



Like everyone, we are concerned about COVID-19 and its' impact on the economy and cash flow. No one is sure of the short-term and long-term impacts of this pandemic. As you may know all of our offices are currently closed and we are working remotely. We feel lucky that our operations were designed to allow our professionals to work remotely as this has been a relatively smooth transition for us.

We can assist you with the Paycheck Protection Program ("PPP") process and your eventual loan application. We will:

1. help determine your eligibility,
2. help put together your payroll cost figures by working with your payroll provider and bookkeeper,
3. answer questions you might have about the process, timing, forgiveness calculations, etc.

We require a \$_____ retainer which is applied to our typical hourly rates for the PPP loan calculations. We've put together several of these so far, and we've been spending about 1.5-2.5 hours per client at \$150-\$250 per hour depending on the hourly rate of the staff completing the work. The higher hours were for clients who had a lot of employees and/or a lot of medical/401k information. We understand that the retainer may seem high, but we don't know what additional information the client's bank may request as different banks have different lending requirements. We also don't know what other issues we may encounter.

Please know that we cannot complete or execute the loan application directly as we cannot represent you as your "agent". Our engagement agreement reads in part, "The Firm will not perform bookkeeping functions for the completion of the Engagement. The Firm will not be an agent. Specifically, we will compile financial data to arrive at the payroll costs calculation; it is your responsibility to complete and execute the loan application."

We routinely recommend a few lending institutions we have relationships with. Why? We know their systems... what the bank wants, what the bank doesn't want, the format, the forms, etc. This creates efficiencies in our data hunting. If a loan processor gets two applications, one in a recognized format with a pretty bow on it, and another from an unknown borrower with duct tape and bubble gum, we hope the familiar one gets done first. Of course, we also recommend talking to your local bank.

We can also help on the back-end with the forgiveness process if you need assistance which would require a separate engagement. We have not a clue today of what that entails and frankly it sounds miserable, but we'll help you get through it!

We have also assembled a PPP Task Force which includes Josh Shilts, Christina Ives, and Stephanie Swetland. The PPP Task Force can be reached at Info@ShiltsCPA.com. Please use the subject line "PPP CLIENT NAME" (ex. PPP SHILTS CPA). One thing we know is that the SBA and lending institutions are working hard to disburse funds but trying to implement such a thorough process is not without hiccups. Be patient and we will work with you and your institution. The AICPA has communicated that the Treasury Secretary has already discussed another round of funding so we believe the process along with additional funding will continue for the foreseeable future.

Sincerely,

Shilts CPA - PPP Task Force

Shilts CPA - PPP Task Force



PAYCHECK PROTECTION PROGRAM (“PPP”) MINI INFORMATION SHEET

The Paycheck Protection Program (“PPP”) authorizes up to \$349 billion in forgivable loans to small businesses to pay their employees during the COVID-19 crisis. Specific criteria must be met, in order to qualify as forgivable.

The loan amounts will be forgiven as long as:

- The loan proceeds are used to cover payroll costs, and most mortgage interest, rent, and utility costs over the 8-week period after the loan is made; and
- Employee and compensation levels are maintained.

Payroll costs are capped at \$100,000 on an annualized basis for each employee. Due to likely high subscription, not more than 25% of the forgiven amount may be for non-payroll costs.

When can I apply?

- Starting April 3, 2020, small businesses, less than 500 employees, S-corps, Corporate, Not for Profit entities, and Partnerships can apply. Must have payroll.
- Starting April 10, 2020, independent contractors and self-employed individuals, sole-proprietorships (schedule C).

Who can apply? All businesses – including nonprofits, veterans organizations, Tribal business concerns, sole proprietorships, self-employed individuals, and independent contractors – with 500 or fewer employees can apply. Businesses in certain industries can have more than 500 employees if they meet applicable SBA employee-based size standards for those industries (contact us for exemptions for businesses with more than 500 employees).

What do I need to apply? We are more than happy to assist you with this process and have here attached a package to assist you in getting started. You will need to complete the Paycheck Protection Program loan application and submit the application with the required documentation to an approved lender that is available to process your application by June 30, 2020 or until funding is diminished. There is, however, speculation that additional monies will be made available (but no confirmation has been made at this time).

What other documents will I need to include in my application? You will need to provide your lender with payroll documentation and any other lender specific information.

