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Governor

# WYOMING Department of Transportation

"Provide a safe and effective transportation system"

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To: All Consulting Firms

From: WYDOT Internal Review (IR) and Engineering Services (ES) Programs

Date: June 11, 2021

Subject: Guidance for applying credits for the Paycheck Protection Program (PPP) loan

This memorandum serves as guidance for consulting firms that work with WYDOT and received the PPP loan and the loan was forgiven by the Small Business Administration. *If your firm plans to repay 100% of the PPP loan, this guidance does not apply. Completing and signing the certification form is still required.*

### Background:

On March 27, 2020, the President signed the Coronavirus Aid, Relief, and Economic Security Act to provide emergency assistance to individuals, families and businesses affected by the coronavirus pandemic. The Small Business Administration (SBA) received these funds and modified the loan program to the PPP. On June 5, 2020, the President signed the Paycheck Protections Program Flexibility Act of 2020 which changed key provisions of maturity of the PPP loan, deferral of loan payments and forgiveness of the loan.

Consulting firms that received the PPP loans which have or will be forgiven will have to provide a credit to government contracts per 48 CFR 31.201-5.

The applicable portion of any income, rebate, allowance, or other credit relating to any allowable cost and received by or accruing to the contractor shall be credited to the Government either as a cost reduction or by cash refund.

### Applying the credit:

WYDOT has worked with the local and regional Federal Highway Administration (FHWA) to develop some recommendations on how to apply the credit if the loan was forgiven.

Firms must complete the PPP Certification form and provide support documentation for the tracking of the PPP loan and all credits. Firms will need to determine their best method for applying the credit and submit their recommendation to ES and IR.

- Fixed Credit: WYDOT's ES will consult with the firm and ask if the credit could be applied over various billings via a fixed credit amount. The firm is responsible for the calculation of the credit and will have to track when the credit is fully recovered. Support documentation for the calculation of the credit will need to be provided to ES and IR for their review. This would alleviate a change in the Indirect Cost Rate (ICR) and the

tracking of when the overhead rate needs to revert back to the original audited overhead rate.

- Provisional ICR method: ES and IR will negotiate a provisional ICR until the credit has been fully recovered. The firm is responsible for the calculation of the ICR and will have to track when the credit is fully recovered. Support documentation for the calculation of the adjusted ICR will need to be provided to ES and IR for their review. The firm will inform ES when the credit is fully recovered and ES will implement the original audited ICR for the remainder of the agreement.

**Please note that while these are the suggested methods for the application of the credits, firms should work with Engineering Services to determine the best way to apply the credit.**

Also, if your firm is participating in a Local Public Agencies (LPA) project, please contact WYDOT's Local Government Coordination office for guidance.

[http://www.dot.state.wy.us/home/planning\\_projects/transportation\\_programs.html](http://www.dot.state.wy.us/home/planning_projects/transportation_programs.html)