

Small Business Administration Paycheck Protection Program (PPP) Second Draw Application Checklist – Required Documentation

Your payroll provider may be of assistance in collecting what you need.

- **Paycheck Protection Program Application Form 2483SD**

- **Second Draw Borrower Application Form (Revised March 18, 2021)**
- **Second Draw Borrower Application Form for Schedule C Filers Using Gross Income**

If applicable, also include:

- Addendum A – List of Affiliated Companies (all owners with 20% or greater of the applicant must complete this if they own more than 20% or have control of another entity)
- Addendum B – SBA Economic Injury Disaster Loan (must be completed if applicant is refinancing an SBA Economic Injury Disaster Loan between Jan. 31, 2020 – April 3, 2020)
- Schedule of Additional Owners – List of additional owners with 20% ownership or greater for the applicant (2 are permitted on the Application Form; all others should be listed on this schedule.)

- **Loan Calculators for Second Draw Loan Requests**

- Please note there is a general calculator and then two specific calculators: 1) for accommodation and food services businesses; and, 2) for farmers and ranchers. They are part of the same Excel workbook, so make sure you use the correct tab at the bottom for your specific borrower type.
- There is also a specific calculator for Schedule C filers using gross income to calculate the PPP loan amount.

- **Payroll Documentation**

- Federal tax forms 941 for each quarter in the year selected and state tax forms
OR: Equivalent payroll processor report that shows the amounts entered into the PPP loan calculator
- Evidence of retirement and healthcare contributions (statement from provider showing amount paid)
- W-2s for employees earning over \$100,000 and employees who do not reside in the United States
- A payroll statement (or similar documentation) from the pay period that covered February 15, 2020 to establish that you were in operation on 2/15/20

Self Employed:

- Schedule C from 2019 or 2020 (whichever year selected for payroll calculations)
Note: The borrower cannot select different years for payroll and owner compensation.
- If applicable: IRS form 1099 – detailing employee compensation received
- **If you have no employees:** a 2020 Invoice, bank statement or book of record to establish that you were in operation on or around February 15, 2020

Farmer or Rancher:

- Schedule F from 2019 or 2020 (whichever year selected for payroll calculations).
Note: The borrower cannot select different years for payroll and owner compensation.
- **If you have no employees:** a 2020 invoice, bank statement or book of record to establish that you were in operation on or around February 15, 2020

Partnership:

- IRS Form 1065 (including K-1s) from 2019 or 2020 (whichever year is selected for payroll calculations). Note: The borrower cannot select different years for payroll and owner compensation.
- **If you have no employees:** a 2020 invoice, bank statement or book of record to establish that you were in operation on or around February 15, 2020

- **SBA Franchise Directory for Franchise Applicants**

- Franchise applicants can visit sba.gov/document/support-sba-franchise-directory (a PDF may be downloaded from the SBA site) and look up the respective franchise name through a Find feature (Ctrl f). If the Franchise number column (first column) is blank, it is not an eligible franchise.

- **Revenue Reduction Verification** (the applicant has realized a reduction in gross receipts in excess of 25% relative to the relevant comparison time period)

- For a PPP Second Draw request of >\$150,000, a quarterly statement from corresponding quarters in 2020 and 2019 that match the calculation entry in the Loan Calculator is required.
 - ***If the financial statements are not audited, the Applicant must sign and date the first page of the financial statement and initial all other pages***, attesting to their accuracy. If the financial statements do not specifically identify the line item(s) that constitute gross receipts, the Applicant must annotate which line item(s) constitute gross receipts.
 - Alternatively: Quarterly or monthly bank statements for the entity showing deposits from the relevant quarters. ***The Applicant must annotate, if it is not clear, which deposits listed on the bank statement constitute gross receipts*** (e.g., payments for purchases of goods and services) and which do not (e.g., capital infusions).

- If an annual reduction in revenue is used, copies of the 2019 and 2020 tax return documents will be required.
 - If the entity has not yet filed a tax return for 2020, the Applicant must fill out the return forms, compute the relevant gross receipts value (see Question 5 of SBA FAQ as of 1/19/2021), ***and sign and date the return, attesting that the values that are entered into the gross receipts computation are the same values that will be filed on the entity's tax return.***
- For PPP Second Draw loan requests of \$150,000 or less, borrowers must provide documentation substantiating the decline in gross receipts upon or before seeking loan forgiveness for the Second Draw Paycheck Protection Program Loan or upon SBA request.
 - While this documentation is not required up front to approve your loan request, we encourage all borrowers to provide it now, as this will help ensure a more timely response to forgiveness later.
 - Borrowers that do not provide the revenue reduction documentation at the time of application are certifying to the 25% reduction via the application. If documentation provided later does not prove the reduction of 25% or greater, the loan may not be eligible for forgiveness in any amount.
- **SBA PPP Loan Closing, Funding and Ownership Form**