employee contributions for health insurance or other fringe benefits excluded from Taxable Medicare wages & tips, and
    - Minus (i) any amounts paid to any individual employee in excess of $100,000, and (ii) any amounts paid to any employee whose principal place of residence is outside the United States;
  - 2019 employer group health, life, disability, vision, and dental insurance contributions;
  - 2019 employer retirement contributions; and
  - 2019 employer state and local taxes assessed on employee compensation, primarily state unemployment insurance tax (from state quarterly wage reporting forms).

- **Step 2:** Calculate the average monthly payroll costs (divide the amount from Step 1 by 12).

- **Step 3:** Multiply the average monthly payroll costs from Step 2 by 2.5.

- **Step 4:** Add any outstanding amount of any EIDL made between January 31, 2020 and April 3, 2020 that you seek to refinance. Do not include the amount of any advance under an EIDL COVID-19 loan (because it does not have to be repaid).

The entity’s 2019 IRS Form 941 and state quarterly wage unemployment insurance tax reporting form from each quarter (or equivalent payroll processor records or IRS Wage and Tax Statements), along with documentation of any retirement and group health, life, disability, vision, and dental insurance contributions, must be provided to substantiate the applied-for PPP loan amount. A payroll statement or similar documentation from
the pay period that covered February 15, 2020 must be provided to establish you were in operation and had employees on that date.

8. **Question:** I am an LLC owner. Which set of instructions applies to me?

**Answer:** LLCs should follow the instructions that apply to their tax filing status in the reference period used to calculate payroll costs (2019 or 2020)—i.e., whether the LLC filed (or will file) as a sole proprietor, a partnership, or a corporation in the reference period.

9. **Question:** What other documentation can an applicant provide for the purpose of substantiating payroll costs used to calculate the applied-for First Draw PPP Loan amount?

**Answer:** An applicant may provide IRS Form W-2s and IRS Form W-3 or payroll processor reports, including quarterly and annual tax reports, in lieu of IRS Form 941. Additionally, very small businesses that file an annual IRS Form 944 or agricultural employers that file an annual IRS Form 943 should rely on and provide IRS Form 944 or IRS Form 943 in lieu of IRS Form 941.

An applicant may provide records from a retirement administrator to document employer retirement contributions. An applicant may also provide records from a health insurance company or third-party administrator for a self-insured plan to document employer health insurance contributions.

10. **Question:** I am a corporation or nonprofit and was in operation on February 15, 2020, but was not in operation between February 15, 2019, and June 30, 2019. What reference period should I be using to compute my First Draw PPP Loan amount?

**Answer:** In this case, you may choose one of two ways to calculate your First Draw PPP Loan amount. The first option is for borrowers to follow the applicable instructions in Questions 5, 6, 7 and use payroll information for all of 2020 instead of 2019. The second option is for borrowers to calculate their loan amount using their average monthly payroll costs incurred in January and February 2020. For borrowers choosing the second option, the following methodology should be used to calculate the maximum amount that you can borrow:

- **Step 1:** Compute January and February 2020 payroll costs by adding the following:
  - Gross pay to employees for those two months whose principal place of residence is in the United States, up to $16,667 per employee;
  - Employer group health, life, disability, vision, and dental insurance contributions for those two months;
  - Employer retirement contributions for those two months; and
  - Employer state and local taxes assessed on employee compensation for those two months, primarily state unemployment insurance tax.
• **Step 2:** Calculate the average monthly payroll costs (divide the amount from Step 1 by 2).

• **Step 3:** Multiply the average monthly payroll costs from Step 2 by 2.5.

• **Step 4:** Add any outstanding amount of any EIDL made between January 31, 2020 and April 3, 2020 that you seek to refinance. Do not include the amount of any advance under an EIDL COVID-19 loan (because it does not have to be repaid).

If you choose the second option, you must provide payroll records from January and February 2020, your IRS Form 941 for the first quarter of 2020, and documentation of any employer retirement and group health, life, disability, vision, and dental insurance contributions from that period.

11. **Question:** I am self-employed (or a partnership) and was in operation on February 15, 2020, but was not in operation between February 15, 2019, and June 30, 2019. I have filed or will file a Form 1040 Schedule C or Schedule F (or Form 1065) for 2020. What reference period should I be using to compute my First Draw PPP Loan amount?

