The Coronavirus Aid, Relief and Economic Security (CARES ACT) allocated $350 billion to help small businesses/churches keep workers employed amid the pandemic and economic downturn. Known as the Paycheck Protection Program, the initiative provides 100% federally guaranteed loans to small businesses/churches. These loans may be forgiven if borrowers maintain their payrolls during the crisis or restore their payrolls afterwards. LBMC and UMC have teamed up to create an easy to follow guide on what you need to know to take advantage of this opportunity.

**Highlights of PPP**

- The PPP is first-come, first-served. Important to note, time is of the essence to take advantage of this opportunity.
- No more than 25% of the loan forgiveness amount may be used for non-payroll costs. The SBA is supposed to issue additional guidance on loan forgiveness.
- At least 75% of the PPP loan proceeds SHALL be used for payroll costs (including any EIDL loan that is refinanced). This is a new requirement and is important for businesses who need the money to pay interest on mortgage, rent, and utilities. If the funds are used for unauthorized purposes, the SBA will direct the borrower to repay those amounts.
- Maximum loan amount is 2.5 times average monthly payroll costs.
- The number of employees must be no more than 500 and payroll costs are limited to employees who have their principal place of residence in the United States.
- Use for employee salaries, cost related to compilation of group health benefits, paid sick medical family leave insurance premiums
- Payroll Costs DO NOT include mortgage payments or utilities.
- All forms will have to go through a lender.
- All forms have to be filled out on-line (Adobe PDF form – and id certification)
- Your bank may have additional forms they need you to fill out.

**What You Need**

1. 941’s for 2019
2. State Unemployment Tax Returns for 2019, showing each individual's compensation, if applicable
3. Detailed payroll reports for 2019, showing names, social security numbers, compensation and FICA/MC and FIT withholdings (also provide details in Excel to limit individual compensation to $100,000 per recipient)
4. Detailed subcontractor payments to individuals for services only (by recipient) for 2019, showing names, social security numbers/EINs, and gross payments
5. Details of healthcare benefits paid by company (health, dental, vision) from 2019 including most recent invoice
6. Detailed listing of employer’s retirement plan payments for 2019
7. Fill out and sign (manually) the 4506-T

Please note that your bank is the entity that is making the decision on how much the “payroll costs” are and how they will compute it. These are only LBMC’s suggested items which we feel they will ask for. Please contact your banker to determine what is needed.

LBMC is working with US Bank and will coordinate for you. Please note that this doesn’t guarantee that your loan will be approved.

**Who to Contact**

We are here to help you with any additional questions or to assist you with getting these forms processed.

PPPTaxAdvisor@lbmc.com

For more resources, visit www.LBMC.com/COVID19