

# PAYCHECK PROTECTION PROGRAM CHECKLIST



The Small Business Administration (SBA) Paycheck Protection Program under the Coronavirus Aid, Relief, and Economic Security (CARES) Act was approved on March 27, 2020.

## YOUR ALERUS LOAN APPLICATION LIST TO ACCESSING RELIEF THROUGH THE CARES ACT

As a preferred SBA lender, we're here to partner with your business and help provide guidance on navigating through the new programs through the CARES Act.

### WHO'S ELIGIBLE?

Businesses, private non-profit organizations, and public non-profit organizations with less than 500 employees that have been negatively affected by the pandemic may be eligible for these loans.

They must have been in operation on February 15, 2020, with employees from whom the applicant paid salaries and payroll taxes.

### HOW MUCH DO I QUALIFY FOR?

Lessor of:

- \$10.0MM or
- 2.5x of average monthly payroll costs from prior year. If seasonal employer, the average total monthly payments for payroll will be for the period beginning March 1, 2019, and ending June 30, 2019.

### HOW CAN THE FUNDS BE USED?

- Payroll support, including paid sick, medical, or family leave, and costs related to the continuation of group health care benefits during those periods of leave;
- Employee salaries;
- Mortgage payments;
- Rent (including rent under a lease agreement);
- Utilities; and
- Any other debt obligations that were incurred before the covered period (03.01.2020 and ending 12.31.2020).

### WHAT ARE THE TERMS OF THE PROGRAM?

- Two-year term
- Interest rate of 0.50 percent
- No fees to applicant

### WHAT IS UNIQUE ABOUT THIS PROGRAM?

- No collateral required
- No personal guarantees required
- First six months of payments are deferred
- A portion, up to the entire loan amount, has the potential to be forgiven (further qualifications required)

### DOCUMENTATION TO GATHER

- Completed Application
- Articles of Incorporation/Organization of each borrowing entity
- Bylaws/Operating Agreement of each borrowing entity
- Copies of all owners' Driver's Licenses
- Payroll Expense Verification documents to include:
  - IRS Form 940 and 941
  - Payroll Summary Report with corresponding bank statement
    - If a Payroll Summary Report is not available, Employee Pay Stubs as of February 15, 2020 (or corresponding period) with corresponding bank statement, and
    - Breakdown of payroll benefits (vacation, allowance for dismissal, group healthcare benefits, retirement benefits, etc.)
  - 1099s (for independent contractors)
  - Certification that all employees live within the United States. If any do not, provide a detailed list with corresponding salaries of all employees outside the United States.
- Wiring Instructions, if applicable
- List of Business Affiliates/Affiliates: Concerns and entities are affiliates of each other when one controls or has the power to control the other, or a third party (or parties) controls or has power to control both.

For example, affiliation may arise through ownership, common management (including through a management agreement), or when there is an identity of interest between close relatives with identical, or substantially identical, business interests.