

HOW TO COMPLETE YOUR PPP APPLICATION

We've prepared this guide to make it easier for you to navigate your way through the complex process of the PPP application and to allow us to process your PPP application as quickly as possible. We've also included an [Application Checklist](#) (attached) that you should use to ensure you submit a complete application and avoid delays in processing your PPP loan request.

Step 1: Calculate Your PPP Loan Amount

Before you begin filling out anything else, your best starting point is to calculate your eligible loan amount. This can be complicated, so here are our best tips on how to make this calculation easier:

- If you use an outside payroll service, contact them to see if they can assist you. Many payroll service vendors are offering to prepare a report that to help you determine your maximum loan amount. Check with your payroll service vendor to see if they offer this service. If so, you can provide your payroll service vendor's report to support your PPP loan request. If your PPP loan request is based solely on your payroll service vendor's report, this is the only document you will need to provide to justify your calculation.
- If you have an accountant, they can help you calculate your maximum loan amount. Your accountant knows your business and can advise you on your loan amount calculation.
- Gather your documentation – we must collect supporting documentation for the amounts included in your calculation. While the documents listed below are generally sufficient, if your calculation includes amounts not listed on these forms, such as employer-paid health insurance, you will need to provide additional documentation for those amounts. And, to speed processing, upload a worksheet with your documentation, showing how you calculated your PPP amount.
 - Form 941 quarterly payroll tax filings, or
 - Payroll service processing records, or
 - Payroll service processor PPP calculation, or
 - For independent contractors applying for a PPP loan, Form 1099 (Tip: independent contractors must apply directly for a PPP loan; entities that hire independent contractors may not include 1099 payments in their PPP amount), or
 - For sole proprietors, Schedule C from your 2019 tax return.

If you do not have any of the above documentation, see the [Additional Guidance](#) below for other potential documentation options.

Step 2: Proceed to the Online Application

TO EXPEDITE OUR PROCESSING, PLEASE COMPLETE EVERY FIELD IN YOUR ONLINE

APPLICATION. Only fields with an asterisk are required, but completing all fields significantly

improves our processing time for your application. Below are additional tips for completing your online application to avoid delays in our processing of your PPP loan request:

- Initial Information:
 - Chrome or Internet Explorer work best for completing this application. Issues have been reported with some other systems.
 - You don't have to complete your application in one session.
 - The application will ask whether you already have an existing funded loan with us. **Please reply NO regardless of whether you have an existing Self-Help loan.**

- General Information Tab: Fill in contact information for the person we can work with on issues with application. This does not have to be the owner/key executive. If you're preparing this material on behalf of the applicant, this is where you can let us know who you are and how to contact you.

- Loan Details:
 - SBA Form 2483 (Paycheck Protection Program Borrower Application Form): **SBA FORM 2483 MUST BE COMPLETED IN ITS ENTIRETY. DO NOT SKIP ANY FIELDS. BE SURE TO INITIAL QUESTIONS 5 & 6 AND ALL CERTIFICATIONS, SIGN AND DATE.** If you complete SBA Form 2483 with DocuSign or Adobe, you can initial and sign electronically; otherwise you will need to initial and sign by hand.
 - Total Loan Amount: If your loan amount calculation includes cents, round down to the nearest dollar. If your loan amount exceeds 2.5x your average monthly payroll calculation by even 1 cent, SBA will reject your application.

- Job Details & Tax Returns:
 - Current Number of Employees:
 - To qualify for loan forgiveness, you should calculate employees as Full-Time Equivalent (FTE) Employees. FTEs are based on a 40-hour work week. Please count each 40 hour/week employee as 1 FTE and each part-time employee as a fraction of 1 FTE. For example, an employee who works 20 hours/week equals ½ FTE.
 - Owners of your organization are considered employees in this calculation, so include each one.
 - Upload your calculation worksheet, documentation supporting your calculations, and the attached Application Checklist where indicated on this tab. Remember, you must include all documents used to justify your loan amount calculation.

- Demographics: Completion of this tab allows Self-Help to learn more about the communities we serve. Self-Help does not discriminate in its employment or activities, and we actively partner with others to end discrimination on the basis of race, color, class, age, religion, disability that can be accommodated, nationality, family status or sexual orientation.

- Owners: An Owner tab must be completed for all applicants.
 - All applicants: each owner tab should include all fields, including (i) SSN/TIN, (ii) ownership percentage, and (iii) a color copy of the individual's driver's license (front & back), passport, or other official government-issued photo identification.
 - For-profits: enter each 20%+ owner.
 - Non-profits: enter the Officer of the nonprofit who will sign the loan documents on behalf of your entity. For non-profits, ownership percentage can be entered as 0%.
 - Co-ops: enter the person who will sign the loan documents on behalf of your entity.

- Finish Application:
 - Remember in the comments box to enter the **code** for your organization that was provided in your PPP application link email. Failure to include your code will delay processing of your application.
 - Once you hit Submit My Application, you will no longer be able to edit your application, so please review and confirm all items are completed and all documents uploaded, before you hit Submit My Application.
 - Complete the attached Checklist and upload it along with your supporting documents so we can make sure you have completed all of the required parts of the application and process your request more quickly.

Additional Guidance

What exactly can and can't you include in the PPP monthly payroll?

