



## Bank of Travelers Rest SBA Paycheck Protection Program Checklist

### What is the Paycheck Protection Program?

The Paycheck Protection Program provides small businesses with funds to pay up to 8 weeks of payroll costs including benefits. Funds can also be used to pay interest on mortgages, rent, and utilities. Funds are provided in the form of loans that will be fully forgiven when used for payroll costs, interest on mortgages, rent, and utilities (75% of loan proceeds must be used for payroll costs). Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees. Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease. Small businesses with 500 or fewer employees—including nonprofits, veterans’ organizations, tribal concerns, self-employed individuals, sole proprietorships, and independent contractors—are eligible. Businesses with more than 500 employees are eligible in certain industries.

This checklist will guide you through the documents and calculations required to complete your request. Please read through this document in its entirety.

*\*\*Please see SBA and Treasury Guidelines for a full explanation of the program\*\**

### What information do I need to apply?

\_\_\_\_\_ A copy of your driver’s license, front and back

\_\_\_\_\_ A copy of your articles of incorporation or organization, if applicable

For most business entities, the following information will be required:

\_\_\_\_\_ SBA Form 2483 (04/20). This form must be filled out completely.

\_\_\_\_\_ Copies of payroll tax reports filed with the IRS (including Forms 941, 940, state income and unemployment tax filing reports) for the entire year of 2019 and first quarter of 2020 (if available) should be presented.

\_\_\_\_\_ Copies of payroll reports for each pay period for the previous year. Such reports should include gross wages including PTO (which might include vacation, sick, and other PTO). This includes payroll reports through the pay period preceding the origination of the SBA loan.

\_\_\_\_\_ Documentation reflecting the health insurance premiums paid by the company under a group health plan including owners of the company for the immediately preceding 12 months prior to the date of the SBA loan origination. Copies of the monthly invoices should suffice.

\_\_\_\_\_ Documentation of all retirement plan funding by the employer for the immediately preceding 12 months. Copies of workpapers, schedules and remittances to the retirement plan administrator should be sufficient.

\_\_\_\_\_ 2019 Business Tax Return, If Available

\_\_\_\_\_ 2019 Year End P&L and Balance Sheet, if your tax return is not yet available

\_\_\_\_\_ 2020 Year to Date P&L and Balance Sheet

If you are self-employed or an independent contractor, please provide the following:

\_\_\_\_\_ 2019 Personal Tax Return including all schedules

\_\_\_\_\_ 2019 IRS 1099

If your loan amount is over \$500,000.00 additional financial information may be required. In addition, each borrower will need to make a certification that the documentation is true and correct, the amount for which forgiveness is being requested was used to make payments to retain employees and to make interest payments on covered mortgage obligations, covered rent obligations and covered utility payments. In addition, the SBA may request further information. There will be NO forgiveness if the documentation is not presented. The amount of any loan forgiveness under this program is NOT taxable income.

## What is my loan amount?

Your loan amount is equal to 2.5x your average monthly payroll costs.

For most businesses, use the following steps to determine your average monthly payroll with your payroll information:

- Step 1: Aggregate payroll costs from the last twelve months for employees whose principal place of residence is the United States.
- Step 2: Subtract any compensation paid to an employee in excess of an annual salary of \$100,000 and/or any amounts paid to an independent contractor or sole proprietor in excess of \$100,000 per year.
- Step 3: Calculate average monthly payroll costs (divide the amount from Step 2 by 12 months).
- Step 4: Multiply the average monthly payroll costs from Step 3 by 2.5 (PPP Payroll multiplier).
- Step 5: Add the outstanding amount of an Economic Injury Disaster Loan (EIDL) made between January 31, 2020 and April 3, 2020, less the amount of any “advance” under an EIDL COVID-19 loan (because it does not have to be repaid).

For self-employed or 1099 independent contractors:

- Step 1: Use your net profit from line 31 on Schedule C of your 2019 Personal Tax Return
- Step 2: Divide the result from Step 1 by 12 to determine your average monthly payroll costs.
- Step 3: Multiply your result from Step 2 by 2.5 (PPP Payroll Multiplier)
- Step 4: Add the outstanding amount of an Economic Injury Disaster Loan (EIDL) made between January 31, 2020 and April 3, 2020, less the amount of any “advance” under an EIDL COVID-19 loan (because it does not have to be repaid).

What is excluded from the definition of payroll costs? The CARES Act expressly excludes:

1. Any compensation of an employee whose principal place of residence is outside of the United States.
2. The compensation of an individual employee in excess of an annual salary of \$100,000, prorated as necessary.
3. Federal employment taxes imposed or withheld between February 15, 2020 and June 30, 2020, including:
  - a. Employee’s and employer’s share of FICA (Federal Insurance Contributions Act) and Railroad Retirement Act taxes, and
  - b. Income taxes required to be withheld from employees; and

4. Qualified sick and family leave wages for which a credit is allowed under sections 7001 and 7003 of the Families First Coronavirus Response Act (Public Law 116–127).

*\*\*Please see all SBA and Treasury Guidelines for a full explanation of allowable payroll costs\*\**

**Average Monthly Payroll:**

x 2.5 + EIDL, Net of Advance  
(if Applicable) Equals  
Loan Request:

**Loan Amount:**

\_\_\_\_\_

\_\_\_\_\_

Finally, your loan amount must be rounded down to the nearest \$100.00. (E.G. a calculated loan amount of \$25,682.00 would be rounded to \$25,600.00). Enter your loan amount here:

**Requested Loan Amount:** \$ \_\_\_\_\_

The SBA will also request a breakdown of how you expect to use the funds. From the requested loan amount entered above, how much do you plan to spend on:

\$ \_\_\_\_\_ Utilities

\$ \_\_\_\_\_ Payroll costs\*\*\*

\$ \_\_\_\_\_ Mortgage interest payments

\$ \_\_\_\_\_ Rents and Leases

\$ \_\_\_\_\_ Refinance of eligible EIDL, if applicable

\$ \_\_\_\_\_ Interest on debt incurred before February 15<sup>th</sup>, 2020

\$ \_\_\_\_\_ Group health care benefits and insurance premiums

*\*\*\*At least 75% of your loan amount must be used for payroll purposes and expenses in order to obtain full forgiveness\*\*\**

**What else will you need to know?**

\_\_\_\_\_ On what date was your company founded?

\_\_\_\_\_ What is your NAICS code?

\_\_\_\_\_ Are you a veteran?

\_\_\_\_\_ How many jobs will this SBA PPP loan allow you to save?

\_\_\_\_\_ Have you had a prior SBA loan?

\_\_\_\_\_ if so, is it active?

\_\_\_\_\_ if active, is it past due?

\_\_\_\_\_ Have you applied for the coronavirus EIDL loan?

\_\_\_\_\_ if so, what is your application number? You will also need to attach your EIDL forms.

\_\_\_\_\_ What is your email address (for electronic document delivery)?

***\*\*Due to forthcoming guidance from the Department of the Treasury and the United States SBA on the Paycheck Protection Program, information in this document is subject to change\*\****