

Payroll Protection Program - Schedule C changes

Matt Mihalcik

AVP Small Business Market Manager



Schedule C changes

- With employees
 - Schedule C line 7 (capped at \$100k)
 - Minus lines 14,19 and 26
 - Plus payroll from W3s 941s W2s etc
- Without employees
 - Schedule C line 7 (capped at \$100k)

Documents – payroll

- **Businesses with employees***
 - 2019 Federal and State 941s or W3/W2s
or 2020 Federal and State 941s or W3/W2s
- **Businesses with no employees***
 - Owners 2019 or 2020 Tax return Schedule C,
Schedule F (farms) or K1s from partnerships (line
14a)

Documents – additional

- Health Care
 - 2019/2020 monthly statements
- Employer paid retirement benefits
 - 2019/2020 monthly statements

Seasonal employers

- SBA has their own definition of seasonal
 - Only operates 7 months of the year
- OR
- 6 month busy vs 6 month slow period
 - Slower 6 months 33% of gross receipts
- Only works for employees
- Cannot mix seasonal and schedule C, F or K1

Seasonal employers calculation

- Best 12 consecutive weeks 2/15/19 – 2/15/20
- Take total pay from 12 weeks divide by 12
multiple by 4
- $\$25,000 / 12 = \$2,083.33$ times 4 = $\$8,333.33$
 - $\$8,333.33$ monthly payroll
 - $20,833.33$ PPP loan amount

14 day small businesses only

- Ends today 3/9
 - Businesses with less than 19 employees
- Tomorrow 3/10 all size businesses
- Program end date 3/31*

2nd Draw documents

- 2nd draw loans under \$150k will not require new documents if using the same lender and same loan amount
 - Documents are required if applying for different amount
- Loans over \$150k will require revenue change supporting documents

How long will it take?

- Each banks review process will be unique
 - NSB is using a web portal to collect and review docs, workflow typically takes 2-3 days
- The SBA will respond to a loan requests within 2-3 days of receipt.

Forgiveness process:

Draw 1 and Draw 2

- Loans are being forgiven daily by the SBA
- Streamlined process for loans under \$150,000 started on 3/5
 - No supporting docs are required

Q&A

Thank you

- Matt Mihalcik – mmihalcik@nsbonline.com
 - 203-364-2973