



Paycheck Protection Program & the EIDL 101

PMAG Digital Hui
April 5, 2020



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PMAG

Pacific Medical Administrative Group

Welcome Leo |

HILOPA'A



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By the end of
the broadcast,
you should be
able to:



UNDERSTAND THE
APPLICATION PROCESS



DETERMINE APPLICATION
DATE BASED UPON YOUR
ORGANIZATION STRUCTURE



IDENTIFY KEY ELEMENTS OF
THE APPLICATION



LIST THE REQUIRED
DOCUMENTATION TO
SUPPORT AN APPLICATION

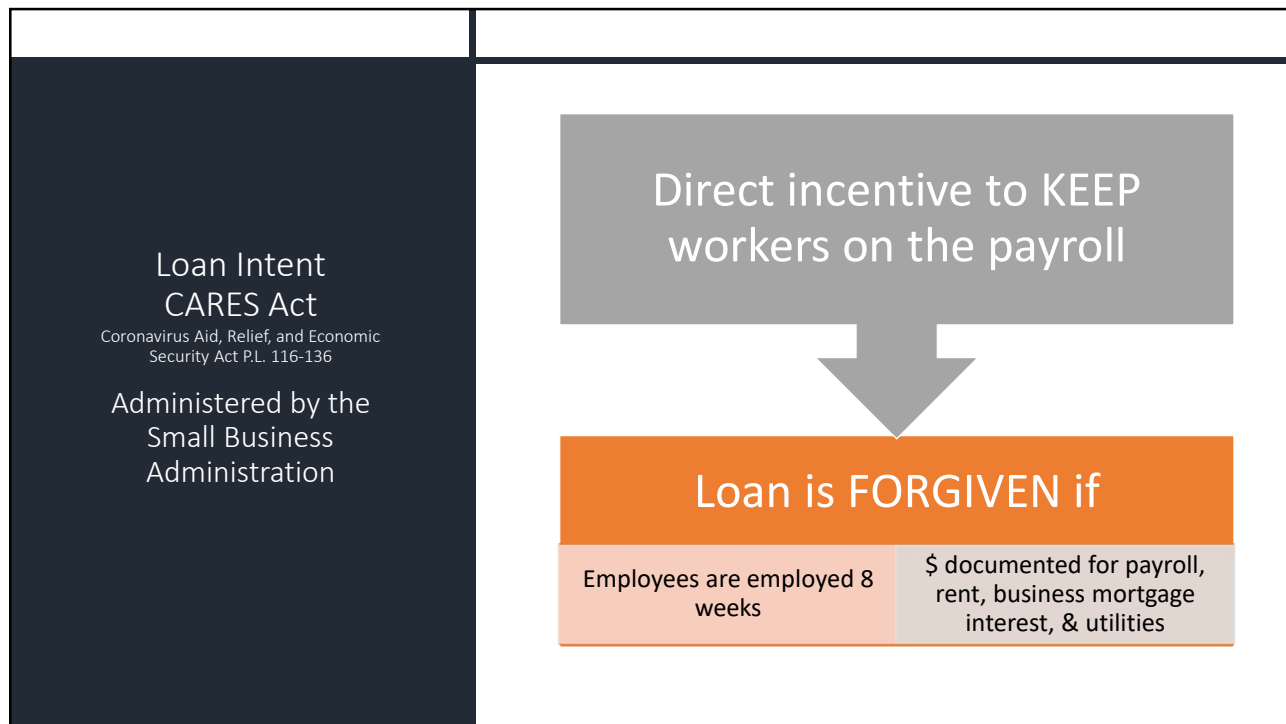


DETERMINE TO MOVE
FORWARD

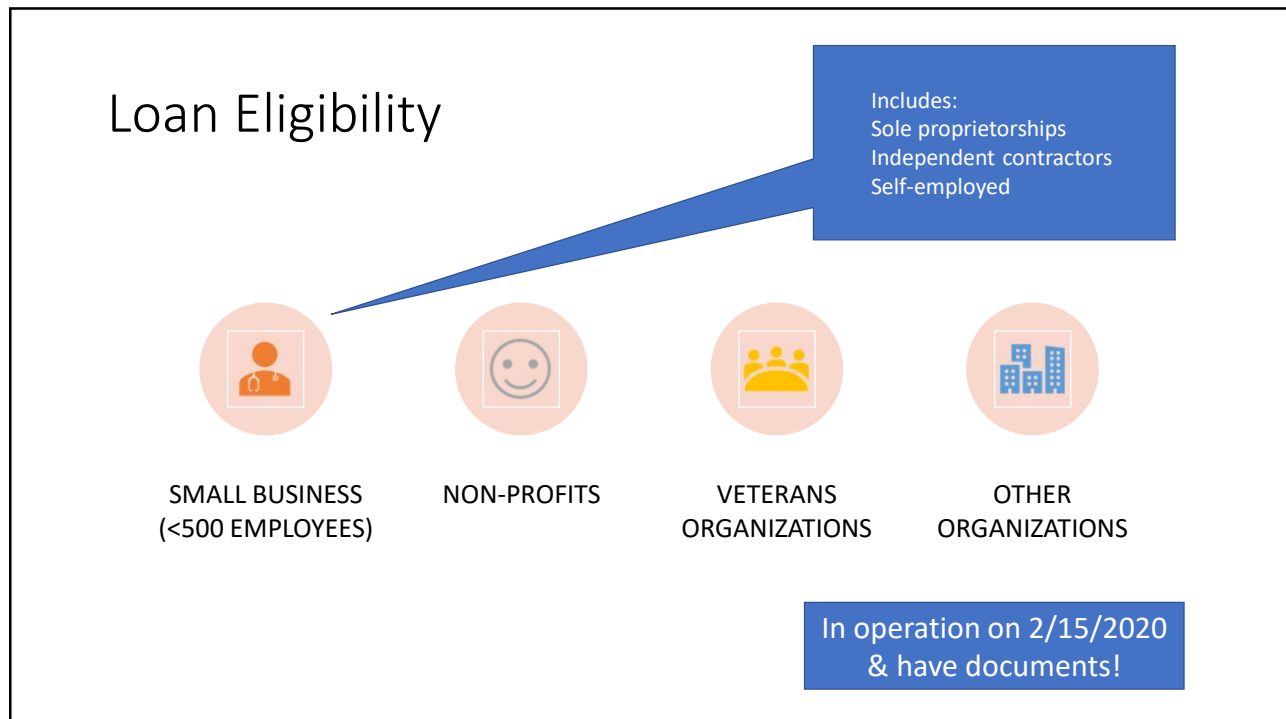
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PPP Background