**Answer:** In this case, you may choose one of two ways to calculate your First Draw PPP Loan amount. The first option is for borrowers to follow the applicable instructions in Questions 1 through 4 (or Questions 15 and 16 if you use gross income and file Schedule C) and use payroll information for all of 2020 instead of 2019. The second option is for borrowers to calculate their loan amount using their average monthly payroll costs incurred in January and February 2020.

For borrowers choosing the second option that file Schedule C and use net profit, the following methodology should be used to calculate the maximum amount that you can borrow:

• **Step 1:** Fill out an IRS Form 1040 Schedule C for January and February 2020. The entries on the schedule must reflect all business income and expenses from those two months, with the exception that on Schedule C line 13:
  - you must include only 1/6 of the amount of any annual depreciation and section 179 expense deduction attributable to investment made in those months, and
  - you must include 1/6 of the amount of the 2020 depreciation deduction attributable to investment made in prior years.

• **Step 2:** Take the net profit amount for January and February on Schedule C line 31.
  - If this amount is more than $16,667 for the two months combined, set it to $16,667.
  - If this amount is less than 0 for the two months combined, set it to 0.

• **Step 3:** If you have employees, add your employee payroll costs for January and February 2020 to the result in Step 2. Only include payroll costs for those
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employees whose principal place of residence is in the United States and up to $16,667 of gross pay per employee.

- **Step 4:** Divide the total by 2, and then multiply it by 2.5.

- **Step 5:** Add the outstanding amount of any EIDL made between January 31, 2020 and April 3, 2020 that you seek to refinance, less the amount of any advance under an EIDL COVID-19 loan (because it does not have to be repaid).

Your IRS Form 1040 Schedule C as completed must be provided to your lender when you apply for a PPP loan. This information should be consistent with what you will submit to the IRS and must be true and accurate in all material respects. You must also supply bank statements from your business account(s) for the months of January and February 2020 to substantiate your net profit amount from Schedule C. If you have employees, you also must provide payroll records from those two months, your IRS Form 941 for the first quarter of 2020, and documentation of any employer retirement and group health, life, disability, vision, and dental insurance contributions made on behalf of employees.

Schedule C filers that applied for a PPP loan using SBA Form 2483-C or 2483-SD-C should use the same methodology as above but replace net profit from Step 2 with the gross income amount on Schedule C line 7 (if no employees) or the difference between the gross income amount on Schedule C line 7 and employee payroll costs from the sum of Schedule C lines 14, 19, and 26 (if you have employees).\(^8\) Documentation requirements are the same as above.

Schedule F filers should use the same methodology as above but complete a Schedule F in Step 1 and replace net profit from Step 2 with the gross income amount on Schedule F line 9 (if no employees) or the difference between the gross income amount on Schedule F line 9 and employee payroll costs from the sum of Schedule F lines 15, 22, and 23 (if you have employees). Documentation requirements are the same as above except Schedule F as completed must be provided in place of Schedule C.

Partnerships should use the same methodology as above but complete a Form 1065 in Step 1 and replace net profit from Step 2 with the net earnings from self-employment for each individual U.S.-based general partners (the difference between box 14, Code A of IRS Form 1065 K-1 and the sum of (i) any section 179 expense deduction claimed in box 12; (ii) any unreimbursed partnership expenses claimed; and (iii) any depletion claimed on oil and gas properties) multiplied 0.9235. Documentation requirements are the same as above except Form 1065 as completed must be provided in place of Schedule C.

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\(^8\) Any other employee payroll costs not reported on those lines but included in line 28 total expenses must also be subtracted from gross income.
12. Question: In addition to pre-tax employee contributions for health insurance, what are the other pre-tax employee contributions for fringe benefits that may have been excluded from IRS Form 941 Taxable Medicare wages & tips that is part of employee gross pay?

Answer: Employee contributions and deductions from pay for flexible spending arrangements (FSA) or other nontaxable benefits under a section 125 cafeteria plan, qualified transit or parking benefits (up to $270 a month), and group life insurance (for up to $50,000 of coverage) may have been excluded from IRS Form 941 Taxable Medicare wages & tips. However, pre-tax employee contributions to retirement plans are included in Taxable Medicare wages & tips and should not be added to that figure to arrive at gross pay.

13. Question: How should a borrower account for federal taxes when determining its payroll costs for purposes of the maximum loan amount, allowable uses of a PPP loan, and the amount of a loan that may be forgiven?