Do I need to first look for other funds before applying to this program? No.

How long will this program last? Although the program is open until June 30, 2020, we encourage you to apply as quickly as you can because there is a funding cap and lenders need time to process your loan.

How many loans can I take out under this program? Only one.

What counts as payroll costs? Payroll costs include:

- Salary, wages, commissions, or tips (capped at \$100,000 on an annualized basis for each employee);
- Employee benefits including costs for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payments required for the provisions of group health care benefits including insurance premiums; and payment of any retirement benefit;
- State and local taxes assessed on compensation; and
- For a sole proprietor or independent contractor: wages, commissions, income, or **net** earnings from self-employment, capped at \$100,000 on an annualized basis for each employee.

How large can my loan be? Loans are calculated at 2.5 times your monthly average gross payroll. That amount is subject to a \$10 million cap. If you are a seasonal or new business, you will use different applicable time periods for your calculation. Payroll costs will be capped at \$100,000 annualized for each employee.

How can I request loan forgiveness? Guidelines are still being created for this. We believe that it will be providing proof of what these funds were used for, but this information is evolving and will be forthcoming.

Do I need to pledge any collateral for these loans? No.

Do I need to personally guarantee this loan? No.



Thank you for choosing Shilts CPA, PLLC to assist with your Paycheck Protection Program (“PPP”) Loan calculations. Please complete this information sheet and checklist. When it has been completed please email it and all requested checklist documentation back to Info@ShiltsCPA.com with the following subject line: “PPP CLIENT NAME” (ex. PPP SHILTS CPA).

Note: This application will only work in Adobe Acrobat or Acrobat Reader.
[Download Acrobat Reader Here](#)

Business Name: _____

EIN: _____ Number of employees: _____

Current Banking or Lending Institution: _____

Have you applied for any other assistance loans (ex. SBA Disaster (EIDL), Florida Disaster, etc.)?
 Yes No

If yes, please note the type, date, and purpose of the loan: _____

Checklist

Information Required

- 2019 IRS Quarterly 940, 941 or 944 payroll tax reports
- Payroll reports for a twelve-month period (ending on your most recent payroll date), which will show the following information:
 - Gross wages for each employee, including officer(s) if paid W-2 wages.
 - 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
- 1099s for independent contractors for 2019
- 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
- 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 deferrals).
 - Include all employees and the company owners
 - Include 401K plans, Simple IRA, SEP IRA’s
- Evidence from the Secretary of State’s website that your entity is in good standing (in existence and active)
- Bylaws (for Corporation) or Operating Agreement (for LLC). This document must reflect 100% ownership percentage, and these percentages must match those reflected on SBA Form 2483.
- Driver’s license for each 20% owner



CLIENT SETUP FORM (BUSINESS)

CLIENT INFORMATION

DATE SUBMITTED: _____

Federal ID (EIN) # _____ Entity Type _____
 Business Name _____
 Business Phone _____ Business Fax _____
 Business Mailing Address _____
 City _____ State _____ Zip _____
 Business Physical Address _____
 City _____ State _____ Zip _____
 State Document # _____ DOI _____
 Business Activity _____ Referred By _____
 Pref. Written Communication Portal/Email Mail

PRIMARY CONTACT

Is this contact the **Preferred Contact**? Yes / No Is this contact the **Billing Contact**? Yes / No

First Name _____ M.I. _____ Last Name _____
 Address _____
 City _____ State _____ Zip _____
 Home Phone _____ Mobile Phone _____ Business Phone _____
 E-mail _____ SSN _____
 DOB _____ Driver's License # _____
 Relationship to Entity (Check all that apply)
 (LLC) Manager, Managing Member, Member, Chairperson, Operating Manager, Secretary, Treasurer
 (INC) Director, Shareholder, President, Vice-President, Secretary, Treasurer, Other _____

ADDITIONAL CONTACT (optional)

Is this contact the **Preferred Contact**? Yes / No Is this contact the **Billing Contact**? Yes / No

First Name _____ M.I. _____ Last Name _____
 Address _____
 City _____ State _____ Zip _____
 Home Phone _____ Mobile Phone _____ Business Phone _____
 E-mail _____ SSN _____
 DOB _____ Driver's License # _____
 Relationship to Entity (Check all that apply)
 (LLC) Manager, Managing Member, Member, Chairperson, Operating Manager, Secretary, Treasurer
 (INC) Director, Shareholder, President, Vice-President, Secretary, Treasurer, Other _____



April 6, 2020

Representative: _____
 Client Name: _____
 Client Address: _____
 City, State Zip: _____

Dear _____:

This letter is to confirm and specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide.

