

Guide to Applying for a PPP Loan

Purpose

The purpose of this guide is to help you get funding faster by collecting all the documents you need to apply for a loan under the Paycheck Protection Program.

Collecting these documents now will help you save time so you can get your funds faster.

Application Process:

Step 1: Read the program overview and review the formulas for maximizing your loan amount and loan forgiveness. Write down all your questions and discuss them with your leadership team and advisors. Some of the questions you may want to discuss are:

- o What is the maximum amount of money we can borrow?
- o What are all the eligible expenses we can include in our payroll?
- o What do we need to do to receive 100% loan forgiveness?

Step 2: Contact your financial advisors to request help calculating your maximum loan amount by multiplying 2.5 X average monthly payroll from previous year.

- Use [Guide to Maximizing Loan Amount](#) to calculate your average monthly payroll and max loan amount
- Use [Corona Calculator](#) to determine how much forgivable funds you can get from the stimulus program

Step 3: Gather all required documentation to prepare for the loan application

Step 4: Contact your local lender to complete your application and to secure your loan.

[Application](#)

Guide to Applying for a PPP Loan *(Continued)*

Maximize Loan Amount:

The most important part of the application process is the “payroll” calculation, because it determines the maximum amount of money you can borrow. Your maximum loan amount is calculated by multiplying 2.5 X your average monthly payroll over the previous year. To optimize your maximum loan amount, you need to include ALL eligible expenses that qualify as payroll under the program rules. By including all the eligible expenses into your payroll calculation, your maximum loan amount will be higher, by 250% of any eligible expenses that are added to payroll.

Below are all the eligible expenses that qualify as “payroll”:

Payroll costs:

Payroll costs are defined below:

- Compensation to employees, such as salary, wage, commissions, cash, etc (capped at \$100,000 on annualized basis for each employee).
- Paid leave
- Severance payments
- Payment for group health benefits, including insurance premiums
- Retirement benefits
- State and local payroll taxes

DOCUMENTATION

The loan application asks for documentation verifying the number of full-time equivalent employees on payroll as well as the dollar amounts of payroll costs.

Below is a list of the documentation that lenders may require at some point to complete your loan application. Request these documents from your advisors and accountant before they are overwhelmed with similar requests.

Preliminary Checklist for Paycheck Protection Program:

- 2019 Payroll Cost and YTD Payroll Cost through February 15, 2020
- Number of employees as of December 31, 2019
- Number of employees as of February 15, 2020
- What industry does the business fall under?
- 2019 Business Tax Returns or Year End Financial Statements as of 12/31/19

Guide to Applying for a PPP Loan *(Continued)*

Payroll Expense Verification Documents to Include:

- IRS Form 940 Employers Annual Federal Unemployment Tax Return (FUTA)
- IRS Form 941 Employer's QUARTERLY Federal Tax Return
- Payroll Summary Report 2019 with corresponding bank statements
- W2 Summary
- Breakdown of payroll benefits (vacation, allowance for dismissal, group healthcare benefits, retirement benefits, etc.)
- Copy of 2019 W2s for wage earners
- Certification that all employees live within the United States. If any do not, provide a detailed list with corresponding salaries of all employees outside the United States

POTENTIALLY REQUIRED DOCUMENTS:

Here is a list of documents you may need for the loan application. Having these available will save time in case the lender asks for more documents.

Company documents to include:

- Articles of Incorporation/Organization of your company
- By Laws/Operating Agreement of your company
- Ownership or Capitalization Table
- Copy of Driver's Licenses for owners

Financial statements and expenses documents:

- Trailing twelve-month profit and loss statement (as of the date of application) for all applicants
- Most recent Mortgage Statement
- Most recent Rent Statement (Lease)
- Most recent Utility Bills (Electric, Gas, Telephone, Internet, Water)

Applying for a PPP Loan ACTION PLAN

Action	Who	When
Read the program overview and review the formulas for maximizing your loan amount and loan forgiveness.		
Write down all your questions and discuss them with your leadership team and advisors.		
Contact your local banker and ask if they are participating on this loan program. Gather information about their process and connect with an agent.		
Contact your accountant, financial advisor, and legal counsel now, before they become overwhelmed with requests. Send them all your questions and ask them to commit to providing fast turn arounds.		
Utilize the Guide to Maximizing Loan Amount , to maximize the amount you can borrow, by maximizing the inclusion of all eligible expenses, so the total loan amount is larger.		
Identify all expenses that are eligible under definition of payroll costs. By including all eligible expenses in the calculation of your payroll you are increasing the amount you can borrow.		
Complete the loan application , follow up to confirm approval and secure funds.		