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Application Dates

Small Business & Sole Proprietors



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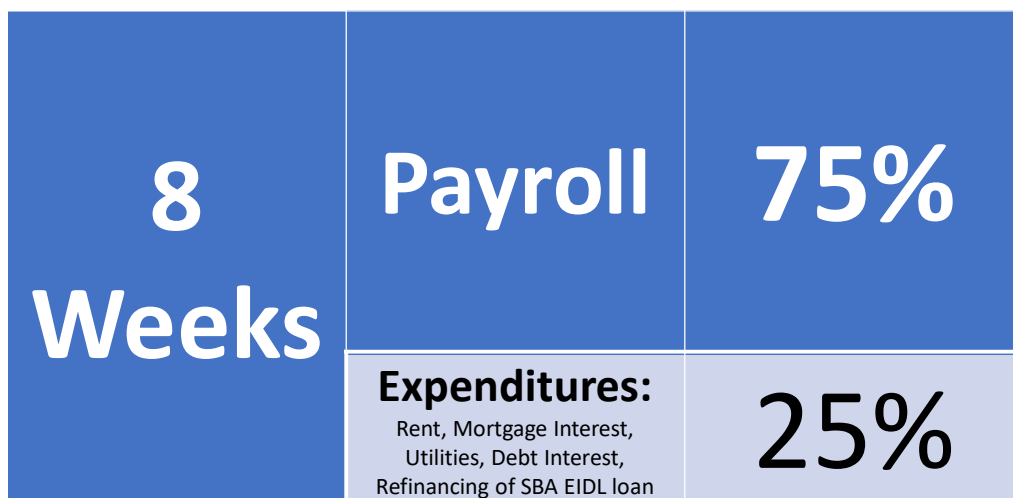
**Independent Contractors &
Self-employed**



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Loan Use



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Loan Use Specifics

Payroll costs

Costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums

Mortgage interest payments (but not mortgage prepayments or principal payments)

Rent payments

Utility payments

Interest payments on any other debt obligations that were incurred before february 15, 2020