It is our understanding that you intend to apply for a loan with the U.S. Small Business Administration and possibly other State and Local programs offered by the taxing authorities resulting from the Coronavirus (COVID-19) pandemic. You have asked for our assistance to help you gather and complete the financial and tax information and other documents that may be necessary as part of the loan application process and or grants that may be available. Other programs may develop subsequent to these services. Our services are limited to the programs available as of the date of this letter and don't extend beyond that date.

You agree to provide us with all information relevant and material to your business that we deem necessary in connection with the performance of these services. By your signature below, you represent and warrant to us that all information provided to us will be accurate and complete to the best of your knowledge; and agree that our firm will be able to rely, without independent verification, on the accuracy and completeness of the information provided.

If you wish us to provide you with personal financial statements or any other services not outlined in this engagement letter, please make such requests in writing; if we agree to provide such services, we will do so under the terms of a separate engagement letter and according to applicable professional standards, such as Accounting and Review Service standards

Any work product prepared by us is intended solely for your use in submitting your loan application to SBA under the terms of this agreement. As such, you agree not to distribute our work to any other parties, for any other purpose.

The timeliness of your cooperation is essential to our ability to complete this engagement. Specifically, if by _____ we do not receive from you, as per our requests, sufficient information from which to assist you with the SBA loan process, it may be necessary for us to suspend our services or withdraw from this engagement.

We will not audit or otherwise verify the data you submit to us in connection with this engagement, and we will not express an opinion or other form of assurance thereon. We also will not review or evaluate your systems of internal control in an effort to identify and communicate significant deficiencies or material weaknesses therein. Accordingly, our engagement cannot be relied upon to disclose errors, fraud, other illegal acts, or internal control deficiencies or weaknesses that may exist. However, it may be necessary to ask you for clarification of some of the information you provide, and we will inform you of any such matters that come to our attention.

You are responsible for adopting sound accounting policies, for maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions, and for retaining supporting documentation for those transactions. Furthermore, you are responsible for management decisions and functions, for designating a competent employee to oversee any of the services we provide, and for evaluating the adequacy and results of those services.

You are also responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Company involving (a) management (b) employees who have significant roles in internal control, and (c) others. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Company received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

Our fees for this engagement are not contingent on the results of our services. Prior to commencing our services, we require that you provide us with a retainer in the amount of \$_____. The retainer will be applied against our final invoice, and any unused portion will be returned to you upon our collection of all outstanding fees and costs related to this engagement. Due to the time and amount of resources expended by the firm at the onboarding and beginning of an engagement, 50% of your retainer is non-refundable. Easy ACH/Credit Card payment options are available. We also require this letter of retention to be signed by you and your client in order to commence our services hereunder. Our fees for these services will be based upon the actual time incurred at between \$150/hr. to \$250/hr. Additionally, these hourly rates may be increased over time. Hourly charges shall include telephone conferences and travel involved in performing the services listed above at a minimum of 1/10th of an hour intervals.

We invoice for services rendered and telephone, fax, and postage at 1.2% of services, as well as any out-of-pocket expenses on a monthly basis. Such bills are payable upon receipt. Interest at the rate of one and a half percent (1.5%) per month (18% per year) will accrue on any balance not paid within thirty (30) days of the invoice date. We reserve the right to suspend our services or to withdraw from this engagement in the event that any of our invoices are deemed delinquent. If collection action is required to collect unpaid balances due us, you agree to reimburse us for our costs of collection, including attorneys' fees. Furthermore, should these collection attempts fail, a lien may be filed against you.

If we elect to terminate our services for nonpayment, or for any other reason provided for in this letter, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed your return. You will be obligated to compensate us for all time expended, and to reimburse us for all of our out-of-pocket costs, through the date of termination.

