

Paycheck Protection Program

Minimum Documentation Requirements for Existing Customers Self-Employed (Sole Proprietor or Independent Contractor)

Lender Obligation

Confirm receipt of borrower certifications contained in Paycheck Protection Program Application form issued by the Administration;

SBA Form 2843 (Paycheck Protection Program Application Form)

Confirm receipt of information demonstrating that a borrower was operating as self-employed (sole proprietor or independent contractor) on or around February 15, 2020 or for an 8-week period between February 15, 2019 and June 30, 2019.

Earnings from self-employment on or around February 15, 2020

OR

Seasonal businesses - earnings from self-employment for an 8-week period between February 15, 2019 and June 30, 2019

Confirm the dollar amount of average monthly payroll costs for the preceding calendar year by reviewing the payroll documentation submitted with the borrower's application

Support for Requested Loan Amount

Support for Average Monthly Payroll Cost

Commissions, income, or net earnings from self-employment for the 12 months ended December 31, 2019

Self-employment business activity in 2019

Borrower's with employees

Wages and tips paid to employees for the 12 months ended December 31, 2019

Group health coverage including premiums

State and local taxes assessed on compensation of employees

Minimum Documentation Required

Completed and signed copy of SBA Form 2843 (Paycheck Protection Program Application Form).

Invoice to customers, bank statement, or book of record that establishes the borrower was operating as a self-employed business on or around February 15, 2020.

Invoices to customers, bank statements, or book of record that establishes the borrower was operating as a self-employed business for an 8-week period between February 15, 2019 and June 30, 2019.

Borrower calculation of requested loan amount as included on application including calculation of Average Monthly Payroll Cost.

Copy of Form 1040 filed with the IRS for the year ended December 31, 2019 (including copy of Schedule C). If a 2019 Form 1040 has not been filed with the IRS, please provide a copy of the 2019 Schedule C that will be filed with the IRS.

2019 Form 1099-MISC for nonemployee compensation (box 7), invoice to customer, bank statement, or book of record that establishes the borrower was operating as a self-employed business in 2019.

Copies of Form 941 for each quarter of 2019

Supporting documentation for amounts paid and included in "average monthly payroll costs"

Copy of state and local unemployment tax reports for 2019

Required documentation should be available for most applicants. Alternative documentation provided will also be considered.

**Paycheck Protection Program
 PPP Loan Calculation Example
 Self-Employed (Sole Proprietor or Independent Contractor)**

	<u>Schedule C</u>	<u>Total - 12 months</u>	<u>Monthly</u>
Health insurance contributions	Component of Line 14	\$ 6,000.00	\$ 500.00
Retirement contributions	Line 19	3,000.00	250.00
State unemployment taxes	Component of Line 23	1,500.00	125.00
Gross wages and tips paid to employees	Line 26	60,000.00	5,000.00
Self-employment income (cannot exceed \$100,000)	Line 31	<u>24,000.00</u>	<u>2,000.00</u>
Total PPP Payroll Costs		\$ 94,500.00	\$ 7,875.00
PPP Multiplier (2.5x)			<u>2.50</u>
PPP Loan Amount			<u>\$ 19,687.50</u>