Refinancing an SBA EIDL loan made between january 31, 2020 and april 3, 2020

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Loan Details



8 weeks of payroll



Up to \$100,000.00 PEPY



Payments deferred for 6 months



Collateral or personal guarantees not required



No fees



2-year maturity

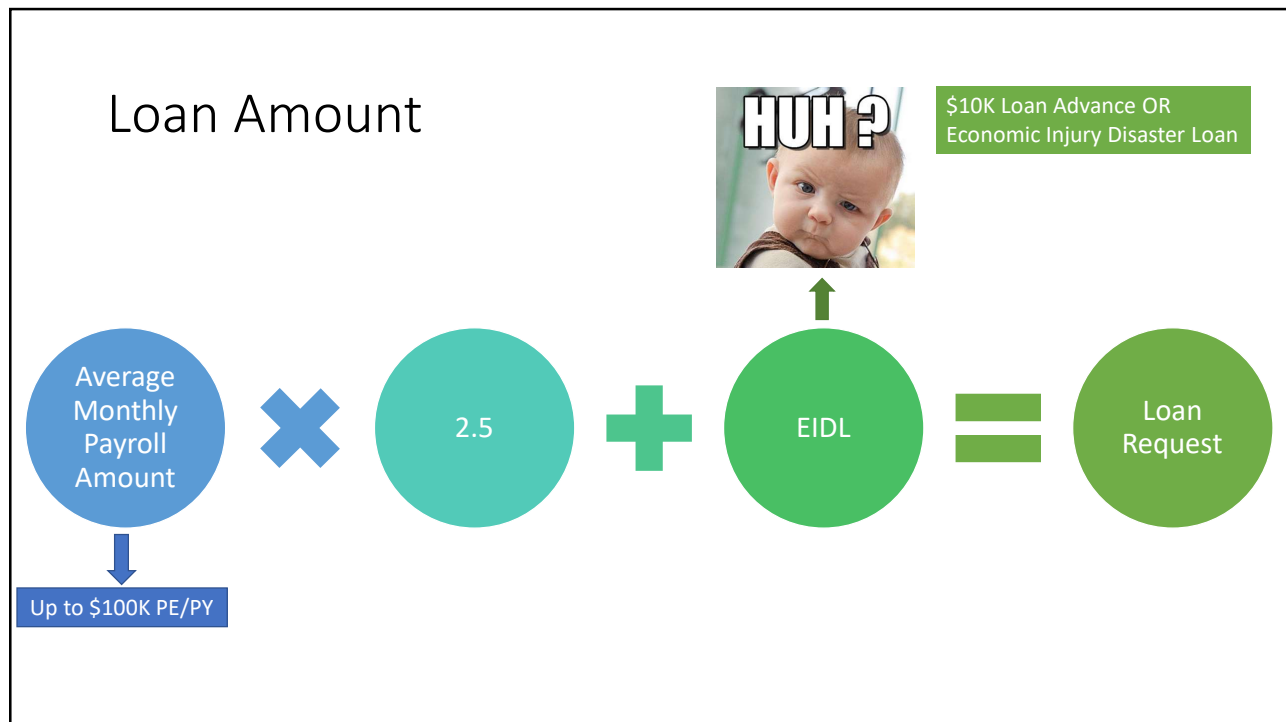


1% interest rate



Economic Injury Disaster Loan Emergency Advanced applied to total

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Loan Forgiveness Documentation

c. Can lenders rely on borrower documentation for loan forgiveness?

Yes. The lender does not need to conduct any verification if the borrower submits documentation supporting its request for loan forgiveness and attests that it has accurately verified the payments for eligible costs. The Administrator will hold harmless any lender that relies on such borrower documents and attestation from a borrower. The Administrator, in consultation with the Secretary, has determined that lender reliance on a borrower's required documents and attestation is necessary and appropriate in light of section 1106(h) of the Act, which prohibits the Administrator from taking an enforcement action or imposing penalties if the lender has received a borrower attestation.

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Read Between
the Lines

1
application
only

- Request maximum amount

Deadline
June 30,
2020

- First-come, first served

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From the Federal Register:

m. Is the PPP “first-come, first-served?”

Yes.

Federal Guidance 13 CFR Part 120 – Interim Rules

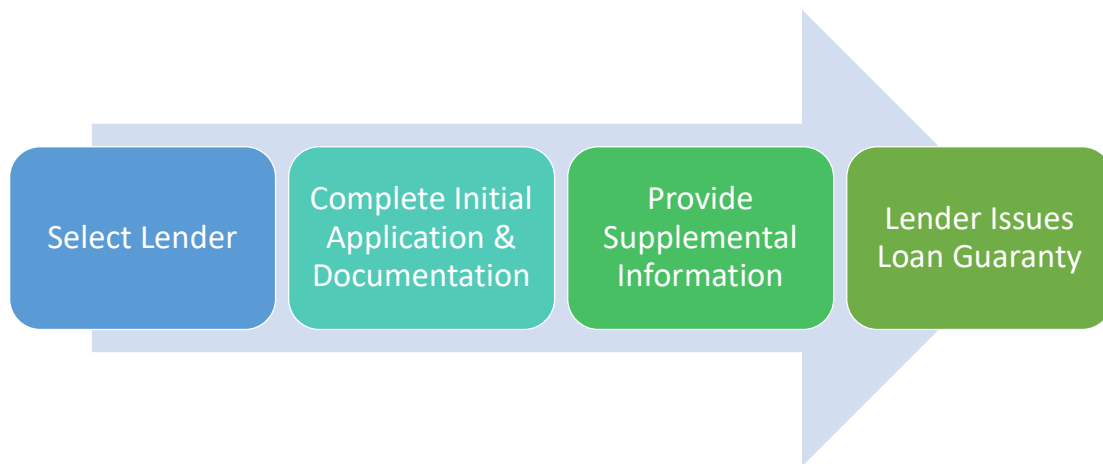
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A diagram titled "Application Process" showing a flow from a large dark gray box to a blue box, then to a gray box, and finally to a light gray box at the bottom.

Application Process

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Flow



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Flow Details

Select Lender	Complete Initial Application & Documentation	Provide Supplemental Information	Lender Issues Loan Guaranty
<ul style="list-style-type: none"> • SBA Approved • Rolling List • Almost all local lenders are ready • Define their own process for review and approval 	<ul style="list-style-type: none"> • “SBA application” • Lenders determining what else they want up front 	<ul style="list-style-type: none"> • Tax documents or bank records • Photo ID • Corporate records¹ 	

¹Some lenders, not all

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Initial Application Submission Required Documents – as of 4/5/2020

	Bank Customers Only	Loan Application	2019 Tax/Payroll Document(s)	Corporate Documents	Photo ID	Transmission	Calculator Provided
ASB		●	●			Email	●
First Hawaiian	●	●	●			Portal	
Hawaii National Bank		●	●			Email	●
Navy Federal Credit Union		●				Portal	
Bank of Hawaii	●	●	●	●	●	Portal	●
Central Pacific Bank		●	●			Portal	
Homestreet Bank	Yes or if you move your acct	●	●	●		Email	●
Hawaii USA FCU	Members only and you can join					Make appt	

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Worksheets

Worksheets

AMERICAN
Savings Bank

ASB CARES Payroll Worksheet

Input data HERE

Cells are locked from changes

\$ 73,410

Bank of Hawaii

Bank of Hawaii CARES Act Small Business Administration Paycheck Protection Program Calculator

FPA Eligible Loan Computation (2/1, 10/16/20 to 10/2)

Please use the calculator to determine the eligible loan amount under the ASB Paycheck Protection Program entered on March 23, 2020 under the CARES Act. The program has a maximum of \$2 million in borrowing. The average monthly payroll costs entered during the loan period will be the same as the loan amount for the covered period.

