

# SBA COVID-19 RELIEF LOAN

## ADDITIONAL DOCUMENTATION 04-03-2020

### How To Calculate Loan Amount

#### NON SEASONAL EMPLOYERS:

**Maximum loan =**

2.5 x Average total monthly payroll costs incurred during the year prior to the loan date

For businesses not operational in 2019:

**Maximum loan =**

2.5 x Average total monthly payroll costs incurred for January and February 2020

#### SEASONAL EMPLOYERS:

**Maximum loan =**

2.5 x Average total monthly payments for payroll costs for the 12-week period beginning February 15, 2019 or March 1, 2019 (decided by the loan recipient) and ending June 30, 2019

#### INCLUDED Payroll Cost:

For Employers:

The sum of payments of any compensation with respect to employees that is a:

- Salary, wage, commission, or similar compensation;
- Payment of cash tip or equivalent;
- Payment for vacation, parental, family, medical, or sick leave
- Allowance for dismissal or separation
- Payment required for the provisions of group health care benefits, including insurance premiums
- Payment of any retirement benefit
- Payment of state or local tax assessed on the compensation of the employee

For Sole Proprietors, Independent Contractors, and Self-Employed Individuals:

The sum of payments of any compensation to or income of a sole proprietor or independent contractor that is a :

- Wage
- Commission
- Income
- Net earnings from self-employment, or similar compensation and that is in an amount that is not more than \$100,000 in one year, as pro-rated for the covered period.

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Mount Horeb ■ New Glarus ■ Oregon ■ Verona ■ Waunakee

### EXCLUDED Payroll Cost:

- Compensation of an individual employee in excess of an annual salary of \$100,000, as prorated for the period February 15, to June 30, 2020
- Payroll taxes, railroad retirement taxes, and income taxes
- Any compensation of an employee whose principal place of residence is outside of the United States
- Qualified sick leave wages for which a credit is allowed under section 7001 of the Families First Coronavirus Response Act (Public Law 116– 5 127); or qualified family leave wages for which a credit is allowed under section 7003 of the Families First Coronavirus Response Act

### Example Loan Amount Calculation

<b>Payroll Costs:</b>	<b>Last 12 months</b>	<b>Monthly average</b>
Salaries, wages, commissions, vacation and sick pay (not to exceed \$100K per employee) other than qualified sick or family leave	\$1,500,000	\$125,000
Group Health Insurance	\$85,000	\$7,083
Retirement Benefit Costs	\$50,000	\$4,167
State/Local Taxes on Employee Compensation (i.e., employer U.C. tax)	\$6,000	\$500
Self-Employed Income (and subcontractors) not to exceed \$100K per year per self-employed prorated for the period February 15, 2020 to June 30, 2020	\$200,000	\$16,667
<i>Subtotal</i>		<i>\$153,417</i>
<i>Multiplier</i>		<i>2.5</i>
<b>Total</b>	<b>a)</b>	<b>\$383,542</b>
Add in EIDL loan funds received between 01/31/2020 and 04/30/2020	+	-
Less any advance from EIDL up to \$10,000 received	-	-
<b>MAXIMUM LOAN AMOUNT</b> [Lesser of a) or \$10 million]	<b>b)</b>	<b>\$383,542</b>



# Required Documentation to Support Loan Amount Requested

Since the maximum loan amount will equal 2.5 x your average monthly payroll costs during the 12-month period preceding the loan, you will need to submit an application that includes documentation, including:

<b>Existing SBCP Loan Customers</b>	<b>Non-Loan Customers</b>
Records for Employee wages for the last 12 months Copies of payroll tax reports filed with the IRS (including Forms 941, 940, state income and unemployment tax filing reports) for the entire year of 2019 and first quarter of 2020 (if available) should be presented.	Records for Employee wages for the last 12 months Copies of payroll tax reports filed with the IRS (including Forms 941, 940, state income and unemployment tax filing reports) for the entire year of 2019 and first quarter of 2020 (if available) should be presented.
Copies of payroll reports for each pay period for the preceding 12 months. Such reports should include gross wages including PTO (which might include vacation, sick, and other PTO). This includes payroll reports through the pay period preceding the origination of the SBA loan	Copies of payroll reports for each pay period for the preceding 12 months. Such reports should include gross wages including PTO (which might include vacation, sick, and other PTO). This includes payroll reports through the pay period preceding the origination of the SBA loan
Withholding for state and local taxes on employee compensation	Withholding for state and local taxes on employee compensation
1099s paid to independent contractors	1099s paid to independent contractors
Documentation reflecting the health insurance premiums paid by the company under a group health plan including owners of the company for the immediately preceding 12 months prior to the date of the SBA loan origination. Copies of the monthly invoices should suffice.	Documentation reflecting the health insurance premiums paid by the company under a group health plan including owners of the company for the immediately preceding 12 months prior to the date of the SBA loan origination. Copies of the monthly invoices should suffice.
Documentation showing the amount of retirement plan funding the employer made for employees over the past 12 months (profit sharing 401(k) plans, cash balance plans, SIMPLE and SEP IRAs). If your 2019 plan administration has been completed, you should use this as the basis for these figures. (Employees' own 401(k) salary deferrals won't count for these purposes.)	Documentation showing the amount of retirement plan funding the employer made for employees over the past 12 months (profit sharing 401(k) plans, cash balance plans, SIMPLE and SEP IRAs). If your 2019 plan administration has been completed, you should use this as the basis for these figures. (Employees' own 401(k) salary deferrals won't count for these purposes.)
Copy of Driver's license for each business owner of 25% or more	Copy of Driver's license for each business owner of 25% or more
	Filed Articles (for LLC or Corporations)
	Operating Agreements (LLC's) Bylaws and Consent Resolutions (Corporations)- listing owners, titles and authorizing persons

