

# FIRST HOME BANK

## FIRST DRAW PAYCHECK PROTECTION PROGRAM (PPP) BORROWER DOCUMENTATION REQUIREMENTS

### APPLICATION REQUIREMENTS

1. PPP Application: Paycheck Protection Program Application (SBA Form 2483); signed with all addendums completed, initialed certifications, and ownership information for any 20% or more owners. This will be completed electronically in the portal.
2. Business Tax Return: Most recent business federal income tax return, including all K-1s, if applicable.
3. Business Bank Statements: Business operating account statements verifying that the business was in operation and paying payroll (if applicable) on or before February 15, 2020 (January & February 2020)
4. Driver's License: Color copy or photo of front and back of driver license for all owners with 20%+ ownership.
5. Payroll Documentation to Support Requested Loan Amount: See attached for Payroll Documentation requirements.
6. Voided Business Check: Copy or photo of voided business check for the business account where loan proceeds will be deposited. The account must be in the name of the borrowing business.
7. Business Entity in Good Standing: We will be confirming the borrowing business is in good standing status with the Office of the Secretary of State where your business is domiciled. If your business is not in good standing, we will not be able to close and fund your loan. You will need to ensure your entity is in good standing.
8. Certificate of Authority: This document is also called the borrowing resolution. This provides confirmation of who has the authority to execute loan documents on behalf of the business. This is not required to be completed for a Sole Proprietor or Independent Contractor.
9. Paycheck Protection Program Loan Calculation Workbook: This applies to Applicants who do not utilize a third-party Professional Employer Organization (PEO) for payroll. Please see attached Payroll Documentation requirements for examples of PEOs and examples of PEO provided payroll reports which will waive this requirement.

# FIRST HOME BANK

## PAYROLL DOCUMENTATION TO SUPPORT REQUESTED LOAN AMOUNT

1. If you utilize a third-party Professional Employer Organization (PEO for payroll):  
Professional Employer Organization Payroll Reports: PEOs such as, ADP and Paychex, have prepared special payroll reports to comply with Paycheck Protection Program (PPP) requirements. See attached listing of common PEOs and how to request the specific PPP payroll reports.
  - A. Payroll Summary:**
    1. Seasonal businesses may provide a report for any 12-week period between February 15, 2019 and February 15, 2020. All other businesses should provide a report for calendar year 2019 or calendar year 2020.
  - B. Employees or owners with annualized compensation exceeding \$100,000:**
    1. If any of your employees are paid more than \$100,000 (cash compensation) on an annualized basis: 2019 or 2020 payroll statements by employee with line-item detail on cash compensation (salary, wages, commissions or similar compensation)
2. If you do not utilize a third-party Professional Employer Organization (PEO):
  - A. Non-seasonal businesses:**
    1. Payroll Summary:
      - a) Annual Payroll Summary for Calendar Year 2019 or Calendar Year 2020
        - Gross Pay (salaries, wages, commission, cash tips or equivalent compensation)
        - Payment for vacation, parental, family, medical, or sick leave
        - Allowance for separation or dismissal (severance)
        - Federal/State unemployment taxes paid out by the employer (FUTA, SUI)
        - Retirement benefits (if applicable)
        - Employer's share of health insurance (if applicable); **OR**
      - b) IRS Form 944 for 2019 or 2020; **OR**
      - c) IRS Form 941 for all 4 quarters of 2019 or 2020; **AND**
        - Internal reports verifying Employer paid Health Benefits & Employer Paid Retirement Benefits will be required in addition to the IRS forms
    2. Employees or owners with annualized compensation exceeding \$100,000:
      - a) If any of your employees are paid more than \$100,000 (cash compensation) on an annualized basis: 2019 or 2020 payroll statements by employee with line-item detail on cash compensation (salary, wages, commissions or similar compensation)
  - B. Seasonal businesses**
    1. Payroll Summary
      - a) Payroll Summary for any 12-week period between February 15, 2019 and February 15, 2020 to include the following:
        - Gross Pay (salaries, wages, commission, cash tips or equivalent compensation)
        - Payment for vacation, parental, family, medical, or sick leave
        - Allowance for separation or dismissal (severance)
        - Federal/State unemployment taxes paid out by the employer (FUTA, SUI)
        - Retirement benefits (if applicable)
        - Employer's share of health insurance (if applicable);

# FIRST HOME BANK

2. Employees or owners with annualized compensation exceeding \$100,000:
  - a) If any of your employees are paid more than \$100,000 (cash compensation) on an annualized basis: 2019 payroll statements by employee with line-item detail on cash compensation (salary, wages, commissions or similar compensation)

## **C. Businesses not in business for a full year in 2020**

### a) Payroll Summary

- Payroll Summary for all of the months the business was operating in 2020. Summary to include the following:
  - i. Gross Pay (salaries, wages, commission, cash tips or equivalent compensation)
  - ii. Payment for vacation, parental, family, medical, or sick leave
  - iii. Allowance for separation or dismissal (severance)
  - iv. Federal/State unemployment taxes paid out by the employer (FUTA, SUI)
  - v. Retirement benefits (if applicable)
  - vi. Employer's share of health insurance (if applicable);

### b) Employees or owners with annualized compensation exceeding \$100,000:

- If any of your employees are paid more than \$100,000 (cash compensation) on an annualized basis: 2020 payroll statements by employee with line-item detail on cash compensation (salary, wages, commissions or similar compensation)

## **D. Independent contractors**

1. 2019 or 2020 1099-MISC
2. 2019 or 2020 1040 with Schedule C (optional)

## **E. Sole proprietorships**

1. 2019 or 2020 1040 with Schedule C

## **SECOND DRAW > \$150,000 ONLY - ADDITIONAL DOCUMENTATION**

\*Second draw loans \$150,000 and less are required to prove the 25% reduction in gross receipts at the time of the forgiveness application or at the SBA's request

Demonstrate that gross receipts in any quarter of 2020 were at least 25% lower than the same quarter of 2019. Documentation proving the reduction in gross receipts may include relevant tax forms, quarterly financial statements, or bank statements.

1. Annual gross receipts comparison is acceptable
  - a. Must submit copies of annual tax forms substantiating the annual gross receipts reduction
2. Not in business Q1 and Q2 2019 but in operations Q3 and Q4 2019 –
  - a. Gross receipts of any quarter in 2020 were at least 25% lower than either Q3 or Q4 2019.
3. Not in business during Q1, Q2, and Q3 2019 but in operation Q4 2019 –
  - a. Gross receipts of any quarter in 2020 were at least 25% lower than Q4 2019
4. Not in business in 2019 but in operation before 2/15/2020 –
  - a. Gross receipts of Q2, Q3, or Q4 2020 were at least 25% lower than Q1 2020.