Answer: Payroll costs are calculated on a gross basis without regard to federal taxes imposed or withheld, such as the employee’s and employer’s share of Federal Insurance Contributions Act (FICA) and income taxes required to be withheld from employees. As a result, payroll costs are not reduced by taxes imposed on an employee and required to be withheld by the employer. However, payroll costs do not include the employer’s share of payroll tax. For example, the wages of an employee who earned $4,000 per month in gross wages, from which $500 in federal taxes was withheld, count as $4,000 in payroll costs. However, the employer-side federal payroll taxes imposed on the $4,000 in wages are excluded from payroll costs under the statute.9

14. Question: Is there a limit on the dollar amount of First Draw PPP Loans a corporate group can receive?

Answer: Yes, businesses that are part of the same corporate group cannot receive First Draw PPP Loans in a total amount of more than $20 million. For purposes of this limit, businesses are part of a single corporate group if they are majority owned, directly or indirectly, by a common parent.

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The definition of “payroll costs” in the CARES Act, 15 U.S.C. 636(a)(36)(A)(viii), excludes “taxes imposed or withheld under chapters 21, 22, or 24 of the Internal Revenue Code of 1986 during the covered period”. As described above, the SBA interprets this statutory exclusion to mean that payroll costs are calculated on a gross basis, without subtracting federal taxes that are imposed on the employee or withheld from employee wages. Unlike employer-side payroll taxes, such employee-side taxes are ordinarily expressed as a reduction in employee take-home pay; their exclusion from the definition of payroll costs means payroll costs should not be reduced based on taxes imposed on the employee or withheld from employee wages. This interpretation is consistent with the text of the statute and advances the legislative purpose of ensuring workers remain paid and employed. Further, because the reference period for determining a borrower’s maximum loan amount will largely or entirely precede the period during which borrowers will be subject to the restrictions on allowable uses of the loans, for purposes of the determination of allowable uses of loans and the amount of loan forgiveness, this statutory exclusion will apply with respect to such taxes imposed or withheld at any time, not only during such period.
15. **Question:** I am self-employed and have no employees, how do I calculate my maximum First Draw PPP Loan amount if I use gross income?

**Answer:** The following methodology should be used to calculate the maximum amount that can be borrowed if you are self-employed and have no employees, and your principal place of residence is in the United States, including if you are an independent contractor or operate a sole proprietorship (but not if you are a partner in a partnership; see Question 4), and you use gross income:

- **Step 1:** Find your 2019 IRS Form 1040 Schedule C line 7 gross income amount. If this amount is zero or less, you are not eligible for a PPP loan.

- **Step 2:** Calculate the average monthly gross income amount (divide the amount from Step 1 by 12). If this amount is more than $8,333.33, reduce it to $8,333.33.

- **Step 3:** Multiply the average monthly gross income amount from Step 2 by 2.5.

- **Step 4:** Add the outstanding amount of any Economic Injury Disaster Loan (EIDL) made between January 31, 2020 and April 3, 2020 that you seek to refinance. Do not include the amount of any advance under an EIDL COVID-19 loan (because it does not have to be repaid).

Your 2019 IRS Form 1040 Schedule C must be provided to substantiate the applied-for PPP loan amount. You must also provide a 2019 IRS Form 1099-MISC detailing nonemployee compensation received (box 7), IRS Form 1099-K, invoice, bank statement, or book of record establishing you were self-employed in 2019 and a 2020 invoice, bank statement, or book of record establishing you were in operation on February 15, 2020.

16. **Question:** I am self-employed and have employees, how do I calculate my maximum First Draw PPP Loan amount (up to $10 million) if I use gross income? (Note that PPP loan forgiveness amounts will depend, in part, on the total amount spent by the borrower during the covered period following disbursement of the PPP loan.)

**Answer:** The following methodology should be used to calculate the maximum amount that can be borrowed if you are self-employed with employees, including if you are an independent contractor or operate a sole proprietorship (but not if you are a partner in a partnership; see Question 4) and use gross income:

- **Step 1:** Find your 2019 IRS Form 1040 Schedule C line 7 gross income amount. Subtract 2019 employee payroll costs summed from Form 1040 Schedule C lines 10 If you are using 2020 amounts and have not yet completed a 2020 return, fill out the required portions and compute the values.
11 If you are using 2020 amounts and have not yet completed a 2020 return, fill out the required portions and compute the values.
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14, 19, and 26.\textsuperscript{12} If this amount is less than zero, set this amount at zero.

- **Step 2**: Divide the gross income amount from Step 1 by 12. If this amount is more than $8,333.33, reduce it to $8,333.33.