WARNING:

- Check documents regarding amounts borrowed to ensure they are \$2 million.
- Do not enter a loan amount greater than the amount of your business's 2019 payroll.
- If you are not an owner of the business, you must enter the amount of your business's 2019 payroll, not the amount of your "advance" under an EIDL, COVID-19 loan or other loan that does not have to be repaid to ASB.
- Do not use amounts that are greater than the amount of your business's 2019 payroll.

APPLICANT NAME:

Step 1: Payroll Costs

- 1. Salary, wages, or similar compensation (including owner's salary) paid in 2019
- 2. Payment of cash tips or equivalent not included in 1)
- 3. Payment of vacation, parental, family, medical or sick leave not included in 1)
- 4. Allowance for separation or dismissal (not included in 1)
- 5. Payment related to the provision of group health care benefits, including health care premiums (not included in 1)
- 6. Payment related to the provision of dental, vision, life, or disability insurance (not included in 1)
- 7. Payment of FICA or FUTA taxes assessed on the compensation of the employees

Total Payroll Costs:

Step 2: Eligible Payroll Costs (Lenders should only refer to this Step to see what they were included in the loan)

- 1. Compensation of individual employees (not annual salary) for Payroll Protection Periods or 8 Payroll Protection Periods
- 2. Cash tips or equivalent for Payroll Protection Periods or 8 Payroll Protection Periods
- 3. Vacation, parental, family, medical or sick leave for Payroll Protection Periods or 8 Payroll Protection Periods
- 4. Allowance for separation or dismissal for Payroll Protection Periods or 8 Payroll Protection Periods
- 5. Payment related to the provision of group health care benefits, including health care premiums (not included in 1)
- 6. Payment related to the provision of dental, vision, life, or disability insurance (not included in 1)
- 7. Payment of FICA or FUTA taxes assessed on the compensation of the employees

Total Eligible Payroll Costs:

Maximum Loan Amount:

Step 3: Loan Amount

The amount is determined by the ASB Paycheck Protection Program calculator and is based on the amount of your business's 2019 payroll. The amount of your business's 2019 payroll is the amount of your business's 2019 payroll.

Source Information
(where to find the information)

IRS Form W-3, 941 (or quarterly Form 941s), 1099 is also acceptable for independent contractor

#	Description	Amount	Notes
1	Annual Payroll	\$ 352,369.21	
2	Annual compensation of individual employee in excess of an annual salary of \$100,000, as prorated for the period (if included in line 1 above)	\$ -	12 Month Payroll Summary Report (Quickbooks)
	Qualifying Annual Payroll	\$ 352,369.21	
	Qualifying Average Monthly Payroll	\$ 29,364.10	
	Multiplier (x 2.5)	2.5	
	Maximum Loan Amount, pre-EIDL	\$ 73,410.25	
3	Outstanding EIDL (Economic Injury Disaster Loan) amount for loans made between January 31, 2020 and April 3, 2020, less the amount of any "advance" under an EIDL, Covid-19 loan	\$ -	I have applied for advance but not received funds
	Maximum Loan Amount	\$ 73,410.25	

HAWAII NATIONAL BANK

Please submit this completed form to the ASB CARES Payroll Worksheet.

Payroll Cost

1. Salary, wages, commission or similar compensation *

* Submit any compensation paid to an employee in excess of an annual salary of \$100,000 and/or any amounts paid to an independent contractor or sole proprietor in excess of \$100,000 per year.

2019 Annual

Required Documents

1. 2019 Payroll Summary Report from CRA/Bookkeeper/Payroll provider; OR IRS Form 941 for Q1-Q4 2019 AND IRS Form 941 for Q3 2019.

Independent contractors and self-employed individuals: 1099s and/or 1040 Sch. C for 2019; OR company prepared profit and loss for 2019.

