Instructions and Information & Documentation Required for PPP Loans

The documents below either need to be completed and uploaded to the online loan application, or help you find/calculate information needed for the application. Once our consultant has reviewed all your information, you will have a one-on-one meeting with them to complete the online application. Prior to your meeting with our consultant, please download these forms form our website and complete them to the best of your ability.

Please do not be intimated by these forms and documents. We have tried to make them as user friendly as possible. We even created a make-believe company called "Baker Foods, Inc." where we have completed sample documents and information to illustrate how each document and information request should be completed. In this example, Baker Foods, Inc. is a C-Corporation.

If you have questions regarding any of the information below, please email us at pppsupportstaff@assetenhancement.com and provide your phone number, and we will call to help you. Alternatively, you can call us at 516-767-0100. After Business Hours please leave a voice message and your message will be forwarded to us 24/7.

The best way to prepare for the application process with our lenders is to summarize all of your financial information that is corroborated by supporting documentation from various outside sources. This information will be uploaded to the lenders online application. The application process also involves entering information about the borrowing entity and its ownership. Included in the PPP Loan Worksheet are 2 tabs that need to be populated with information regarding the Borrowing Entity and Ownership. The tab "Info Needed for Online App" contains information that will be needed when complete the lender's online application. If possible, please print the information on this tab as it will be needed when you complete the bank's online application.

1. A comprehensive "PPP Loan Worksheet" is available for you to complete **(see link on our website for this document).** This worksheet will document the derivation of monthly compensation, monthly employer health care costs, employer retirement costs, state and local taxes on compensation and the calculation of compensation for individuals in excess of $100,000. DO NOT ENTER THE FINANCIAL INFORMATION ON THIS WORKSHEET. THE FINANCIAL INFORMATIO ON THIS WORKSHEET WILL BE POPULATED WHEN YOU ENTER THE APPROPRIATE INFORMATION FROM OTHER TABS. Our lender is very comfortable with this template and we strongly suggest that you use this template for consistency with our lender so that your PPP loan can be expedited. Should you need assistance with this template, please reach out to us for assistance ASAP so the PPP process is not slowed down. (Many portions of this template will be printed to a PDF to which you/we will attach the related documentation that supports the amounts being used. The combined PDF for each individual cost component will be uploaded). After you have printed all sections to a PDF, you need to combine all of the sections to one PDF and then upload this one PDF to the online application when it requests Average Monthly Payroll. If the online application asks you to upload the information by cost component instead of in totality, then upload each section individually.

2. The cost components that are eligible to be included in "Average Monthly Payroll" per entity type are based on the April 24, 2020 information from the Treasury Department called, "How to Calculate Maximum Loan Amounts – By Business Type". This document is available on our website for you to review. To maximize and expedite your PPP loan please have the following information available in PDF format so that it can be attached to the appropriate information/tab in our excel file called "PPP Loan Worksheet":

   a. **Payroll/Compensation Costs (to be uploaded to online loan application).**

      1. Complete the appropriate tab in in the "PPP Loan Worksheet" based your entity type. Print this tab to a PDF.

      2. Print to a PDF file the documentation that supports the amounts you entered in the template for compensation. Depending on your entity type, this information could be Form 940, 941's for 4 Quarters, W-3, W-2's, or a Form 1040 Schedule C. Attach this documentation to 2a2 above.

         i. You can either use your 2019 or 2020 payroll information. The SBA recommends that you use the information that will generate the higher average monthly compensation so that you can maximize your loan amount.

         ii. If you use a PEO for payroll and health care, please provide the Attestation

Letter that your PEO provided to you to certify this information

iii. Note that the compensation Tabs in Excel are designed to allow you to use the appropriate time period to determine for calculation of your average monthly compensation. Please enter your information into the appropriate cells on the excel worksheet and modify the number of months you use in the denominator so that you calculate the average amount correctly. Our consultants will be reviewing this calculation with you.