- **Step 3**: Calculate the sum of:
  - 2019 gross wages and tips paid to your employees whose principal place of residence is in the United States, up to $100,000 per employee, which can be computed using:
    - 2019 IRS Form 941 Taxable Medicare wages & tips (line 5c-column 1) from each quarter,
    - Plus any pre-tax employee contributions for health insurance or other fringe benefits excluded from Taxable Medicare wages & tips, and
    - Minus (i) any amount paid to any individual employee in excess of $100,000, and (ii) any amounts paid to any employee whose principal place of residence is outside the United States;
  - 2019 employer contributions for employee group health, life, disability, vision, and dental insurance (the portion of IRS Form 1040 Schedule C line 14 attributable to those contributions);
  - 2019 employer contributions to employee retirement plans (IRS Form 1040 Schedule C line 19); and
  - 2019 employer state and local taxes assessed on employee compensation, primarily state unemployment insurance tax (from state quarterly wage reporting forms).

- **Step 4**: Calculate average monthly payroll costs for employees (divide the amount from Step 3 by 12).

- **Step 5**: Sum the amounts from Step 2 and Step 4 and multiply by 2.5.

- **Step 6**: Add the outstanding amount of any EIDL made between January 31, 2020 and April 3, 2020 that you seek to refinance. Do not include the amount of any advance under an EIDL COVID-19 loan (because it does not have to be repaid).

Your 2019 IRS Form 1040 Schedule C, IRS Form 941 and state quarterly wage unemployment insurance tax reporting form from each quarter (or equivalent payroll processor records or IRS Wage and Tax Statements), along with documentation of any retirement or group health, life, disability, vision, and dental contributions, must be provided to substantiate the applied-for PPP loan amount. A payroll statement or similar documentation from the pay period that covered February 15, 2020 must be provided to establish you were in operation and had employees on that date.

\textsuperscript{12} Any other employee payroll costs not reported on those lines but included in line 28 total expenses must also be subtracted from gross income.
17. **Question:** If I report farm or ranch income as an LLC, qualified joint venture, or partnership, may I use gross income to determine loan amount?

**Answer:** Only self-employed farmers and ranchers who file an IRS Form 1040 Schedule F with their Form 1040 and report Schedule F farm income on IRS Form 1040 Schedule 1 may use gross income to determine the loan amount. Single member LLCs and qualified joint ventures, as defined by IRS,\(^\text{13}\) that file Schedule F with their Form 1040 may use gross income to determine their loan amount. Only one spouse in a qualified joint venture may submit a PPP loan application on behalf of the qualified joint venture.

Partnerships and partners must calculate loan amounts as directed in Question 4 above.

18. **Question:** If I am a self-employed individual who is eligible to use gross income from both Schedule C and Schedule F to calculate loan amount, how do I calculate loan amount?

**Answer:** Calculate your maximum loan amount by following the relevant guidance for calculating maximum loan amount for self-employed individuals (either with or without employees) using gross income from Schedule C and separately for using gross income from Schedule F. Add the two results together to calculate your maximum loan amount. In the applicable Box A on SBA Form 2483-C, include amounts from both Schedule C and Schedule F.

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\(^\text{13}\) A qualified joint venture for federal income tax purposes means (1) the only members of the joint venture are a married couple who file a joint return and each file Schedule C or F with their Form 1040, (2) both spouses materially participate in the trade or business, and (3) both spouses elect not to be treated as a partnership.
PROPOSAL: Delete CHHS Health Informatics and Information Management Minor

Background

The Graduate Studies Council of the Faculty Senate has approved the deletion of the Health Information and Information Management (HiiM) minor jointly offered by the Department of Business Information Systems (BIS) and the College of Health and Human Services. In order to maintain in HiiM minor, CHHS would need to provide teaching resources to cover courses that are required by a sharply declining number of HiiM minors, who are admitted to the Haworth College of Business and the College of Health and Human Services. Given the current limited teaching capacity and other resources (e.g., lab facility, hardware, software), elimination of this HiiM minor will allow the college to better use teaching resources for other academic programs. HiiM minor is jointly offered by the College of Health and Human Services and BIS Department in the Haworth College of Business.