Documentary evidence of each tip being certified as paid in 2019

Documentary evidence of vacation, parental, family, medical or sick leave benefits being certified as paid in 2019, if not included in 1) above


Documentary evidence of separation or dismissal benefits being certified as paid in 2019, if not included in 1) above

Documentary evidence of employee health care benefits being certified as paid in 2019, if not included in 1) above

Documentary evidence of retirement benefits being certified as paid in 2019

Documented evidence of Employer Tax Payments on compensation of the employees being certified as paid in 2019

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Documents


Use the lender's worksheets

Helpful Tips

- Vary based upon corporate structure
- Federal tax forms (income or employment) submitted or received
- Bank records

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PEO –
Employee
Leasing

- Get payroll information and attestation to support your submission
- Flexibility in type of documentation used to substantiate payroll

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Independent Contractors
(1099 Workers) in
Your Office

You do not claim
them

They apply on
their own

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PPP Application

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Application Header



Paycheck Protection Program Borrower Application Form

OMB Control No.: 3245-0407
Expiration Date: 09/30/2020

Check One: <input type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> Independent contractor <input type="checkbox"/> Eligible self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Tribal business (sec. 31(b)(2)(C) of Small Business Act) <input type="checkbox"/> Other		DBA or Tradename if Applicable	
Business Legal Name			
Business Address		Business TIN (EIN, SSN)	Business Phone
		() -	
		Primary Contact	Email Address
Average Monthly Payroll:	\$	x 2.5 + EIDL, Net of Advance (if Applicable) Equals Loan Request:	\$
		Number of Employees:	
(select more than one): <input type="checkbox"/> Payroll <input type="checkbox"/> Lease / Mortgage Interest <input type="checkbox"/> Utilities <input type="checkbox"/> Other (explain):			

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Ownership

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address

If questions (1) or (2) below are answered "Yes," the loan will not be approved.

Question	Yes	No
----------	-----	----

- Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy? ☐ Yes ☐ No
- Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is currently delinquent or has defaulted in the last 7 years and caused a loss to the government? ☐ Yes ☐ No
- Is the Applicant or any owner of the Applicant an owner of any other business, or have common management with, any other business? If yes, list all such businesses and describe the relationship on a separate sheet identified as addendum A. ☐ Yes ☐ No
- Has the Applicant received an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020? If yes, provide details on a separate sheet identified as addendum B. ☐ Yes ☐ No

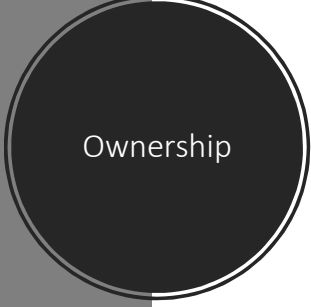
If questions (5) or (6) are answered "Yes," the loan will not be approved.

Question	Yes	No
----------	-----	----

- Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction, or presently incarcerated, or on probation or parole?
Initial here to confirm your response to question 5 → ☐ Yes ☐ No
- Within the last 5 years, for any felony, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; 4) been placed on pretrial diversion; or 5) been placed on any form of parole or probation (including probation before judgment)?
Initial here to confirm your response to question 6 → ☐ Yes ☐ No
- Is the United States the principal place of residence for all employees of the Applicant included in the Applicant's payroll calculation above? ☐ Yes ☐ No
- Is the Applicant a franchise that is listed in the SBA's Franchise Directory? ☐ Yes ☐ No


No can, if you were naughty

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Ownership

Structure	Owners
Sole proprietorship	Sole proprietor
Partnership	All general partners All limited partners with ≥20% equity
Corporation	All owners ≥ 20% ownership
Limited Liability Company	All members ≥ 20% ownership
Trust	Any Trustor



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Certifications

- Read the rules
- Eligible based on what you know
- Meet criteria
- Be a good citizen
- Business use of funds only
- Buy to extent possible American-made
- Not be naughty
- Any other SBA loans are NOT for PPP covered expenditures

