

1. Who qualifies for the loan?
 - a. Any small business that meets the SBA business size standard.
 - b. Anyone who filed a Schedule C on their 1040 Tax Form, Form 1065, Form 1120S and Form 1120C
 - c. A business with a positive Net Income and below \$100,000
2. How do I apply for the Paycheck Protection Program Loan (PPP Loan)?
 - a. Must prepare and submit an application with your lender which can be any FBIC bank or credit union.
3. What documents do I need if I do qualify?
 - a. For S Corp, C Corp, or Partnership: 2019 W2 and 941 Form for all 4 quarters in 2019 .
 - b. For Sole Proprietor: Schedule C/1040
 - c. 1120 or 1120S
4. I am self-employed and have no employees, how do I calculate my maximum PPP loan amount?
 - a. Follow your Schedule C on the 1040 Tax Form
 $(\text{Net Profit}/12) * 2.5$
5. I am self-employed and have employees, how do I calculate my maximum PPP loan amount (up to \$10 million)?
 - a. $(\text{Net Income}/12) * 2.5$
 - b. Add to the total wages paid for all employees
6. How do partnerships apply for PPP loans and how is the maximum PPP loan amount calculated for partnerships (up to \$10 million)?
 - a. (The distribution for all owners along with the w2's for all employees /12)
 - b. Multiply that amount (2.5)
7. How is the maximum PPP loan amount calculated for S corporations and C corporations?
 - a. Must pay yourself a salary
 - b. $(\text{Your salary} + \text{Employees' Salaries})/12$
 - c. Salaries are capped at \$100,000
8. When does the 8-week forgiveness period start?
 - a. The day you receive your funds
9. What is the maximum amount of forgivable non-Payroll Costs?
 - a. Up to 25% of the loan
10. What is considered a forgivable non-payroll cost?
 - a. Rent, utilizes, mortgage interest
11. Can I reduce the number of my employees and still be considered for the forgiveness?

- a. Yes; however per the SBA equation, reduction will result in less than 100% debt forgiveness
 - b. If there's a reduction of staff, there will be a reduction in the forgiveness portion
12. What if I already laid off employees?
- a. If you reduced your number of employees from February 15th, 2020 to April 26th, 2020, you have until June 30th, 2020 to rehire and receive 100% debt forgiveness.
 - b. If there is a reduction in staff, there will be a reduction in amount
13. I've already been approved for the loan. What are my next steps?
- a. Start using your funds to pay wages, rent, utilities and Interest on any debt incurred prior to Feb. 15. 2020
14. Can I defer payments on the PPP Loan?
- a. For 6 months after the funds are received, you will enter into a forbearance period in which you do not have to make payments. However, interest will still accrue.
15. What is the interest rate on the remaining balance, if any?
- a. 1% is the current interest rate on PPP Loans
16. Do I have to pay any fees on the loan?
- a. No. There is no associated fee on the loan.
17. Say I apply for the loan with the intentions to re-hire employees. I miss the June 30th deadline, what will happen?
- a. You will only get a fraction of the loan forgiven
18. When will I learn the loan is forgiven?
- a. The lender must issue a decision up to 60 days after the forgiveness application is submitted. *While waiting on the decision interest is still accruing.*
19. Where can small businesses turn if your bank isn't accepting PPP loan applications?
- a. FBIC Banks, SBA Lenders, Credit Unions
20. Can I include an independent contractor or self-employed person for the PPP loan forgiveness?
- a. No, only wages paid or salaries of employees can be used to calculate.
 - b. Self-employed or independent contractors can apply for the loan on their own.
21. Is there set amount each bank can give out?
- a. \$60B is set aside for small businesses
22. If I misuse the PPP loan funds what will happen?
- a. If you misuse the funds you will be ordered to repay the misused funds
 - b. Misuse of any loan funds is also fraud.
 - c. Additional SBA will identify you and your business as unauthorized users

23. What are the restrictions to the loan?
- Must be used for payroll, rent, mortgage interest, and utilities
24. What line items on the PNL can I use my funds for?
- payroll, rent, mortgage interest, and utilities
25. If I apply for both loans (SBA Loan and PPP Loan) and approved for both can I receive both?
- Yes, you can apply to both loans
 - No, you can not utilize both
 - Interest Rates on PPP Loan (1%) vs SBA Loan (3.75%)
26. Is the SBA prioritizing any business?
- No, there aren't prioritizing any business at the moment
27. What is include included in payroll cost?
- Salary
 - Cash Tips
 - Wages
 - Vacation
 - Paid or sick leave
 - Payments for retirement benefits, state or local taxes on compensation of properties
28. What is the date my business must be in operation to qualify?
- February 15th, 2020
29. What is excluded in payroll cost?
- Compensation for employees who reside outside the U.S
 - Compensation paid to employees who make over \$100,000
 - Federal employment taxes
30. What is SBA using as a benchmark your payments if you do not process a payroll?
- Sole Proprietor: 1040 Form, Schedule C,
 - Self-Employed: (Net Profit/12)
 - Partnership: (Net Profit + Wages paid to employees)/12 * 2.5
 - S Corp or C Corp: salaried paid to you + salary paid to employees (up to \$100K/year/salary)
31. Can the bank add additional interest on the loan?
- No, the banks cannot add additional interest on to the federal loan.
32. Am I forgiven for 100% expenditure?
- No, you are forgiven for 75% expenditure which includes payroll and 25% non-payable cost such as rent, utilities or mortgage interest.
33. How can your CPA help?
- We can help file 2019 personal and business taxes to qualify for the loan