



PPP Loan Request Checklist – First Draw Loans – Form 1040 Schedule F

(note: LLC borrowers should use the checklist that aligns with how their taxes are filed)

Please note: Receipt of an application is not confirmation of funding under this program

SBA Form 2483 – Application

- Loan amount needs to be rounded down to the nearest \$100
- All owners need to be eligible under SBA guidelines. We need to have the Owner Name, Title, Ownership %, TIN (EIN, SSN), and Address for each 20% or greater owner.
- A yes on question #3 means you need to include an addendum A, there is no specific form for this.
- A yes on question #4 requires an Addendum B, there is no specific form for this, but you should include the date of the loan, the loan amount and the loan number. This does not apply if you only obtained an EIDL advance.
- Faith based organizations – need to submit faith based addendum to application on your letterhead as Addendum C.
- By submitting the application, you are certifying that you are eligible. Information on eligibility can be found at:
 - [SBA Website - Paycheck Protection Program](#)
- Link to SBA NAICS and size standards list, please confirm your NAICS is valid:
 - [SBA Size Standards by NAICS](#)
- Make sure all certifications and questions are answered/complete.

The following information should be provided on one separate sheet of paper:

- Show the methodology used from the act to calculate the payroll costs
 - Information is on the next page or can be found in full detail at:
[Interim Final Rule on Paycheck Protection Program as Amended by Economic Aid Act](#)
- Break out anticipated use of proceeds – amount of each:
 - Payroll Costs
 - Rent/Mortgage Interest Payments
 - Utilities
 - Covered Operations Expenditures
 - Covered Property Damage
 - Covered Supplier Costs
 - Covered Worker Protection Expenditures (PPE)
 - Other (explain)

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The Economic Aid Act amended the payroll to allow you to choose 2019 or 2020 – you must use the same year for all items.

If you have no employees, how do you calculate your maximum loan amount? (Note that PPP loan forgiveness amounts will depend, in part, on the total amount spent during the 24-week period following the first disbursement of the PPP loan.)

Answer: The following methodology should be used to calculate the maximum amount that can be borrowed if you are a farmer or rancher and have no employees, and your principal place of residence is in the United States:

- **Step 1:** Find your 2019 or 2020 IRS Form 1040 Schedule F line 9 gross income (if you are using 2020 and you have not yet filed a 2020 return, fill it out and compute the value). If this amount is over \$100,000, reduce it to \$100,000. If this amount is zero or less, you are not eligible for a PPP loan.
- **Step 2:** Divide the amount from Step 1 by 12.
- **Step 3:** Multiply the average monthly gross income amount from Step 2 by 2.5.
- **Step 4:** Add the outstanding amount of any Economic Injury Disaster Loan (EIDL) made between January 31, 2020 and April 3, 2020 that you seek to refinance, less the amount of any advance under an EIDL COVID-19 loan (because it does not have to be repaid).

Required documents:

- 2019 or 2020 IRS Form 1040 Schedule F must be provided to substantiate the applied-for PPP loan amount.
- 2019 or 2020 IRS Form 1099-MISC detailing nonemployee compensation received (box 7), invoice, bank statement, or book of record establishing you were self-employed in 2019 or 2020
- 2020 invoice, bank statement, or book of record establishing you were in operation on February 15, 2020.

If you have employees, how do you calculate your maximum loan amount?

Answer: The following methodology should be used to calculate the maximum amount that can be borrowed if you have employees:

- **Step 1:** Compute your 2019 or 2020 payroll (using the same year for all items) by adding the following:
 - The difference between your 2019 or 2020 Form 1040 Schedule F line 9 gross income amount (if you are using 2020 and you have not yet filed a 2020 return, fill it out and compute the value), and the sum of Schedule F lines 15, 22, 23, and 37, up to \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, if this amount is over \$100,000, reduce it to \$100,000, if this amount is less than zero, set this amount at zero; (any employee payroll costs should be subtracted from the farmer's

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or rancher's gross income to avoid double counting amounts that represent pay to the employees of the farmer or rancher).

- 2019 or 2020 gross wages and tips paid to your employees whose principal place of residence is in the United States computed using 2019 or 2020 IRS Form 941 Taxable Medicare wages & tips (line 5c- column 1) from each quarter plus any pre-tax employee contributions for health insurance or other fringe benefits excluded from Taxable Medicare wages & tips; subtract any amounts paid to any individual employee in excess of \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred and any amounts paid to any employee whose principal place of residence is outside the United States; and
- 2019 or 2020 employer contributions for employee group health, life, disability, vision and dental insurance (portion of IRS Form 1040 Schedule F line 15 attributable to those contributions), employer contributions for employee retirement contributions (Form 1040 Schedule F line 15), and state and local taxes assessed on employers for employee compensation (primarily under state laws commonly referred to as the State Unemployment Tax Act or SUTA from state quarterly wage reporting forms).
- **Step 2:** Calculate the average monthly payroll costs amount (divide the amount from Step 1 by 12).
- **Step 3:** Multiply the average monthly payroll costs amount from Step 2 by 2.5.
- **Step 4:** Add the outstanding amount of any EIDL made between January 31, 2020 and April 3, 2020 that you seek to refinance, less the amount of any advance under an EIDL COVID-19 loan (because it does not have to be repaid).

Required documents:

- 2019 or 2020 IRS Form 1040 Schedule F
- 2019 or 2020 IRS Form 941 (or other tax forms or equivalent payroll processor records containing similar information) and state quarterly wage unemployment insurance tax reporting form from each quarter (or equivalent payroll processor records or IRS Wage and Tax Statements)
- Documentation of any retirement or health insurance contributions.
- A payroll statement or similar documentation from the pay period that covered February 15, 2020 must be provided to establish you were in operation and had employees on that date.