

Consultant Advisory

2021-09

November 23, 2021

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Consultant Advisory
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Paycheck Protection Program Loan – Q&A Session Information

On October 19, 2021, MDOT hosted an informational session regarding the treatment of forgiven Paycheck Protection Program (PPP) loans through an expanded explanation of the process components identified within MDOT Consultant Advisory [2021-08 – Treatment of PPP Loan Forgiveness](#).

During the session, representatives from MDOT's Contract Services Division and Office of Commission Audits provided an overview of FHWA issued guidance, compliance requirements, and the approach Consultants must utilize when calculating the Cost Credit and the Recoverable Amount. MDOT discussed its anticipated approach to collect/review/approve the Recoverable Amount calculations, and repayment plan, via invoice reduction(s). Following the initial presentation, participants were given the opportunity to provide feedback and/or ask questions.

To provide additional clarity for session attendees and offer inclusion to industry partners that were unable to attend, MDOT has posted the following documents:

- Treatment of PPP Loans – 10/19/2021 [Presentation Slides](#)
- Treatment of PPP Loans – 10/19/2021 [Question and Answer Responses](#)

MDOT is working to finalize all process documentation and anticipates issuing formal guidance for the following processes in the near future. The process steps will include:

- Notifying MDOT of loan forgiveness
- Submittal/Acceptance of Recoverable Amount calculations
- Recovery Amount repayment via invoice reduction, when applicable
- Compliance requirements

As a reminder, no PPP credit should be reflected in the indirect cost rate(s) submitted to MDOT during annual prequalification renewal. Consultants will continue to use their MDOT-approved/accepted full indirect cost rate(s) during invoicing and priced proposal.