

Documents Needed

Try to collect as much of this information ahead of time

Before you start our application, please have the following on hand. You will be able to suspend filling out the forms and return later, if needed.

Note: Your business can choose to use Jan-Dec 2019 or April 2019-March 2020 for reporting. Even though you can choose your "Time Period," it will need to be consistent for all documents.

- Business tax ID (called the TIN or EIN)
- The payroll ledger either for the past 12 months or Jan-Dec 2019
- Federal 940 and 941 forms filed for 2019
- Employee benefits for the past 12 months or Jan-Dec 2019
- State taxes you paid on payroll (e.g., unemployment insurance, usually paid to the state Department of Labor) for the past 12 months or Jan-Dec 2019
- February 2020 payroll ledger for verification of employee #s on February 15, 2020
- A list containing each employee that made more than \$100,000 gross salary over the 12 months or in Jan-Dec 2019, or made more than \$8,333 gross salary per month they worked
- Loan details if you received an Economic Injury Disaster Loan (EIDL) between January 31, 2020 and April 3, 2020
- Copies of a state driver's license or US passport for each individual that owns 20% or more of the company, as well as their home addresses and social security number.
- Evidence of your organization / registration (copy of Charter, Articles, other formation documents)
- NAICS industry sector number for company
- Dates of formation, current ownership, current management

Guidance on the Application for a PPP Loan by Sole Proprietor

The first piece of guidance released by the SBA is clarification on the loan amount that a sole proprietor may qualify for. The components to the loan calculation are as follows:

- Owner compensation: This is calculated based on your 2019 1040 Schedule C, line 31 (net profit amount) and is capped at \$100,000 annually.
- Employee salaries: These include all gross wages paid to your employees shown on your Form 941, line 5c.
- Health insurance: Employer paid health insurance contributions as shown on Schedule C, line 14
- Retirement: Retirement contributions as shown on Schedule C, line 19. Importantly this does not include the owner's portion of retirement contributions which are shown elsewhere on the tax return.
- Taxes: State and local taxes assessed on employee compensation (primarily SUTA).

The above amounts are annualized and then divided by 12 before applying the 2.5x multiple to calculate the loan.