

## SBA Paycheck Protection Program Checklist

The quality of your SBA PPP loan application and the timeliness of its origination depend strongly on obtaining all required documents and information. Therefore we have created the following checklist. This process is new for everyone, and as we obtain feedback from business owners and banks, this checklist will change.

### Tax Returns and Financial Statements

- ▲ 2019, 2018 and 2017 business entity tax returns (Form 1065, 1120, 1120S, 990) including all schedules.

If 2019 is not available, then 2016 business entity tax return and 12/31/19 balance sheet and 12/31/19 profit and loss statement.

- ▲ Trailing 12-month profit and loss statement (i.e., 03/31/19 thru 02/29/20) per month.
- ▲ Trailing 12-month general ledger, all accounts.

### Payroll Costs

For those businesses which have employees including S Corp shareholders who are paid a reasonable salary, the loan amount will be determined by calculating a monthly average of payroll costs as defined by H.R.748 (CARES Act). The following information is required over a trailing 12-month period “before the date on which the loan is made” as stated in the Act. However, the Treasury’s loan application instructions reads, “for purposes of calculating “Average Monthly Payroll”, most Applicants will use the average monthly payroll for 2019.”

- ▲ Payroll details in MS-Excel from your payroll processor detailing-
  - Salary, wage, commission or similar compensation for each employee showing all withholdings and deductions,
  - Payment of cash tip or equivalent,
  - Payment for vacation, parental, family, medical or sick leave, and
  - Payment of state or local tax assessed on the compensation of employees (i.e., unemployment insurance benefits aka SUTA or SUI), and
  - Quarterly payroll tax filings (i.e., 941s and state equivalents including SUTA filings). This might take some effort since we need the actual payroll tax returns filed, and
  - Annual filings (i.e., W-2s and W-3).
- ▲ Severance agreements and proof of payments.
- ▲ Payment for health care benefits including invoices.
- ▲ Payment of any retirement benefit (i.e., employer match for 401k, or SEP IRA, etc.) including statements or contribution reports.
- ▲ Payment of other employee benefits\* (i.e, disability, group life insurance, etc.) including invoices.

\* These expenses might not be allowed to be used in the calculation for loan amount.

### **Sole Proprietors and Independent Contractors**

These self-employed individuals may qualify for SBA PPP loans. When providing the trailing 12-month profit and loss statement (see previous page), ensure that it includes all gross income and expenses to arrive at a net earnings or net income figure per month.

### **Lenders**

We are recommending using one of two lenders: Colorado Bank and Trust for all Colorado clients, and Wells Fargo for all non-Colorado clients. Both banks have extensive SBA experience. We make these recommendations since we understand their lending practices which helps in the data assembly.

### **Dedicated PPP Task Force**

We have a dedicated triple-P team of Jason Watson, Amanda Rowles, Kate Wraight, Chelsea Ryan and Nate Cockle. Kate, Chelsea and Nate will be the data hunters to crunch the numbers for the loan package. Jason will be reviewing all submittals for quality control and completeness, and Amanda will keep all the trains running on time.

You can use [ppp@wcginc.com](mailto:ppp@wcginc.com) to email the group. No, we don't have T-shirts. Yet.

### **In Closing**

If you have any questions, please feel free to call us at 719-387-9800 or email at [support@wcginc.com](mailto:support@wcginc.com). Thanks again for your time- We look forward to working with you!!

Warm Regards,

WCG Inc.  
2393 Flying Horse Club Drive  
Colorado Springs, CO 80921

719-387-9800 office  
719-345-2100 text  
855-345-9700 fax

[wcginc.com](http://wcginc.com)