Recommended Action

Delete the CHHS Health Informatics and Information Management (HiiM) minor.
PROPOSAL: Delete CHHS Health Information and Information Management Major

Background

The Graduate Studies Council of the Faculty Senate has approved the deletion of the Health Information and Information Management (HiiM) major jointly offered by the Department of Business Information Systems (BIS) and the College of Health and Human Services. In order to maintain in HiiM major, CHHS would need to provide teaching resources to cover courses that are required by HiiM majors, who are admitted to the Haworth College of Business and the College of Health and Human Services. Given the current limited teaching capacity and other resources (e.g., lab facility, hardware, software), elimination of this HiiM major will allow the college to better use teaching resources for other academic majors. HiiM major is jointly offered by the College of Health and Human Services and BIS Department in the Haworth College of Business, from which a curriculum change form will be submitted to its HiiM major as well.

Recommended Action

Delete the CHHS Health Information and Information Management (HiiM) major.
PROPOSAL:  Creation of New Major in Integrated Science

Background

As part of changes to how WMU prepares students for certification as secondary teachers, we propose to create a new major in Integrated Science housed in the Department of Geological and Environmental Sciences (DGES) that replaces our current major in Secondary Integrated Science Education. We previously proposed modifying the Secondary Integrated Science Education major and moving it from the College of Education and Human Development (CEHD) to the College of Arts and Sciences (CAS), but were informed by the Registrar’s office that we instead need to eliminate the current program (related proposal) and create a new Integrated Science major (this proposal).

Recommended Action

Approve the creation of a New Major in Integrated Science.
PROPOSAL: Revise and Rename CAS Liberal Education Curriculum (LEC) as CAS Essentials (CASE)

Background

In recognition of the replacement of the General Education Curriculum with WMU Essential Studies, the College of Arts & Sciences proposes to revise its Liberal Education Curriculum (LEC) into a program renamed as College of Arts & Sciences Essentials (CASE). This revision eliminates the General Education Proficiency 4C, Critical Thinking and adds a second-semester first-year writing course (ENGL1060). It also maintains the requirement to complete a course designated as “baccalaureate writing” and it clarifies the World Language Requirement.

Recommended Action

Approve the renaming and revision of LEC into CAS Essentials.
PROPOSAL:  Deletion of Major in Behavioral Science

Background

The Department of Psychology proposes to move back to offering one undergraduate major in Psychology and phase out the two current majors, Behavioral Science and General Psychology. The revised Psychology major increases flexibility in the elective course options for many students.

Compared to the Behavioral Science major, the revised Psychology major includes a reduction in total credit hours to complete the major from 41 to 32, decreases grade restrictions on some courses, and increases the number of elective course options. Compared to the current General Psychology major, the revised Psychology major includes the same number of credits to complete the major (32) and changes one of the required courses.

This proposal is to be accompanied by two others, one to delete General Psychology and another that creates the new major in Psychology.

Recommended Action

Approve the deletion of Behavioral Science Major.
PROPOSAL: Creation of New Major in Psychology

Background

The Department of Psychology proposes to move back to offering one undergraduate major in Psychology and phase out the two current majors, Behavioral Science and General Psychology. The revised Psychology major increases flexibility in the elective course options for many students.

Compared to the Behavioral Science major, the revised Psychology major includes a reduction in total credit hours to complete the major from 41 to 32, decreases grade restrictions on some courses, and increases the number of elective course options. Compared to the current General Psychology major, the revised Psychology major includes the same number of credits to complete the major (32) and changes one of the required courses.

This proposal is to be accompanied by two others, one to delete General Psychology and another to delete Behavior Science.

Recommended Action

Approve the creation of a new major in Psychology.
PROPOSAL: Create concentration in Master of Arts in Teaching: Elementary Education

Background

This curriculum change is needed 1) to align WMU’s graduate elementary teacher certification route with the new program that the Michigan Department of Education approved for WMU in June 2020. This proposed program will provide a teacher certification route for teacher assistants with bachelor’s degree who desire to become teachers; 2) to change the name of the concentration in order to better communicate its nature, scope, and purpose to stakeholders both within and outside the university; and 3) to transfer this concentration from MATELS to MAT (a separately submitted proposal will delete the MATELS concentration that this one replaces). Currently, all of the other concentrations in MATLES are designed either for in-service teachers or for non-teachers, whereas the MAT concentrations are designed for those who wish to obtain initial teacher certification.