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Authorization

Individual Applicant



Criminal History Background Check

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Remaining Certifications

In business as of 2/15/2020

Harmed by economy

Use funds for stated purpose

Acknowledge could be liable for fraud

Provide documents to Lender

Understand forgiveness criteria

Agree to only apply once

Not lying

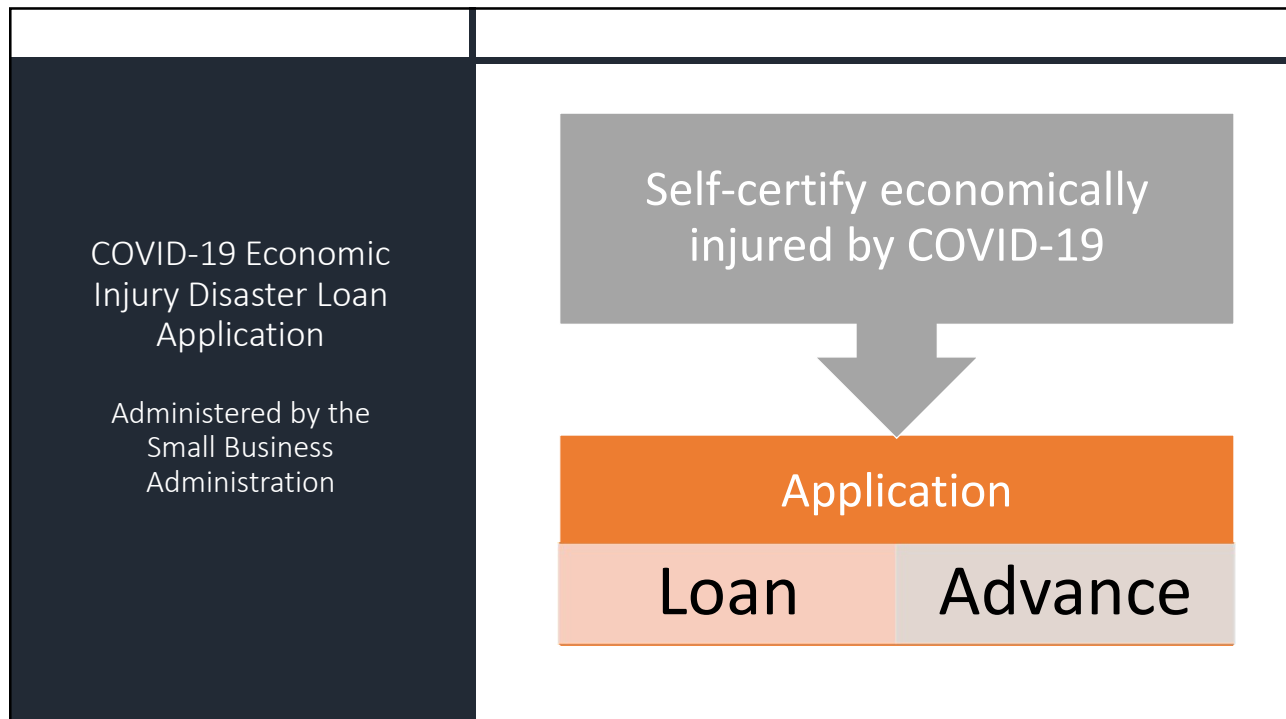
Consent to Lender sharing tax info

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Economic Injury
Disaster Loan
Forgiveness/Advance

The \$10K thing...

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Loan Eligibility

Includes:
Sole proprietorships
Independent contractors
Self-employed



SMALL BUSINESS
(<500 EMPLOYEES)



ESOP



TRIBAL SMALL
BUSINESS CONCERN



NON-FARM
PRODUCER



NON-PROFITS

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Certifications

Not engaged in illegal activity

Cannot be delinquent in child support

Non-ag producing enterprise

No porn

No more than 1/3 annual revenue from legal gambling

Not lobbying

NGO

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If You Already
Applied for
the Advance

Before 3/30

- Apply again

After 3/30

- Good to go

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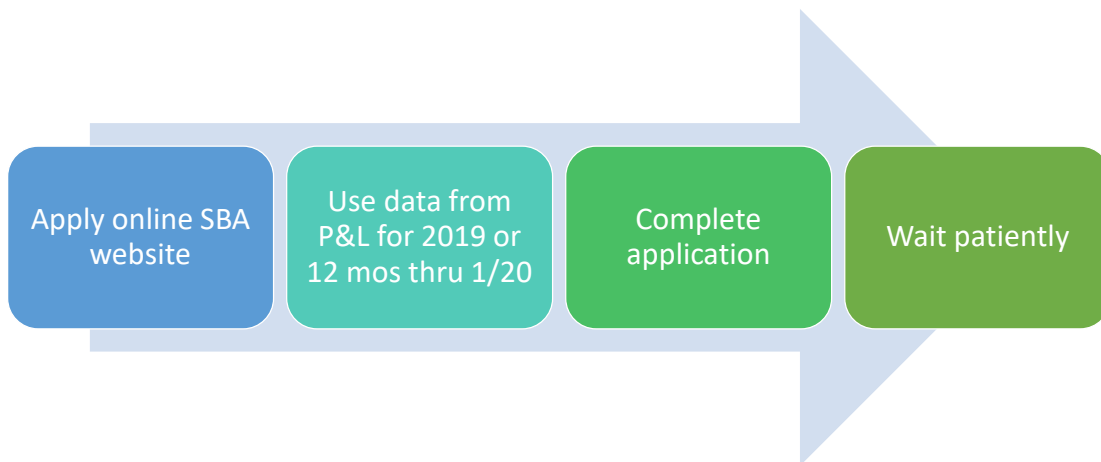
Have we heard if anyone has
received funds yet?

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Application Process for the Advance

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Flow



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Disaster Loan Assistance

Federal Disaster Loans for Businesses, Private Non-profits, Homeowners and Renters

COVID-19 ECONOMIC INJURY DISASTER LOAN APPLICATION

DISCLOSURES

BUSINESS INFORMATION

BUSINESS OWNERS INFORMATION

ADDITIONAL INFORMATION

SUMMARY

Step 1 of 3

Business Information

Business Legal Name *

Trade Name *

EIN/SSN for Sole Proprietorship *

Organization Type*

C-Corporation

Is the Applicant a Non-Profit Organization? *

☐ Yes ☒ No

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Is the Applicant a Franchise? *

☐ Yes ☒ No

Gross Revenues for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020) *

Cost of Goods Sold for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020) *

Rental Properties (Residential and Commercial) Only - Lost Rents Due to the Disaster

Non-Profit Cost of Operation for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020)

Combined Annual Operating Expenses for the Twelve(12) Months Prior to the Date of the Disaster (January 31, 2020) for All Secular Social Services Provided by the Faith Based Entity

List the Secular Social Services Provided by the Faith Based Entity

Compensation From Other Sources Received as a Result of the Disaster

Provide Brief Description of Other Compensation Sources

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Alternative Business Phone	(808)-282-6348
Business Fax	
Business Email *	md@hawaiiishealthy.com
Date Business Established *	09/11/2017
Current Ownership Since *	01/12/0179
Business Activity *	Health Services
Detailed Business Activity *	Medical Services
Number of Employees (As of January 31, 2020) *	4
<div>Next ></div>	

