



Applying for CARES Act SBA PPP Forgivable Loans

Redpath and Company Resources

BLOG: <https://blog.redpathcpas.com/cares-act-paycheck-protection-program>

BLOG: <https://blog.redpathcpas.com/cares-act-employee-retention-credit>

Overview

The Small Business Administration (SBA) Paycheck Protection Program (PPP) forgivable loans will be administered by SBA accredited banks. We recommend that you contact your bank ASAP to discuss your specific situation and needs—and to review and/or begin the application process. The following list was compiled from an online resource used for SBA Disaster Loan Assistance applications.

If you plan on applying for the loan, you should start assembling the following information¹:

- SBA Form 1919 or corresponding SBA Form 912, if applicable.
- Articles of Incorporation/Organization of each borrowing entity.
- Bylaws/operating agreement of each borrowing entity.
- All owners' driver's licenses.
- Payroll expense verification documents to include:
- IRS Form 941.
- Payroll summary report with corresponding bank statement.
If a payroll summary report is not available, employee pay stubs as of February 15, 2020 (or corresponding period) with corresponding bank statement and a breakdown of payroll benefits (vacation, allowance for dismissal, group healthcare benefits, retirement benefits, etc.) can be submitted.
- Certification that all employees live within the United States. If any do not, you must provide a detailed list with corresponding salaries of all employees outside the United States.
- Trailing twelve-month profit and loss statement (as of the date of application) for all applicants.
- Most recent mortgage statement or rent statement (lease).
- Most recent utility bills (e.g. electric, gas, telephone, internet, water, etc.).

In order to save time, below is a shorter list our own bank provided to help you get organized prior to applying for the new SBA PPP Loan:

- Documentation verifying the number of full-time equivalent employees on payroll and pay rates for the applicable periods, including payroll tax filings; and state income, payroll, and unemployment insurance filings.
- Documentation verifying payments on mortgage obligations, lease obligations and utilities, including cancelled checks, payment receipts, transcripts of accounts, or other documents.
- 2 years of business tax returns.
- 12/31/2019 year end income statement and balance sheet.
- Year-to-date income statement and balance sheet (most recent).

Per our banker: The SBA must issue regulations within 15 days of enactment of the CARES Act, 3/27/2020, without regard to notice and comment requirements. It is also possible that lenders will not begin taking loan applications until mid-April.

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