Recommended Action

Approve the creation of the concentration in Master of Arts in Teaching: Elementary Education.
PROPOSAL: Delete concentration in Master of Arts in Teaching, Learning, and Educational Studies: Early Elementary Teaching (TERM)

Background

This curriculum change is needed 1) to align WMU’s graduate elementary teacher certification route with the new program that the Michigan Department of Education approved for WMU in June 2020. This proposed program will provide a teacher certification route for teacher assistants with bachelor’s degree who desire to become teachers; 2) to change the name of the concentration in order to better communicate its nature, scope, and purpose to stakeholders both within and outside the university; and 3) to transfer this concentration from MATELS to MAT (a separately submitted proposal will create the new replacement concentration in MAT). Currently, all of the other concentrations in MATLES are designed either for in-service teachers or for non-teachers, whereas the MAT concentrations are designed for those who wish to obtain initial teacher certification.

Recommended Action

Approve the deletion of the concentration in Master of Arts in Teaching, Learning, and Educational Studies: Early Elementary Teaching (TERM).
PROPOSAL: Deletion of CEHD Athletic Training Program (ATDJ)

Background

The Undergraduate Studies Council of the Faculty Senate has approved the deletion of the Athletic Training Program offered by the Department of Human Performance and Health Education in the College of Education and Human Development. This program is being phased-out currently and should be deleted as athletic training as a profession is moving to a graduate-program route for certification and program accreditation.

Recommended Action

Approve the deletion of CEHD Athletic Training Program (ATDJ).
PROPOSAL: Deletion of CEHD Elementary/Middle School Language Arts Major (ELMJ)

Background

The Undergraduate Studies Council of the Faculty Senate has approved the deletion of the Elementary/Middle School Language Arts Major offered by the Department of Special Education and Literacy Studies in the College of Education and Human Development. The Michigan Department of Education (MDE) has issued new grade bands and standards for elementary education. All Michigan teacher preparation institutions must create new elementary level programs to meet the new standards and discontinue their old programs. The Elementary/Middle School Language Arts Major does not meet the new standards and must be deleted.

Recommended Action

Delete the Elementary/Middle School Language Arts Major (ELMJ).
PROPOSAL: Deletion of CEHD Elementary/Middle School Social Studies Major (ESEJ)

Background

The Undergraduate Studies Council of the Faculty Senate has approved the deletion of the Elementary/Middle School Social Studies Major offered by the Department of Teaching, Learning and Educational Studies in the College of Education and Human Development. The Michigan Department of Education (MDE) has issued new grade bands and standards for elementary education. All Michigan teacher preparation institutions must create new elementary level programs to meet the new standards and discontinue their old programs. The Elementary/Middle School Social Studies Major does not meet the new standards and must be deleted.

Recommended Action

Delete the Elementary/Middle School Social Studies Major (ESEJ).
PROPOSAL: Deletion of CEHD Elementary/Middle School Integrated Science Major (ISEJ)

Background

The Undergraduate Studies Council of the Faculty Senate has approved the deletion of the Elementary/Middle School Integrated Science Major offered by the Department of Teaching, Learning and Educational Studies in the College of Education and Human Development. The Michigan Department of Education (MDE) has issued new grade bands and standards for elementary education. All Michigan teacher preparation institutions must create new elementary level programs to meet the new standards and discontinue their old programs. The Elementary/Middle School Integrated Science Major does not meet the new standards and must be deleted when the new program is approved.

Recommended Action

Delete the Elementary/Middle School Integrated Science Major (ISEJ).
PROPOSAL:  Deletion of CEHD Elementary/Middle School Integrated Science Minor (ISEN)

Background

The Undergraduate Studies Council of the Faculty Senate has approved the deletion of the Elementary/Middle School Integrated Science Minor offered by the Department of Teaching, Learning and Educational Studies in the College of Education and Human Development. The Michigan Department of Education (MDE) has issued new grade bands and standards for elementary education. All Michigan teacher preparation institutions must create new elementary level programs to meet the new standards and discontinue their old programs. The Elementary/Middle School Integrated Science Minor does not meet the new standards and must be deleted.

Recommended Action

Delete the Elementary/Middle School Integrated Science Minor (ISEN).
PROPOSAL:  Deletion of CEHD Elementary Professional Education Major (EPEJ/P)

Background

The Undergraduate Studies Council of the Faculty Senate has approved the deletion of the Elementary Professional Education Major offered by the Department of Teaching, Learning and Educational Studies in the College of Education and Human Development. The Michigan Department of Education (MDE) has issued new grade bands and standards for elementary education. All Michigan teacher preparation institutions must create new elementary level programs to meet the new standards and discontinue their old programs. The Elementary Professional Education Major (EPEJ/P) does not meet the new standards and must be deleted. It will be replaced with programs that meet the new standards.

