### PPP Loan Amount & Document Cheat Sheet

Interpreted from [SBA Guidance doc](#) as of April 30, 2020*

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**Self Employed with No Employees**

How to calculate max loan amount:

1. Net profit amount (Line 31)
   a. Max is $100k. If this amount is zero or less, you are not eligible for a PPP loan
   b. If you haven’t filed 2019 tax returns, fill out 2019 Schedule C. You can fill it out to compute the value.
2. Divide Step 1 by 12 months
3. Multiply Step 2 by x2.5 = Loan Amount
4. Add the outstanding amount of any Economic Injury Disaster Loan (EIDL) made between 1/31/20 and 4/3/20 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)

Docs Required:

- 2019 Schedule C
- 2019 Form 1099-Misc - detailing nonemployee compensation received (box 7)
- 2020 Invoice/Bank Statement/Book of Record (showing you were in operation on 2/15/20) (or similar documentation showing you were in operation and had employees on 2/15/20)
- Color front and back of Government issued ID (eg. Driver’s license or Passport)
- Loan Calculator

**Self Employed with Employees**

How to calculate max loan amount:

1. Add the following:
   a. Net profit amount (Line 31)
      i. If this is over $100k, reduce to $100k. If this amount is less than $0, set amount to $0
      ii. If you haven’t filed 2019 tax returns, fill out 2019 Schedule C. You can fill it out to compute the value
   b. 2019 Gross wages & tips (Form 941; Line 5c-column 1) from each Quarterly tax reporting
   c. Employee Health Insurance (Sch C, line 14)
d. Employee Retirement Plans (Sch C, line 19)
e. 2019 Employer state & local taxes assessed on employee compensation

2. Divide Step 1 by 12 months
3. Multiply Step 2 by 2.5 = Loan Amount
4. Add the outstanding amount of any Economic Injury Disaster Loan (EIDL) made between 1/31/20 and 4/3/20 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)

Docs Required:
- 2019 Schedule C
- Form 941 (x4 Quarterly tax reporting)
- Retirement/Health insurance contributions
- Payroll statement covering 2/15/20 (or similar documentation showing you were in operation and had employees on 2/15/20)
- Color front and back of Government issued ID (eg. Driver’s license or Passport)
- Loan Calculator

**Partnership**

How to calculate max loan amount:

1. Add the following:
   a. Net Earnings from Form 1065/K-1 Schedule (box 14a) x .9235
   b. 2019 Gross wages & tips (Form 941; Line 5c-column 1) from each Quarterly tax reporting
   c. Employee Health Insurance (Form 1065; line 19)
   d. Employee Retirement Plans (Form 1065; line 18)
e. 2019 Employer state & local taxes assessed on employee compensation
2. Divide Step 1 by 12 months
3. Multiply Step 2 by 2.5 = Loan Amount
4. Add the outstanding amount of any Economic Injury Disaster Loan (EIDL) made between 1/31/20 and 4/3/20 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)

Docs Required:

- 2019 Form 1065 (including K-1 schedules)
- Form 941 (x4 Quarterly tax reporting)
- If you have employees, payroll statement covering 2/15/20 (or similar documentation showing you were in operation and had employees on 2/15/20)
- If you don’t have employees, Invoice/Bank Statement/Book of Record (showing you were in operation on 2/15/20)
- Color front and back of Government issued ID (eg. Driver’s license or Passport)
- Loan Calculator

**S Corporation & C Corporation**

How to calculate max loan amount:

1. Add the following:
   
   a. 2019 Gross wages & tips (Form 941; Line 5c-column 1) from each Quarterly tax reporting
   b. Employee Health Insurance (Form 1120S; line 18) OR (Form 1120; line 24)
   c. Employee Retirement Plans (Form 1120S; line 17) OR (Form 1120; line 23)
   d. 2019 Employer state & local taxes assessed on employee compensation

Docs Required:

- 2019 Form 1120S OR 1120
- Form 941 (x4 Quarterly tax reporting)
- If you have employees, payroll statement covering 2/15/20 (or similar documentation showing you were in operation and had employees on 2/15/20)
- If you don’t have employees, Invoice/Bank Statement/Book of Record (showing you were in operation on 2/15/20)
- Color front and back of Government issued ID (eg. Driver’s license or Passport)
**Best Practices**

On the SBA Application, it is important to:

1. Initial #5 & #6
2. Question #7 Please mark “Yes” if all employees reside in the USA
3. Please state your Citizenship status: US Citizen, Legal Permanent Resident or Non-Immigrant Alien
4. Please state your country of Citizenship
5. Please provide a physical address, not a P.O. Box
6. To be counted towards this payroll figure, the person must have a principal residence in USA.
7. If an employee or owner earns more than $100k, reduce the amount to $100k to calculate payroll

**Important Notes on Loan Forgiveness:**

The SBA PPP loans may be eligible for partial or full forgiveness, in line with the SBA rules related to forgiveness. While SBA guidance on forgiveness conditions is not fully clear as yet, we have been advised that loan forgiveness will likely be based on the employer maintaining or quickly rehiring employees and maintaining their salary levels. Forgiveness may be reduced if full-time headcount declines, or if salaries and wages decrease.

Additionally, preliminary guidance indicates that the loan may* be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities paid during 8-week period beginning on date loan is originated. Please note: there is a higher likelihood of full loan forgiveness if at least 75% of the loan amount is used for payroll.

- **Number of Staff:** Loan forgiveness will likely* be reduced if the business decreases its full-time employee headcount (note: Full-Time Employees has not yet been fully defined by SBA)
- **Level of Payroll:** Loan forgiveness will also likely* be reduced if the business decreased salaries and wages by more than 25% for any employee that made less than $100,000 annualized in 2019.
- Re-Hiring: According to current guidance*, businesses have until June 30, 2020 to restore their full-time employment and salary levels for any changes made between February 15, 2020 and April 26, 2020.

**Important:** Save all of your receipts! We anticipate that many, or all, of the loans issued through the SBA PPP program will be subjected to an audit. It’s very important that borrowers save as much documentation as possible regarding the use of the funds, including receipts, bills, bank statements or any other documentation of how the loan funds are being used for the business during this time.

*Please note that the calculator, and any statements on this Guide are based on Opportunity Fund’s interpretation of the current guidance offered by the SBA and the U.S. Treasury Department as of April 30, 2020. Please be aware that additional guidance may be provided by either or both agencies at any time, and it may directly impact whether a loan is forgiven in whole or in part. Opportunity Fund is striving to stay on top of further guidance as it is issued.

The information provided on this website does not, and is not intended to, constitute legal advice; instead, all information, content and materials on this site are for general informational purposes and are intended solely to help applicants navigate the requirements of the SBA PPP loan program. The information on this website may not constitute the most up-to-date legal or other information.