

Applying for the Paycheck Protection Program (PPP)

Frequently Asked Questions

Thank you for your interest and engagement with the “*Applying for PPP and Other COVID-19 Relief Funding*” webinar this week. We experienced a high volume of questions during the session, and while we cannot answer each question individually, we wanted to answer commonly asked questions to help the broader community.

Should you need additional, individualized support for your unique business needs, please contact your local [Small Business Development Center](#).

FINDING A PPP LENDER

Where can I find a PPP lender?

The SBA keeps a full list of PPP lenders [here](#).

HOW AND WHEN TO APPLY

Should I apply for PPP, unemployment, or both?

You cannot receive both PPP and unemployment benefits for the same time period, but you can apply or both and decide not to take PPP. Unemployment benefits differ by state, so it’s worth investigating your state’s benefits and compare that with your estimated PPP benefits (PPP loan calculator shown on page 3) to understand which would provide you with more relief. One additional consideration is how long you expect to need the salary relief, as PPP is meant only for eight weeks.

Do I qualify if my company has no employees / I am a sole proprietor (or Single Member LLC)? What documents do I need if I am in this situation?

Yes, sole proprietors, or small businesses where the owner is the only employee, and Single Member LLCs are eligible for the Paycheck Protection Program (PPP). While you should check with your lender on its specific requirements, the below table illustrates guidance provided by [Kabbage](#) on commonly required documents for sole proprietorships, independent contractors, the self-employed, and single member LLCs. Full information from Kabbage can be seen [here](#).

	If you have employees	If you do NOT have employees
All businesses of this type should provide the following	<ul style="list-style-type: none"> > Color copy of government issued ID (front and back) > 2019 1040 Schedule C > 2019 IRS Form W-3 > 2019 IRS Form 940 > W2s for any employees earning more than \$100,000 > Payroll statement covering 2/15/2020 	<ul style="list-style-type: none"> > Color copy of government issued ID (front and back) > 2019 1040 Schedule C > Substantiation of self employment: 1099-MISC for Independent Contractors > 2020 invoice, bank statement or book of record to establish you were operating effective 2/15/2020
If you have received or been approved for an EIDL	Your most recent statement from your outstanding Economic Injury Disaster Loan	

I applied for the PPP before the monies ran out. Do I need to reapply again or is our original loan application still valid?

In many cases, applications stayed in the SBA approval queue between rounds of funding. However, you should check with your lender to ensure that is the case. Your lender should be able to provide you with an ETRAN number for your PPP application if it was submitted for approval by the SBA.

How should I apply as a 501(c)(3)?

Applying as a 501(c)(3) is similar to a small business application. According to the Nonprofit Finance Fund, non-profit organizations can participate in PPP loans if the organization has 500 or fewer full-time and part-time employees and the organization was in operation on February 15, 2020 and with paid employees and/or paid independent contractors.

[Additional information for 501\(c\)\(3\)s can be found here.](#)

ELIGIBILITY AND DOCUMENTATION

Can I apply for PPP if I operate an essential business and have no loss of employees or business?

Any business, nonprofit, veteran’s organization, or tribal business that employs 500 employees or fewer that was operating on or before February 15, 2020 is eligible to apply. However, note that your lender will require a good faith certification that current economic uncertainty makes the loan necessary to support your ongoing operations.

I use my personal bank account for my business. How do I apply?

Policies regarding applicants’ personal or business accounts vary by bank, with some requiring a business account to process a PPP application and others not. You should check directly with your bank.

I run a Single Member LLC with 1099 employees and/or contractors. How should I apply?

Payments to 1099 employees do not qualify for coverage under PPP, but 1099 employees themselves are considered businesses by the government and can apply on their own for PPP.

As Single Member LLC, you can still apply for your own salary, which is explained on page 1.

How do we prove we have been affected by COVID-19? How do you get a good faith certification?

PPP borrowers will have to provide “good faith certification” that the current economic environment makes the PPP loan necessary to maintain operations. Your lender will provide you with a statement to certify either via a web form or paper/upload form.

Do 2019 tax returns need to be filed prior to applying, even though 7/15 is the filing deadline?