3. Please provide an easy audit trail so that the underwriter/reviewer can easily trace back information from the compensation information to the amount you are representing as your "Average Monthly Compensation".

b. **Employer Paid Group Health Insurance** **(to be uploaded to online loan application). Use information from the same year used for compensation.**

i. Complete this tab in the "PPP Loan Worksheet". Print this tab to a PDF.

ii. Print to a PDF file the documentation that supports the amounts you entered in the template for monthly Employer Paid Group Health Insurance.

iii. Please provide an easy audit trail so that that underwriter/reviewer can easily trace back information from the monthly totals to the amount <u>paid</u> for each item by payee. This could be an extract of various general ledger accounts or from bills paid.

iv. If you have vendor invoices available that support each item in 2biii above, please print these to a PDF and attach to2bi.

c. **Employer Paid Retirement Contributions** **(to be uploaded to online loan application). Use information from the same year used for compensation.**

i. Complete this tab in the "PPP Loan Worksheet". Print this tab to a PDF.

ii. Print to a PDF file the documentation that supports the amounts you entered in the template for monthly Employer Paid Retirement Contributions.

iii. Please provide an easy audit trail so that that underwriter/reviewer can easily trace back information from the monthly totals to the amount <u>paid</u> for each item by payee. This could be an extract of various general ledger accounts or from bills paid.

iv. If you have vendor invoices available that support each item in 2ciii above, please print these to a PDF and attach as well.

d. **Employer State & Local taxes assessed on employee compensation (Primarily State Unemployment Insurance Taxes)** **(to be uploaded to online loan**

application). Use information from the same year used for compensation.

      i. Complete this tab in the "PPP Loan Worksheet". Print this tab to a PDF.

      ii. Print to a PDF file the documentation that supports the amounts you entered in the template for Employer State & Local taxes assessed on employee compensation.

      iii. Please provide an easy audit trail so that that underwriter /reviewer can easily trace back information from the quarterly totals or the annual total.

      iv. Please attach the PDF in 2dii above to 2di.

   e. Annual Compensation in Excess of $100,000 (to be uploaded to online loan application).

      i. Complete this tab in the "PPP Loan Worksheet". Print this tab to a PDF.

      ii. Print to a PDF file the documentation that supports the amounts you entered in the template for Excess of 100,000 Worksheet.

      iii. Please provide an easy audit trail so that that underwriter /reviewer can easily trace back information from this worksheet to information from your payroll processing company or your internal payroll processing records.

      iv. Please attach the PDF in 2eiii above to 2ei.

3. Information form for Borrowing Entity and Ownership **(Have this information available should it be requested).**

4. <u>Two</u> pieces of current valid Identification <u>for each</u> principal with 20% ownership (front and back of identification – one of the pieces must be a photo identification) Driver License, Passport, credit card etc. **(to be uploaded to online loan application)**

5. **Borrower's NAICS code** – You will need to enter your NAICS code into the online application. We have just discovered that there is a glitch in the bank's online application whereby the NAICS code that you enter does not get stored in the application when the bank opens it on their end. For this reason we need you to type in your NAICS code on the separate tab called "NAICS Code" in the Excel file noted above called, "PPP Loan Worksheet".

   a. What is a NAICS Code? - A NAICS (pronounced NAKES) Code is a classification within the North American Industry Classification System. The NAICS System was developed for use by Federal Statistical Agencies for the collection, analysis and publication of statistical data related to the US Economy.

   b. How do I get a NAICS Code? - NAICS is a Self-Assigned System; no one assigns you a NAICS Code. What this means is a company selects the code that best depicts their

primary business activity and then uses it when asked for their code. If your Business Activities include more than one Unique Line of Business, you may want to use more than one NAICS Code. The attached links will allow you to determine your NAICS code. https://www.naics.com/search/

6. If the Applicant or any owner of the Applicant is an owner of any other business, or have common management with, any other business you will be required to list all Affiliates and the describe the nature of the relationship with each one. This information will need to be entered into the online application. **This information should be entered in the on Tab in PPP Loan Worksheet called Info re Entity & Ownership.**

7. **Additional information needed for online application** – The online application will request various information about the company and the person completing the application. This tab on the worksheet will allow you to gather this information in advance of completing the online application.

8. The objective **above is to attach the PDF of supporting documentation** to the PDF that summarizes this information in the excel tab of each cost component. After you have created the information for each cost component, we want you to consolidate all this information into one large PDF.

   If you are easily able to combine/merge these PDF files please do so. If you are unable to combine/merge these multiple files we can assist you with this. If you would like to attempt to do this yourself, visit this website, https://acrobat.adobe.com/us/en/acrobat/how-to/merge-combine-pdf-files-online.html where you will be able to download a free trial of Adobe Acrobat DC™ along with instructions on how to do so.