

Howard & Howard

law for business®

PAYCHECK PROTECTION PROGRAM: *Information needed to complete application*

The Paycheck Protection Program is an SBA loan program enacted as part of the CARES Act. A portion of the loan may be forgiven. The amount that can be both borrowed and forgiven is based on payroll costs. Therefore, in addition to the information a traditional loan may require, an application for the Paycheck Protection Program is likely to include the provision of payroll-specific information. Below is an example of information that may be requested by a bank to process the loan application.

Paycheck Protection Program Related Information

- ✓ 2019 IRS Quarterly 940, 941 or 944 payroll tax reports.
- ✓ Last 12 months of Payroll Reports beginning with your last payroll date and going backwards 12 months
 - Payroll report must show the following for the time period above:
 - Gross wages for each employee, including the officer(s) if paid W-2 wages
 - Paid time off for each employee
 - Vacation pay for each employee
 - Family medical leave pay for each employee
 - State and local taxes assessed on the employee's compensation for each employee
- ✓ 1099s for 2019 for independent contractors that would otherwise be an employee of your business
 - Do NOT include 1099s for services
- ✓ Documentation showing total of all health insurance premiums paid by the Company under a group health plan
 - Include all employees and the company owners if covered
- ✓ Document the sum of all retirement plan funding that was paid by the Company (do not include funding that came from the employee's out of their paycheck deferrals)
 - Include all employees, including company owners
 - 401K plans, Simple IRA, SEP IRAs.

Additional Information

- ✓ Last 3 years business tax returns
- ✓ Last 2 years personal tax returns (if the Company is a flow-through entity or closely held corporation)
- ✓ Personal Financial Statement (SBA Form 413)
- ✓ Business Debt Schedule (SBA Form 2022)
- ✓ 2019 and 2018 Year End Income Statement and Balance Sheet
- ✓ AR/AP Aging Report (for line of credit OR total credit exposure over \$500k)