We may communicate with you and/or store engagement data via email, portals, cloud platforms, or other digital means. We and any of our third-party vendors will maintain reasonable measures to safeguard communications and engagement data in those environments. Notwithstanding those measures, there exist inherent risks that engagement data may be breached, and in the specific case of email, that messages may be undelivered, or intercepted or used by, disclosed to, or shared with an unintended third party. You accept those risks and authorize us to proceed with the aforementioned digital activities. Further, we advise you to make use of our portal or encrypted email as the most secure means of digitally transmitting to us your confidential, proprietary, and personally-identifiable information. You agree to hold us harmless as to any adverse consequence you may sustain as a result of sharing your data with us not in accordance with our advice, or from any other data breach in connection with this engagement, except to the extent determined to have been caused by our gross negligence or willful misconduct. In the event of a data breach, each of us agrees to notify the other in the most expedient time possible and without unreasonable delay.

It is our policy to retain engagement documentation for a period of seven years, after which time we will commence the process of destroying the contents of our engagement files. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement, and you will provide us with a receipt for the return of such records. The balance of our engagement file, other than a copy of your SBA loan application, which we will provide to you at the conclusion of the engagement, is our property, and we will provide copies of such documents at our discretion, unless required by law, and if compensated for any time and costs associated with the effort.

In the event we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our hourly rates, as set forth above, for the time we expend in connection with such response, and to reimburse us for all of our out-of-pocket costs incurred in that regard.

During the course of this engagement, or after its completion, a third party, such as a lender or loan broker, may request written confirmation from us regarding some aspect of your finances or those of one or more of your shareholders, directors, officers, employees, agents, contractors, representatives, subsidiaries or affiliates. Please be advised that it is our established policy not to provide any such written confirmation to third parties, even if authorized to do so by our clients, and that policy shall strictly apply to this engagement relationship.

In the event that we are or may be obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, then to the extent that such obligation is or may be a direct or indirect result of your intentional or knowing misrepresentation or provision to us of inaccurate or incomplete information in connection with this engagement, and not any failure on our part to comply with professional standards, you agree to indemnify us, defend us, and hold us harmless as against such obligations.

The parties will submit to mediation, before initiating litigation, any dispute (other than our efforts to collect an outstanding invoice) arising from this engagement or any prior engagement between them. The parties will participate in that process in good faith in [County and State] before [Name of Mediation Organization]. And the parties will bear their own costs, except that they will share equally any charges assessed by the mediation organization. The results of any such mediation will be binding only upon the parties' agreement to be bound. Any ensuing litigation will be conducted within the county and according to the state law noted above.

Any litigation arising out of this engagement, except actions by us to enforce payment of our professional invoices, must be filed within one year from the completion of the engagement, notwithstanding any statutory provision to the contrary.

Our liability relating to the performance of the services rendered under this letter is limited solely to direct damage sustained by you. In no event shall we be liable for the consequential, special, incidental, or punitive loss, damage or expense caused to you or to any third party (including without limitation, lost profits, opportunity costs, etc.). Notwithstanding the foregoing, our maximum liability relating to services rendered under this letter (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the fees received by us for this engagement. The provisions set forth in this paragraph shall survive the completion of the engagement.

Notwithstanding anything contained herein both parties agree that regardless of where you are domiciled and where this Agreement is physically signed, this Agreement shall have been deemed to have been entered into at our office located in Duval County, Florida, USA, and that Duval County, Florida, USA shall be the exclusive jurisdiction for resolving disputes related to this Agreement. This Agreement shall be interpreted and governed in accordance with the Laws of Florida.

This engagement letter is contractual in nature, and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If, after full consideration and consultation with counsel if so desired, you agree to authorize us to proceed with this engagement, please execute this letter on the line below designated for your signature, and return the original of this executed. You should keep a copy of this fully executed letter for your records.

Thank you for your attention to this matter, and please contact us with any questions that you may have.

Sincerely,

Shilts CPA, PLLC

ACKNOWLEDGMENT:

WE HAVE READ, UNDERSTAND AND APPROVE THIS LETTER OF RETENTION. WE AGREE TO ITS TERMS AND CONDITIONS AND ACKNOWLEDGE FULL FINANCIAL RESPONSIBILITY FOR THE FEES PAYABLE HEREUNDER.