Recommended Action

Delete the Elementary Professional Education Major (EPEJ/P).
PROPOSAL: Create a new Master of Arts in Special Education: Master Teacher (Accelerated)

Background

Based on changes to Michigan teacher education standards and data that supports the creation of a shorter undergraduate program that only includes one special education endorsement (learning disabilities), we propose eliminating the Emotional Impairment endorsement option from the undergraduate program. Undergraduate students will now just complete the Learning Disabilities endorsement as part of their bachelor’s degree. The Accelerated Graduate Degree Program will allow interested, eligible undergraduate special education students to start on the second endorsement by completing 12 credits of Emotional Impairment endorsement courses as part of their undergraduate program. These students can then complete the endorsement as part of the MA in Special Education as they start their teaching careers. The AGDP provides a more cost efficient route to two special education endorsements for interested and eligible students.

Recommended Action

Approve the creation of a new Master of Arts in Special Education: Master Teacher (Accelerated).
PROPOSAL:  Create a new Master of Science in Nutrition and Dietetics

Background

This proposal creates a new Master of Science program in Nutrition and Dietetics to replace the emphasis area in dietetics that now exists in the Master of Arts in Family and Consumer Sciences. These changes are driven by analyses of the marketplace that emphasize the value of a stronger science-based program, in both learning and credentialing.

Recommended Action

Approve the creation of a new Master of Science in Nutrition and Dietetics.
PROPOSAL: Deletion of College Counseling (CC) Program from the MA Counselor Education Degree Programs

Background

Low and declining enrollment; the potential for not achieving the minimum FTE required for accreditation; and the fact that 2 classes in the program are not required in other WMU Master’s programs, and hence would have to be run with very low enrollments, lead to the conclusion that the program should be deleted.

Recommended Action

Approve the deletion of College Counseling (CC) program from the MA counselor education degree programs.
PROPOSAL: Creation of New Interdisciplinary Certificate in Adapted Physical Education and Positive Behavioral Intervention and Supports

Background

Creates a new interdisciplinary graduate certificate in adapted physical education (APE) and positive behavioral intervention and supports (PBIS) for teaching children with severe disabilities (SD) in APE and special education (SE) classes. This new graduate certificate is required as a result of the awarding of a federal grant project entitled Project Preparing Qualified Personnel from Two Master’s Degree Programs in APE and PBIS. The project is a collaboration between two current Master’s programs and this certificate is not currently being offered. To meet the requirements set by this federally funded grant, this interdisciplinary graduate certificate must be created at WMU in order to receive this federal grant.

Recommended Action

Approve the creation of an Interdisciplinary Certificate in Adapted Physical Education and Positive Behavioral Intervention and Supports.
PROPOSAL: Major in Occupational Therapy

Background

The Undergraduate Studies Council of the Faculty Senate has approved the creation of a major in Occupational Therapy (BSOT) to be offered by the Department of Occupational Therapy in the College of Health and Human Services. This undergraduate major would essentially replace the previous 4+1 Bachelor of Science major in Interdisciplinary Health Services. The last admission to the 4+1 program took place in Spring 2020 and admissions for this program are no longer being accepted. The Bachelor of Science in OT graduates will have access to achieving certification through the National Board of Certification in Occupational Therapy (NBCOT) and licensure in the State of Michigan post-graduation. These credentials will dramatically enhance professional employability of our undergraduate graduates. When viewing national trends, the job outlook for OTAs is positive. Finally, the program could also be used to transition into our OTD program for those looking to continue to graduate school.

Recommended Action

Approve the creation of a major in Occupational Therapy.
PROPOSAL: Personnel Report

ACADEMIC

Administrative Appointments
Andrew Holmes; Interim Chief Information Officer; Office of Information Technology; effective April 1, 2021 through June 30, 2022.

Adriane Little; Interim Director; Frostic School of Art; effective July 1, 2021 through June 30, 2022.

Stephanie Peterson; Associate Dean; College of Arts and Sciences; effective July 1, 2021 through June 30, 2026.

Susan Piazza; Interim Chair; Department of Teaching, Learning and Educational Studies; effective July 1, 2021 through June 30, 2022.

Return to Faculty
Steven Carr; Professor; Department of Computer Science; effective January 1, 2022.

David Colson; Professor; School of Music; effective July 1, 2021.

Regena Nelson; Professor; Department of Teaching, Learning and Educational Studies; effective July 1, 2021.

