



**Asset Enhancement Solutions, LLC**  
*Creative Solutions to Financial Challenges*

Non-Traditional Financing Programs  
Mergers & Acquisitions

Turnaround Consulting  
Financial Management Services

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**Frequently Asked Questions (FAQ's)  
Sole Proprietors and Independent Contractors**

1. What is my ownership title if my business is a sole proprietorship?

**Answer:** Unless you have a formal title, for example, Partner, you can input Sole Proprietor as your ownership title.

2. What is my ownership title if I am an independent contractor?

**Answer:** Unless you have a formal title, you can just input Owner as your ownership title.

3. If I don't have an EIN number, what do I input?

**Answer:** If you do not have an EIN number, use your social security number.

4. What is the name of my business if I am an independent contractor?

**Answer:** If you filed a Doing Business As (or DBA form), your business name is your DBA name. If you operate as a contractor, without a business entity, you can just write your name. You can also refer to the name that appears on Line C of your Schedule C on your IRS Form 1040.

5. What if I don't have forms 940 or 941. What should I use?

**Answer:** If you don't have forms 940 or 941, you can use the following forms:

- 2019 IRS Form 1040- Schedule C
- 2019 IRS Form 1099-MISC
- 2019 IRS Form 944, if you have employees

If you have neither 1040 or 1099, you're not eligible.

Some of our bank partners will require you to provide a written explanation as to why you do not have a 940 or 941.

6. What if I don't have a voided business check. What should I use?

**Answer:** If you don't have a voided business check, attach a direct deposit form from your bank with your account number and routing number clearly shown. You might also be able to find your account number and routing number on your bank statements.

7. What do sole proprietors and independent contractors put for ownership percentage?

**Answer:** Your ownership percentage is how much you own of the company. This would be 100% if you are the sole owner.

8. Do sole proprietors and independent contractors need to use a different application?

**Answer:** No. All business entities including independent contractors and sole proprietors can apply through the PPP application by clicking on the button below.



9. Do I need a business bank account for the 6 months of bank statements?

**Answer:** No. If you only have a personal bank account which you use for business purposes, you can upload the last 6 months of bank statements from this account.

10. Do I need to open a bank account in order to apply?

**Answer:** Your lender will determine if you need to have a bank account or not. Certain non-bank lenders do not require you to have a bank account.

11. I have bad credit. Can I still apply?

**Answer:** Yes, you can still apply. There is no minimum credit score requirement for the PPP loan.

12. Are lenders accepting applications from sole proprietors and independent contractors?

**Answer:** Yes, certain lenders are accepting applications from sole proprietors and independent contractors. As long as your business fits the eligibility criteria provided by the SBA, Asset Enhancement Solutions will match you up with a lender that can assist you.

13. What counts as payroll costs for independent contractors and sole proprietors?

**Answer:** For independent contractors, it's how much you are paid, capped at \$100,000 in cash compensation on an annualized basis.

For sole proprietors, wages, commissions, income, or net earnings from self-employment, capped at \$100,000 in cash compensation on an annualized basis for each employee. This includes net income paid to you (or the amount you pay self-employment taxes on.)

14. Which government forms do sole proprietors and independent contractors need in order to apply?

**Answer:**

**Independent Contractors:**

-2019 IRS Form 1099-MISC (if you have more than one throughout the year, include all)

-2019 IRS Form 1040-Schedule C

-If you have employees beside yourself, 2019 IRS Form 941 (all 4 quarters), 944, or 940

**Sole Proprietors:**

-2019 IRS Form 1099-MISC, if received from your clients (if you have more than one throughout the year, include all)

-2019 IRS Form 1040-Schedule C

-If you have employees beside yourself, 2019 IRS Form 941 (all 4 quarters), 944, or 940

15. When can sole proprietors and independent contractors apply for the PPP loan?

**Answer:** All businesses are eligible to apply for the PPP loan, including independent contractors and sole proprietors, as of April 10th, 2020.

16. Are sole proprietors and independent contractors eligible to apply for PPP?

**Answer:** Yes, both sole proprietors and independent contractors are eligible to apply for PPP, as long as you were operating your business on February 15, 2020.

17. What should I do if I don't have 2019 Schedule C

**Answer: The lender will not make the loan without 2019 Schedule C. Speak to your tax preparer ASAP to have them prepare this for you immediately! Your 2019 tax return does not need to have been filed with the IRS for you to get the 2019 Schedule C. You or your tax preparer can complete this form on a stand-alone basis**

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