Signature:

Date:

Print Name:

Entity Name:

Address:

Phone:



Paycheck Protection Program Borrower Application Form

OMB Control No.: 3245-0407
Expiration Date: 09/30/2020

Check One:	<input type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> Independent contractor <input type="checkbox"/> Eligible self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Tribal business (sec. 31(b)(2)(C) of Small Business Act) <input type="checkbox"/> Other	DBA or Tradename if Applicable	
Business Legal Name			
Business Address			
		Business TIN (EIN, SSN)	Business Phone
			() -
		Primary Contact	Email Address

Average Monthly Payroll:	\$	x 2.5 + EIDL, Net of Advance (if Applicable) Equals Loan Request:	\$	Number of Employees:	
Purpose of the loan (select more than one):					
<input type="checkbox"/> Payroll <input type="checkbox"/> Lease / Mortgage Interest <input type="checkbox"/> Utilities <input type="checkbox"/> Other (explain): _____					

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address

If questions (1) or (2) below are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	<input type="checkbox"/>	<input type="checkbox"/>
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is currently delinquent or has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input type="checkbox"/>
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management with, any other business? If yes, list all such businesses and describe the relationship on a separate sheet identified as addendum A.	<input type="checkbox"/>	<input type="checkbox"/>
4. Has the Applicant received an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020? If yes, provide details on a separate sheet identified as addendum B.	<input type="checkbox"/>	<input type="checkbox"/>

If questions (5) or (6) are answered "Yes," the loan will not be approved.

Question	Yes	No
5. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction, or presently incarcerated, or on probation or parole? Initial here to confirm your response to question 5 → _____	<input type="checkbox"/>	<input type="checkbox"/>
6. Within the last 5 years, for any felony, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; 4) been placed on pretrial diversion; or 5) been placed on any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 6 → _____	<input type="checkbox"/>	<input type="checkbox"/>
7. Is the United States the principal place of residence for all employees of the Applicant included in the Applicant's payroll calculation above?	<input type="checkbox"/>	<input type="checkbox"/>
8. Is the Applicant a franchise that is listed in the SBA's Franchise Directory?	<input type="checkbox"/>	<input type="checkbox"/>



Paycheck Protection Program Borrower Application Form

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

CERTIFICATIONS AND AUTHORIZATIONS

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (the Paycheck Protection Program Rule).
- The Applicant (1) is an independent contractor, eligible self-employed individual, or sole proprietor or (2) employs no more than the greater of 500 or employees or, if applicable, the size standard in number of employees established by the SBA in 13 C.F.R. 121.201 for the Applicant's industry.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All SBA loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rule.
- To the extent feasible, I will purchase only American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.
- Any loan received by the Applicant under Section 7(b)(2) of the Small Business Act between January 31, 2020 and April 3, 2020 was for a purpose other than paying payroll costs and other allowable uses loans under the Paycheck Protection Program Rule.

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

CERTIFICATIONS

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one:

_____ The Applicant was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.

_____ Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.

_____ The funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.

_____ The Applicant will provide to the Lender documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight-week period following this loan.

_____ I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities, and not more than 25% of the forgiven amount may be for non-payroll costs.

_____ During the period beginning on February 15, 2020 and ending on December 31, 2020, the Applicant has not and will not receive another loan under the Paycheck Protection Program.

_____ I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

_____ I acknowledge that the lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

Signature of Authorized Representative of Applicant

Date

Print Name

Title



Paycheck Protection Program Borrower Application Form

Purpose of this form:

This form is to be completed by the authorized representative of the Applicant and *submitted to your SBA Participating Lender*. Submission of the requested information is required to make a determination regarding eligibility for financial assistance. Failure to submit the information would affect that determination.

Instructions for completing this form:

With respect to “purpose of the loan,” payroll costs consist of compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payment for the provision of employee benefits consisting of group health care coverage, including insurance premiums, and retirement; payment of state and local taxes assessed on compensation of employees; and for an independent contractor or sole proprietor, wage, commissions, income, or net earnings from self-employment or similar compensation.

For purposes of calculating “Average Monthly Payroll,” most Applicants will use the average monthly payroll for 2019, excluding costs over \$100,000 on an annualized basis for each employee. For seasonal businesses, the Applicant may elect to instead use average monthly payroll for the time period between February 15, 2019 and June 30, 2019, excluding costs over \$100,000 on an annualized basis for each employee. For new businesses, average monthly payroll may be calculated using the time period from January 1, 2020 to February 29, 2020, excluding costs over \$100,000 on an annualized basis for each employee.