Benjamin Ofori-Amoah; Professor; Department of Geography, Environment, and Tourism; effective August 15, 2021.

Nicolas Witschi; Professor; Department of English; effective July 1, 2021.

Appointment – Tenure Track
Pitts, Brianne; Assistant Professor; Department of Teaching, Learning and Educational Studies; effective August 15, 2021.

Appointment – Term
James Martin; Assistant Professor; Department of Philosophy; effective August 15, 2021 through August 14, 2022.

Eugene McKay; Assistant Professor; School of Public Affairs and Administration; effective August 15, 2021 through August 14, 2022.
Appointments – Term (Continued)
Jennifer Rock; Assistant Professor; Department of Theatre; effective August 15, 2021 through August 14, 2022.

Appointment – Grant/Contract
Lindsay Jeffers; Faculty Specialist II – Lecturer; Department of Spanish; effective August 15, 2021 through August 14, 2023.

Appointments – Adjunct
Zhihua Jiang; Adjunct Professor; Department of Chemical and Paper Engineering; effective May 1, 2021 through April 30, 2024.

Robin Pollens; Adjunct Professor; Department of Speech, Language and Hearing Sciences; effective May 1, 2021 through April 30, 2024.

Sabbatical Leaves
Patrick Bennett; Associate Professor; Department of Mathematics; effective academic year 2021-22.

Gary Bischof; Professor; Department of Counselor Education and Counseling Psychology; effective fall 2021.

Steven Carr; Professor; Department of Computer Science; effective spring 2022.

J. Kevin Corder; Professor; Department of Political Science; effective spring 2022.

Jon Davis; Professor; Department of Mathematics; effective fall 2021.

Anthony DeFulio; Associate Professor; Department of Psychology; effective spring 2022.

Steven Durbin; Professor; Department of Electrical and Computer Engineering; effective spring 2022.

Elena Gapova; Professor; Department of Sociology; effective academic year 2021-22.

Brett Geier; Associate Professor; Department of Educational Leadership and Technology; effective fall 2021.

Peter Gustafson; Associate Professor; Department of Mechanical and Aerospace Engineering; effective academic year 2021-22.
Sabbatical Leaves (Continued)
Keith Hearit; Professor; School of Communication; 
effective spring 2022.

Lynn Heasley; Professor; Institute of the Environment and Sustainability; 
effective AY 2021-22.

Jon Holtzman; Professor; College of Arts and Sciences; 
effective academic year 2021-22.

Gary Miron; Professor; Department of Educational Leadership, Research and Technology; 
effective academic year 2021-22.

Ginger Owen; Professor; Frostic School of Art; 
effective academic year 2021-22.

Michael Ryan; Professor; Department of Economics; 
effective spring 2022.

Benjamin Ofori-Amoah; Professor; Department of Geography, Environment, and Tourism; 
effective academic year 2021-22 (change in date only).

Ann Veeck; Professor; Department of Marketing; 
effective AY 2021-22.

Cynthia Visscher; Faculty Specialist II – Lecturer; Department of Comparative Religion; 
effective Su I 2022 and Su II 2022.

Yuan-kang Wang; Professor; Department of Political Science; 
effective academic year 2021-22.

Carol Weideman; Professor; Department of Human Performance and Health Education; 
effective spring 2022.

Zee-Sun Yun; Associate Professor; Department of Family and Consumer Sciences; 
effective fall 2021.

Germán Zarate-Sandez; Associate Professor; Department of Spanish; 
effective academic year 2021-22.

Faculty Retirements
Emily Hauptmann; Professor Emerita of Political Science; Department of Political Science; 
effective June 30, 2026.

James Butterfield; Professor Emeritus of Political Science; Department of Political Science; 
effective June 30, 2026.
Faculty Resignation
Sofia Darling; Faculty Specialist II – Clinical Specialist; WMU Bronson School of Nursing; effective March 15, 2021.

NON-ACADEMIC

Administrative Retirements
Suzanne Nagel-Bennett; Associate Vice President and Dean of Students; Division of Student Affairs; effective June 5, 2021.

Retirements
Lisa Hotchkiss; Supervisor Office; Residence Life; effective May 1, 2021.

Malinda Lisak; Custodian; Facilities Management- Building Custodial and Support; effective April 28, 2021.

Jacqueline Mills; Finance Assistant; Cashiering; effective May 1, 2021.

Judith Priest; OSP/Telecom Specialist; Office of Information Technology; effective April 22, 2021.