



2020 CARES SBA-PPP Headcount Report F.A.Q. ADP Workforce Now®

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OVERVIEW

The Paycheck Protection Program (PPP) went into effect under the CARES Act on April 3, providing relief for small businesses impacted by COVID-19. You can leverage this guide to learn about the PPP, how to complete your borrower application, and ADP's PPP reports that can help you determine your eligibility and maximum loan amount.

As your payroll and HR partner, ADP can help you gather some of the information you need to apply for these loans. When applying for a loan, clients will be asked for specific information about their businesses, that can be quickly accessed with our new reports.

These FAQs address accessing the Headcount Report on ADP Workforce Now® (WFN).

ADDITIONAL RESOURCES

The ADP Guide to the Paycheck Protection Program (PPP) can be found here:
<https://www.adp.com/contact-us/customer-service/paycheck-protection-program.aspx>

Q: What is a Headcount report?

A: Eligibility under the Paycheck Protection Program (PPP) is generally based on employee headcount. The report is intended to provide clients with their total employee headcount for purposes of assisting them in determining whether they might be eligible for a loan under the PPP. Note: Based on the CARES Act, employees whose principal place of residence is not recorded as the United States are excluded from the report.

Q: How do I run a Headcount report?

A: Running a report is fairly simple. Go to the report page where you typically run your reports: under “Ask at Runtime Values,” select the client’s applicable ADP Company Codes (i.e., client’s pay groups), applicable Worker Category Codes or Employee Classification Codes, and the applicable Location Codes. (If you do not have Worker Category Codes, you can still run the report.) Note: Pursuant to the requirements of the CARES Act, Worker Category Codes for Independent Contractors (i.e., 1099s) should not be included. Following that click “RUN,” to run the report. The results of each report will be based on the locations you select. You can run one report for any or all of your locations and the report will show the total for the selected location(s). If you would like total headcount on a location by location basis, you will need to run a report for each location.

Q: How does the Headcount report calculate headcount?

A: The report provides the average monthly headcount for the selected period based on primary positions that were active or on leave. (The report also provides the average daily headcount for each month covered by the report.)

Q: Over what period should I calculate headcount?

A: Based on guidance from the federal government received late Monday night, April 6, 2020, headcount may be calculated over the same period used to calculate your average monthly payroll, as follows:

- If you are not a seasonal employer (as reported to the IRS on Form 941 by you) and were in business from February 15, 2019 to June 30, 2019, then you should calculate headcount for either full calendar year 2019 or for a 12 month look back period.
- For seasonal employers (as reported to the IRS on Form 941 by you), the period is 12 weeks beginning on February 15 or March 1, 2019, at your option. However, please note that the payroll cost report does not calculate the average total monthly payments for payroll costs for this period.
- If you were not in business from February 15, 2019 to June 30, 2019, the period is from January 1, 2020 to February 29, 2020. However, please note that the payroll cost report does not calculate the average total monthly payments for payroll costs for this period.

Alternatively, you may elect to use the SBA's usual calculation, which is the average number of employees per pay period in the 12 completed calendar months prior to the date of the loan application (or the average number of employees for each of the pay periods that the business has been operational, if it has not been operational for 12 months). Please note that the report does provide average headcount by pay period.

Q: Why does the Headcount report show headcount by location?

A: The PPP permits certain types of businesses, including businesses that employ not more than 500 employees per physical location of the business concern and are assigned a NAICS code beginning with 72 (the Accommodation and Food Services industries), to calculate their headcount on a location-by-location basis in order to determine their eligibility under the program.

Q: If my business is assigned a NAICS code beginning with 72 (i.e., in the Accommodation and Food Services industries), how can I use the Headcount report?

A: The PPP permits businesses assigned a NAICS code beginning with 72 and that employ not more than 500 employees per physical location to calculate their headcount on a location-by-location basis in order to determine their eligibility under the program. The Headcount report shows headcount by location and Worker Category to assist you determining whether you might be eligible for a loan under the PPP.

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