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Step 2 of 3

Business Owners Information

Is Your Business Owned by a Business Entity? ☐ Yes ☐ No

Individual Owner/Agent(s)

Owner/Agent 1
First Name * <input type="text"/>
Last Name * <input type="text"/>
Mobile Phone * <input type="text"/>
Title / Office * <input type="text"/>
Ownership Percent * <input type="text"/>
Email * <input type="text"/>
SSN * <input type="text"/>

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Birth Date *

mm/dd/yyyy

Place Of Birth *

U.S. Citizen *

☐ Yes
☐ No

Residential Street Address *

City *

State *

Zip *

Add Additional Owner

< Back

Next >

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Step 3 of 3

Additional Information

In the past year, has the business or a listed owner been convicted of a criminal offense committed during and in connection with a riot or civil disorder or other declared disaster, or ever been engaged in the production or distribution of any product or service that has been determined to be obscene by a court of competent jurisdiction?

☐ Yes
☐ No

Is the applicant or any listed owner currently suspended or debarred from contracting with the Federal government or receiving Federal grants or loans?

☐ Yes
☐ No

a. Are you presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction?

☐ Yes
☐ No

b. Have you been arrested in the past six months for any criminal offense?

☐ Yes
☐ No

c. For any criminal offense - other than a minor vehicle violation - have you ever been convicted, plead guilty, plead nolo contendere, been placed on pretrial diversion, or been placed on any form of parole or probation (including probation before judgment)?

☐ Yes
☐ No

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If anyone assisted you in completing this application, whether you pay a fee for this service or not, that person must enter their information below.

Individual Name

Name of Company

Phone Number

Street Address, City, State, Zip

Fee Charged or Agreed Upon

I give permission for SBA to discuss any portion of this application with the representative listed above. ☐ Yes ☐ No

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☐ I would like to be considered for an advance of up to \$10,000.

Where to Send Funds

Bank Name *

Account Number *

Routing Number *

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On behalf of the individual owners identified in this application and for the business applying for the loan:

I/We authorize my/our insurance company, bank, financial institution, or other creditors to release to SBA all records and information necessary to process this application and for the SBA to obtain credit information about the individuals completing this application.

If my/our loan is approved, additional information may be required prior to loan closing. I/We will be advised in writing what information will be required to obtain my/our loan funds. I/We hereby authorize the SBA to verify my/our past and present employment information and salary history as needed to process and service a disaster loan. I/We authorize SBA, as required by the Privacy Act, to release any information collected in connection with this application to Federal, state, local, tribal or nonprofit organizations (e.g. Red Cross Salvation Army, Mennonite Disaster Services, SBA Resource Partners) for the purpose of assisting me with my/our SBA application, evaluating eligibility for additional assistance, or notifying me of the availability of such assistance.

I/We will not exclude from participating in or deny the benefits of, or otherwise subject to discrimination under any program or activity for which I/we receive Federal financial assistance from SBA, any person on grounds of age, color, handicap, marital status, national origin, race, religion, or sex.

I/We will report to the SBA Office of the Inspector General, Washington, DC 20416, any Federal employee who offers, in return for compensation of any kind, to help get this loan approved. I/We have not paid anyone connected with the Federal government for help in getting this loan.

CERTIFICATION AS TO TRUTHFUL INFORMATION: By signing this application, you certify that all information in your application and submitted with your application is true and correct to the best of your knowledge, and that you will submit truthful information in the future.

WARNING: Whoever wrongfully misapplies the proceeds of an SBA disaster loan shall be civilly liable to the Administrator in an amount equal to one-and-one half times the original principal amount of the loan under 15 U.S.C. 636(b). In addition, any false statement or misrepresentation to SBA may result in criminal, civil or administrative sanctions including, but not limited to: 1) fines and imprisonment, or both, under 15 U.S.C. 645, 18 U.S.C. 1001, 18 U.S.C. 1014, 18 U.S.C. 1040, 18 U.S.C. 3571, and any other applicable laws; 2) treble damages and civil penalties under the False Claims Act, 31 U.S.C. 3729; 3) double damages and civil penalties under the Program Fraud Civil Remedies Act, 31 U.S.C. 3802; and 4) suspension and/or debarment from all Federal procurement and non-procurement transactions. Statutory fines may increase if amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

☐ I hereby certify **UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE UNITED STATES** that any proceeds of the Economic Injury Disaster Loan or grant will only be used to provide secular social services to the general public, and that I have the authority to make this certification, and that all of the foregoing is true and correct.

[Click for additional statements required by laws and executive orders](#)

