

Massachusetts Equitable PPP Access Initiative

Master Checklist

IMPORTANT: Our goal is to help owners prepare to apply by providing information that is clear regarding the PPP program. We cannot give advice about unclear issues or advise what decisions owners should make. We also cannot receive or accept sensitive personal information or submit applications on behalf of owners.

1. Confirm Eligibility & Readiness

- Business has 500 or fewer employees; *(There are some exceptions, but not likely to apply.)*
- Business was in operation as of 2/15/2020 and either had employees for which it paid salaries and payroll taxes *OR* paid independent contractors as reported on Form 1099-MISC.
- Business filed its 2019 taxes and can document its payroll costs for the last year. **Yes, they should prepare the 2019 taxes, eligible even if they don't file (AB)]**
- Business understands that loan proceeds can only be used for payroll costs, including benefits; mortgage interest incurred before February 15, 2020; rent, under lease agreements in force before February 15, 2020; and utilities, for which service began before February 15, 2020. At least 75% of the proceeds must be spent on payroll and related costs if they want the loan to be forgiven.
- Business understands the loan terms (1% interest, 6 months deferred, 2 year term) and that they can request forgiveness from their lender, after the 2.5 month period, for amounts spent consistent with the program requirements. **They must request forgiveness.**

2. Review Application

- Borrower has printed and completed SBA Paycheck Protection Program (PPP) Application *(Form application is in the google drive. Some lenders have an online portal where the application must be input. Others will take a paper application, which must be SIGNED. Please check the Lender worksheet on the Master Tracking Sheet for lender requirements.)*

(BSOs AND TA PROVIDERS - PLEASE WALK THROUGH THE APPLICATION WITH OWNER TO MAKE SURE THEY KNOW HOW TO FILL OUT ALL FIELDS)

- Borrower is requesting the correct loan amount. (Verify the borrower's calculation of the loan amount using the loan calculator available in the TA folder of the Google Drive.)

3. Ensure Owner Has All Backup Documents Ready

- Schedule of Ownership (names and percentages) for the applicant. Ownership should add up to 100%. **(REQUIRED if 100% ownership not disclosed on PPP Application).** [Is there a form?]
- Certificate of Beneficial Ownership [& Joint Intent forms] This document is necessary at closing. Each bank has a unique Certificate. **2018-2019 Tax form Schedule K**
- IRS 940, 941 (Quarterly Federal Tax Returns) or 944 payroll tax forms for 2019 or for the twelve (12) month period immediately prior to the submission of the application. If 941, all 4 quarterly reports are required **(REQUIRED)**
- Payroll reports **(REQUIRED)**
 - Business should contact their payroll service provider. Many payroll companies have customized reports for the PPP program!***
 - Reports for a twelve-month period (ending on your most recent payroll date) will show the following information:
 - Paid time off for each employee
 - Vacation pay for each employee
 - Family medical leave pay for each employee
 - State and local taxes assessed on an employee's compensation
 - Must exclude any wages to a single employee in excess of \$100,000.00 **(REQUIRED)**
 - Documentation showing total of all health insurance premiums paid by the company owner(s) under a group health plan.
 - Include all employees and the company owners**REQUIRED** if included in loan amount calculation
Unless included in the aforementioned PPP payroll report provided
 - Document the sum of all retirement plan funding that was paid by the company owner(s) (do not include funding that came from employees out of their paycheck deferral(s)).
 - Include all employees and the company owners
 - Include 401K plans, Simple IRA, SEP IRA's

REQUIRED if included in loan amount calculation

Unless included in the aforementioned PPP payroll report provided

- For **Sole-Proprietors**, please include the following:
 - If borrower takes a monthly draw, submit documentation of each month's draw for past 12-month period
 - If borrower does not take a monthly draw, we will need 2019 Schedule C and will calculate by total net profit

- For **Independent Contractors**, please include the following:
 - If borrower takes a monthly draw, submit documentation of each month's draw for past 12-month period
 - Submit 1099s to calculate 2019 income

- For **Non-Profits**, please include the following:
 - We will require the name and SSN of at least one of the directors. This is required by the SBA. It does not constitute a guarantee by the director.
 - Internal profit and loss statement or tax returns if filed
 - Payroll statements if they pay employees
 - Updated meeting minutes showing who is authorized to sign/borrow on behalf of the organization

- For **For-Profits**, please include the following:
 - A copy of your Articles of Incorporation or Articles of Organization or Partnership unless you are a sole-proprietor

Potential additional documents: (if required by particular bank)

Certification that employees are located in the United States.