Here is a quick summary of what can and can't go in the PPP monthly payroll calculations, according to ADP Payroll Services Guidance:

Applicants can include:

- Employee gross pay (often pulled from line 2 on Form 941)
- All employer state and local taxes paid on employee gross pay, such as state unemployment insurance and employer-paid state disability insurance (in applicable states)
- Employer health care benefits, including insurance premiums
- Retirement benefits, including defined-benefit or defined-contribution retirement plans and employer 401(k) contributions
- For Sole Proprietors: can also include net income line of their Sch. C (assuming they attach 2019 Schedule C).

Applicants can't include:

- Employee gross pay that exceeds \$100,000
- The employer portion of federal employment taxes (i.e., Social Security and Medicare)
- Payments to independent contractors (note, however, independent contractors themselves can apply for a PPP loan based on their 1099 income)
- Workers compensation premiums
- Federal unemployment tax
- Compensation of employees whose principal place of residence is outside of the U.S
- Qualified sick and family leave wages for which a credit is allowed under sections 7001 and 7003 of the Families First Coronavirus Response Act

What are the documents needed to justify your loan?

We must collect some official or third-party documentation to justify the monthly payroll you are claiming as the basis for your loan. According to SBA/Treasury guidance, you must submit such documentation as is necessary to establish eligibility such as:

- payroll processor records
- payroll tax filings (IRS Form 941 – Quarterly Federal Tax Return)
- Form 1099 MISC (if application is from an independent contractor)
- income and expenses (2019 Schedule C) from a sole proprietorship

If you do not have the above documents, you may include:

- IRS Form 940, Annual Federal Unemployment Tax Return
- Schedule SE to IRS Form 1040
- 2019 tax returns

If you do not have any such documentation, you must provide other supporting documentation, such as bank statements, to demonstrate qualifying payroll amount. We must have some third-party or official documentation to support your calculations. Internally prepared P&L documents, by themselves, will not be sufficient.

What time period can you use to calculate their “average monthly payroll”:

Most Businesses: You may use either (i) January 2019 - December 2019 or (ii) the most recent 12-month period as the basis for their payroll calculations.

New Businesses: For businesses that started during 2019 (or prior to February 15, 2020), but do not have a full 12 months of payroll records, you should use the average monthly payroll costs for the period January 1, 2020 through February 29, 2020. In other words, if your business is too new to have a full 12 months payroll, you will use the average monthly payroll for January and February 2020.

Seasonal Businesses: If your business is seasonal, the regulation allows you to base your calculation on average monthly payroll for the period between (i) February 15, 2019 or March 1, 2019 and (ii) June 30, 2019. (Unfortunately the current version of the regulation does not provide other periods for businesses that may have different peak seasons.)

What payroll can I claim if I’m a sole proprietor?

You may claim your net profit as your own payroll, as well as any wages or benefits you’ve paid to yourself or your employees.

The biggest problem you might run into is documentation. The best documentation for you will be a completed Schedule C from your 2019 tax return. As a result, we strongly encourage you to complete your personal taxes and submit the Schedule C with your application. Please review the list above of other acceptable documentation as well.

What about if I’m a Partnership or LLC?

The guidance we’ve received to date says that you can count the amounts paid to owners who are working actively in the business; these amounts should be reflected on K-1 statements. You can of course also count any wages paid directly to other employees in the business or any owner’s salary you have paid to yourself.

What about if I’m a C or S corporation?

In a standard corporation (known as a “C Corporation”), you should have no eligible owner compensation other than owner’s salaries. If you’re an S Corporation, your owner’s draws (aside from salary) count as shareholder distributions, not wages – so you can’t them in PPP.

What about if I’m a nonprofit?

If you’re a nonprofit, your calculations will basically look like those of C Corporations. You will have no owner’s income outside of salary, and so the general rules for C corporations will apply.

Here is a simple summary table for your reference. While we did not prepare this chart, it is consistent with our understanding of current PPP requirements.

Calculating your PPP loan by entity type

If you are a:	Your salary will be:	Other payroll costs you can include:
1099 contractor	The sum of your income earned through freelance work, as reported on the 2019 1099-MISC forms you received (max \$100,000).	None.
Sole proprietor	Your 2019 net profit (max \$100,000). If you have a 2019 tax return, this is reported on your Schedule C (line 31). If not, it will be on your 2019 income statement.	U.S. annual employee salaries, including wages, commissions, tips, and state and local payroll taxes. Each employee is capped at \$100,000 annually.
Partnership	Your 2019 self-employment earnings. If you have a 2019 tax return, this is reported on your Schedule K-1 (line 14). You may include K-1 earnings as salary for each partner, up to \$100,000.	U.S. annual employee salaries, including wages, commissions, tips, and state and local payroll taxes. Each employee is capped at \$100,000 annually.
S-corp	Your salary as reported through a payroll service (max \$100,000). Your salary may only be considered if it was paid through payroll while remitting payroll tax.	U.S. annual employee salaries, including wages, commissions, tips, and state and local payroll taxes. Each employee is capped at \$100,000 annually.
C-corp	Your salary as reported through a payroll service (max \$100,000). As a C corp, your salary may only be considered if it was paid through payroll while remitting payroll tax.	U.S. annual employee salaries, including wages, commissions, tips, and state and local payroll taxes. Each employee is capped at \$100,000 annually.

Source: <https://bench.co/blog/operations/calculate-ppp-loan-amount/>