Sole proprietors will need to demonstrate a net profit to be eligible for PPP, so yes, 2019 tax returns must be provided, including a Schedule C. Other businesses should confirm required documents with their lender. In some cases, you may not need to provide a completed tax return and can instead provide a 2019 P&L, but you will need to submit the documents outlined in response on page 1. However, this varies by lender; confirm required documentation with your lender.

FUNDING AMOUNT AND USE OF FUNDS

How do I calculate my maximum PPP loan? Can payroll expenses be more than 75% of my PPP loan / request and still be forgivable?

You can use the below table to calculate your maximum PPP expense or use an online loan calculator like [this one](#). Your payroll expenses can be up to 100% of your PPP loan, and would qualify for full forgiveness.

Action	Step description
Start	Total annual payroll (<i>tip: exclude any contractors; new businesses can use time period 1/1/2020-2/29/2020 and seasonal businesses can use 2/15-6/30/2019</i>) <ul style="list-style-type: none"> • Any taxes imposed or withheld • If an employee’s annual salary is >\$100K, then subtract the excess over \$100K
Subtract (-)	<ul style="list-style-type: none"> • Any compensation for an employee whose principal residence is outside the US • Qualified sick leave wages or qualified family leave wages for which a credit is allowed under Section 7001 of the Families First Coronavirus Response Act
Divide (÷)	By 12 months to get your average payroll per month
Multiply (x)	By 2.5
Add (+)	The outstanding amount of any EIDL received between 1/31/2020 and 4/3/2020
Subtract (-)	Any EIDL “Advance” you have received
Equals (=)	Your maximum loan request

I know that I can use up to 25% of my PPP on rent and utilities, but what qualifies as rent and utilities? Does payment for coworking or other shared space count as rent? Do cell phone bills count as utilities?

Coworking spaces: There is no clear guidance on the use of coworking expenses as rent, and the specific response may depend on your specific coworking space agreement and your lender's requirements. For any lease space, the agreement must be in place by February 15, 2020. If your coworking space agreement is month-to-month, you could also consider pausing coworking operations during this crisis or negotiating a lower rate during this time.

Cell phone bills: The SBA doesn't provide definitive information on the use of cell phones as a utility, but many experts are suggesting that they might be included in the definition if you had your agreement in place before February 15, 2020. Again, check with your lender for its specific requirements.

We are currently not open. When we do reopen, it will be a slow process, and we will need the funds at that time to make payroll. When approved for PPP can you delay the receipt of the funds in order to delay the 8-week timeframe from starting?

Unfortunately, no. The 8-week period begins on the date the lender makes the first disbursement of the PPP loan to the borrower. The lender must make the first disbursement of the loan no later than 10 calendar days from the date of loan approval.

TRACKING APPLICATIONS

Is the loan application reference number the same as an E-Tran number? What if your lender cannot tell you if your E-Tran number is registered? If my primary lender does not have an E-Tran number for my application, should I consider another lender before money runs out?

Your loan application reference number is likely your lender's reference number for your application. That is different than the E-Tran number, which is your application's tracking number within the SBA's system. Your lender will have to review and submit your application to the SBA for it to be assigned an E-tran number.

You can apply for PPP funding through more than one lender. The SBA's system will accept the first valid application that arrives and reject subsequent ones.

How can I check my EIDL status?

Note that new EIDL applications are not being accepted. If that changes, [updated information can be found here.](#)

You can check the status of your EIDL application 3 ways:

- Through the [SBA Economic Injury Disaster Loan Portal](#) using the email address or username and password with which you registered when completing your online application
- As an alternative, you can also check your loan status through the [Disaster Loan Assistance Portal](#). This also requires the username and password used when applying for your loan
- You can also find out the status of your EIDL application by phone. You can use this method if you submitted your application online or by mail. Call 1-800-659-2955 (the SBA Disaster Assistance customer service center) about the application process, the status of your loan, or with any other questions you may have

The information required to check your EIDL status varies based on how you contact the SBA. The easiest way is through the online portal. If you use this method, you will need the username that you selected when filling out your application. You can also use the email address that you used when signing up. Additionally, you will need to enter your password to access the portal.

If you call in, you will not have a username or password, so you'll need to provide additional information. If you applied online, have your application number ready. You may also need to verify additional information, such as the name of your business, federal tax ID, and/or your legal name.