



PPP Loan Request Checklist – First Draw Loans – Partnerships
(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 following information on how to calculate loan amounts is from the SBA document as of 6/26/20 – the Economic Aid Act amended the payroll to allow you to choose 2019 or 2020 – you must use the same year for all items.

4. Question: How do partnerships apply for PPP loans and how is the maximum PPP loan amount calculated for partnerships (up to \$10 million)? Should partners' self-employment income be included on the business entity level PPP loan application or on separate PPP loan applications for each partner? (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 for partnerships (partners' self-employment income should be included on the partnership's PPP loan application, individual partners may not apply for separate PPP loans):

- Step 1: Compute 2019 payroll costs by adding the following:
 - 2019 Schedule K-1 (IRS Form 1065) Net earnings from self-employment of individual U.S. based general partners that are subject to self-employment tax, computed from box 14a (reduced by any section 179 expense deduction claimed, unreimbursed partnership expenses claimed, and depletion claimed on oil and gas properties) multiplied by 0.9235, up to \$100,000 per partner (if 2019 schedules have not been filed, fill them out);
 - 2019 gross wages and tips paid to your employees whose principal place of residence is in the United States, if any, which can be computed using 2019 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, subtracting any amounts paid to any individual employee in excess of \$100,000 and any amounts paid to any employee whose principal place of residence is outside the U.S.;
 - 2019 employer contributions for employee health insurance, if any (portion of IRS Form 1065 line 19 attributable to health insurance);
 - 2019 employer contributions to employee retirement plans, if any (IRS Form 1065 line 18); and
 - 2019 employer state and local taxes assessed on employee compensation, primarily state unemployment insurance tax (from state quarterly wage reporting forms), if any.
- Step 2: Calculate the average monthly payroll costs (divide the amount from Step 1 by 12).
- Step 3: Multiply the average monthly payroll costs from Step 2 by 2.5.
- Step 4: Add any 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 1065 (including K-1s)

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- 2019 or 2020 IRS Form 941 and state quarterly wage unemployment insurance tax reporting form from each quarter (or equivalent payroll processor records or IRS Wage and Tax Statements)
- Records of any retirement or health insurance contributions
- If the partnership has employees, a payroll statement or similar documentation from the pay period that covered February 15, 2020 must be provided to establish the partnership was in operation and had employees on that date.
- If the partnership has no employees, an invoice, bank statement, or book of record establishing the partnership was in operation on February 15, 2020 must instead be provided.