If Applicant is refinancing an Economic Injury Disaster Loan (EIDL): Add the outstanding amount of an EIDL made between January 31, 2020 and April 3, 2020, less the amount of any “advance” under an EIDL COVID-19 loan, to Loan Request as indicated on the form.

All parties listed below are considered owners of the Applicant as defined in 13 CFR § 120.10, as well as “principals”:

- For a sole proprietorship, the sole proprietor;
- For a partnership, all general partners, and all limited partners owning 20% or more of the equity of the firm;
- For a corporation, all owners of 20% or more of the corporation;
- For limited liability companies, all members owning 20% or more of the company; and
- Any Trustor (if the Applicant is owned by a trust).

Paperwork Reduction Act – You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 8 minutes. Comments about this time or the information requested should be sent to : Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416., and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503.

Privacy Act (5 U.S.C. 552a) – Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. (But see Debt Collection Notice regarding taxpayer identification number below.) Disclosures of name and other personal identifiers are required to provide SBA with sufficient information to make a character determination. When evaluating character, SBA considers the person’s integrity, candor, and disposition toward criminal actions. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 USC Section 636(a)(1)(B) of the Small Business Act (the Act).

Disclosure of Information – Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act. The Privacy Act authorizes SBA to make certain “routine uses” of information protected by that Act. One such routine use is the disclosure of information maintained in SBA’s system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for, or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use is disclosure to other Federal agencies conducting background checks but only to the extent the information is relevant to the requesting agencies’ function. See, 74 F.R. 14890 (2009), and as amended from time to time for additional background and other routine uses. In addition, the CARES Act, requires SBA to register every loan made under the Paycheck Protection Act using the Taxpayer Identification Number (TIN) assigned to the borrower.

Debt Collection Act of 1982, Deficit Reduction Act of 1984 (31 U.S.C. 3701 et seq. and other titles) – SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may: (1) report the status of your loan(s) to credit bureaus, (2) hire a collection agency to collect your loan, (3) offset your income tax refund or other amounts due to you from the Federal Government, (4) suspend or debar you or your company from doing business with the Federal Government, (5) refer your loan to the Department of Justice, or (6) foreclose on collateral or take other action permitted in the loan instruments.

Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) – The Right to Financial Privacy Act of 1978, grants SBA access rights to financial records held by financial institutions that are or have been doing business with you or your business including any financial



Paycheck Protection Program Borrower Application Form

institutions participating in a loan or loan guaranty. SBA is only required provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records. SBA's access rights continue for the term of any approved loan guaranty agreement. SBA is also authorized to transfer to another Government authority any financial records concerning an approved loan or loan guarantee, as necessary to process, service or foreclose on a loan guaranty or collect on a defaulted loan guaranty.

Freedom of Information Act (5 U.S.C. 552) – Subject to certain exceptions, SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that will be automatically released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers (and their officers, directors, stockholders or partners), the collateral pledged to secure the loan, the amount of the loan, its purpose in general terms and the maturity. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.

Occupational Safety and Health Act (15 U.S.C. 651 et seq.) – The Occupational Safety and Health Administration (OSHA) can require businesses to modify facilities and procedures to protect employees. Businesses that do not comply may be fined, forced to cease operations, or prevented from starting operations. Signing this form is certification that the applicant, to the best of its knowledge, is in compliance with the applicable OSHA requirements, and will remain in compliance during the life of the loan.

Civil Rights (13 C.F.R. 112, 113, 117) – All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public on the basis of categories cited in 13 C.F.R., Parts 112, 113, and 117 of SBA Regulations. All borrowers must display the "Equal Employment Opportunity Poster" prescribed by SBA.

Equal Credit Opportunity Act (15 U.S.C. 1691) – Creditors are prohibited from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

Debarment and Suspension Executive Order 12549; (2 CFR Part 180 and Part 2700) – By submitting this loan application, you certify that neither the Applicant or any owner of the Applicant have within the past three years been: (a) debarred, suspended, declared ineligible or voluntarily excluded from participation in a transaction by any Federal Agency; (b) formally proposed for debarment, with a final determination still pending; (c) indicted, convicted, or had a civil judgment rendered against you for any of the offenses listed in the regulations or (d) delinquent on any amounts owed to the U.S. Government or its instrumentalities as of the date of execution of this certification.