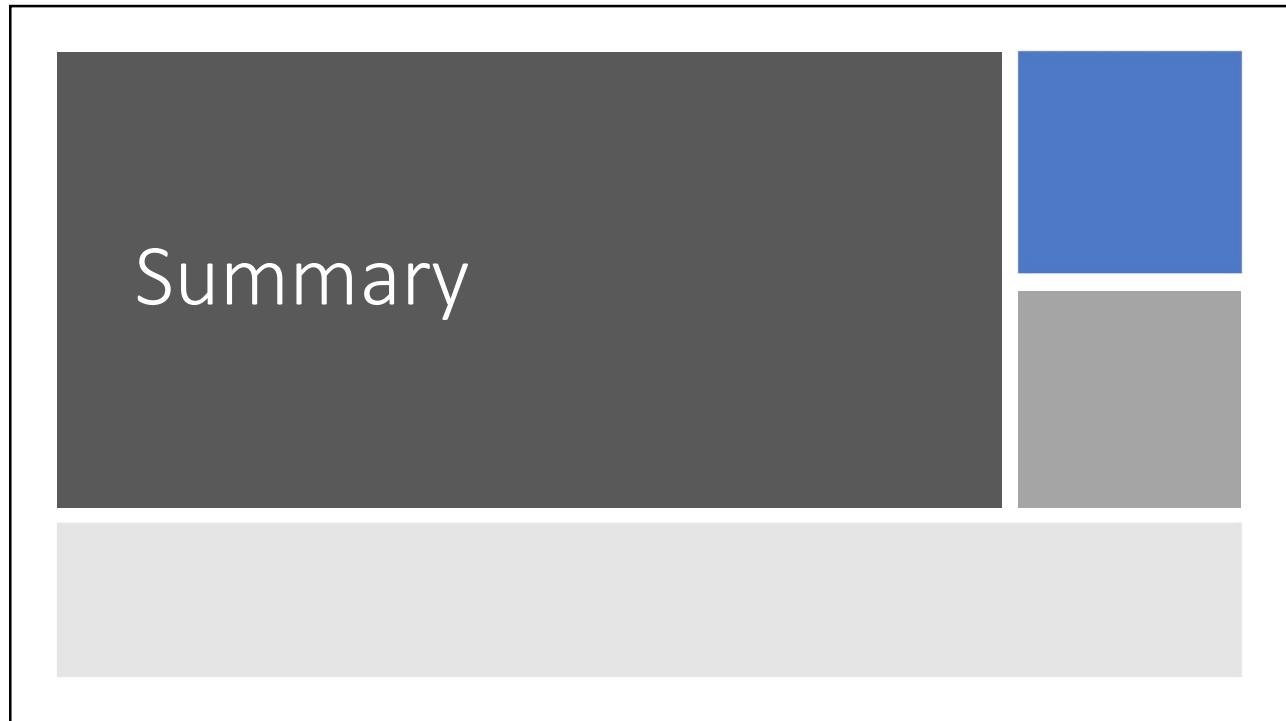
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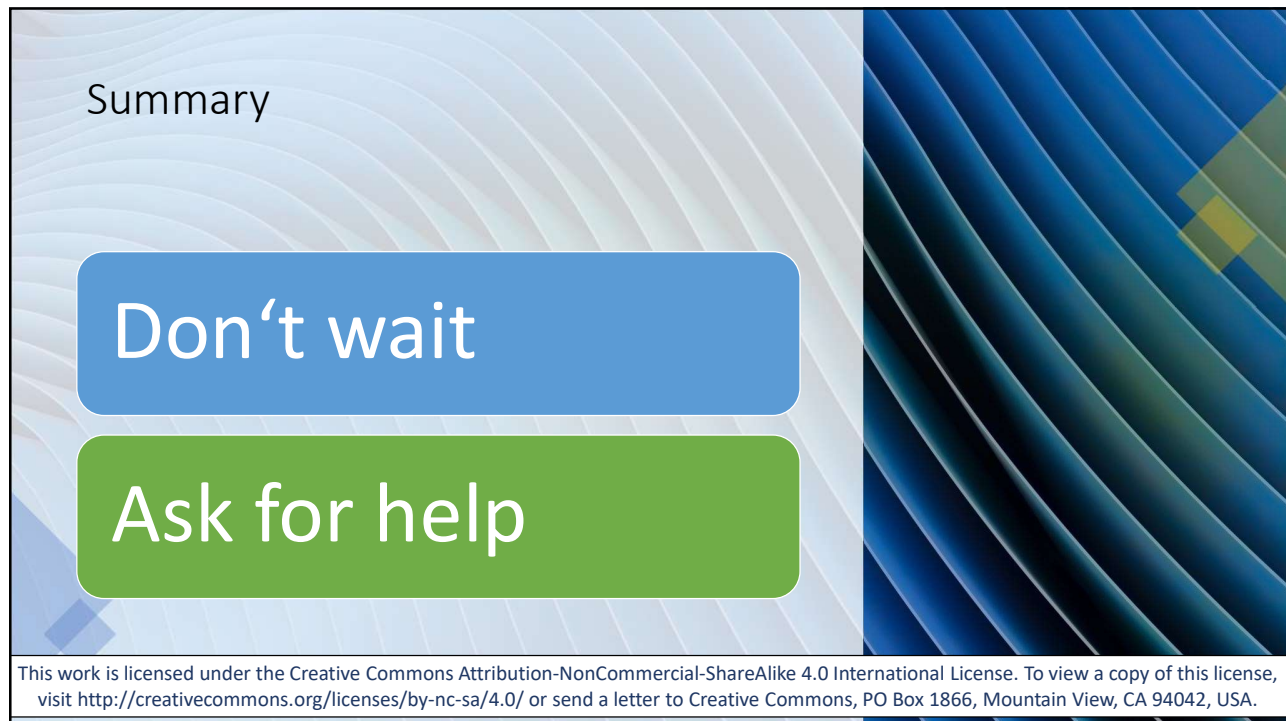
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Q&A

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