



SELF-EMPLOYED

PAYCHECK PROTECTION PROGRAM - **ROUND 2**

DOCUMENTS REQUIRED TO ASSIST IN CALCULATING THE PPP LOAN 2.0

THIS IS FOR INFORMATIONAL PURPOSES

NOTE: The new stimulus act does not require you to provide these documents if your PPP loan 2.0 is \$150,000 or less. However, regardless of the amount of your PPP loan 2.0 request amount, you will need these documents to determine the amount to request. It is very possible that your bank may require something different and that the SBA may change its requirements of what documents you are to provide after the date of the seminar on January 11, 2021. Regardless of the amount or the documents you are to provide to the bank, these are the documents I believe you need to *calculate* your PPP 2.0 loan request.

The seminar should shake out any technicalities. I have provided here as much information to help you narrow down what to bring. If you have any questions on what to have available, bring what you think to the seminar, where we should hammer is out. If you email for clarifications before the seminar, know I will address it during the seminar, as that is the purpose of the seminar. If you don't feel something is necessary, then don't bring it, and if you learn otherwise, you can grab that information later. If you think I have missed something, bring it. *Better to have more information then less.* 😊

___ Your PPP 1.0 application, loan document *(if you already pulled with the checklist beforehand, you are set)*

___ **2019** Schedule C (or Schedule F) as filed with the IRS *(if you already pulled with the checklist beforehand, you are set)*

- If you were not in business in 2019, then you won't have this

___ Gross Income by Quarter for 2019 **and** 2020

- You must know your gross income for each quarter
- Many will find this amount from their Profit & Loss Statement (Income Statement or P&L)
- If you don't have that available, you will need to extract from you bank statements your gross income
- If you were not in business any of the quarters, bring what you have available
- At this time, it appears the SBA will be basing it on your true gross income, not gross profit (net of cost of goods sold)
 - It is possible, not probable, the SBA choosing allow for some exceptions. SBA guidelines are needed to know.
- What is **NOT** gross income:
 - Loan proceeds
 - PPP 1.0 proceeds
 - Money you put in the company
 - Wages you received, if you have a W-2 job
 - Unemployment you received
 - Income that is NOT related to the business
 - If you received a grant from a state, local or otherwise, you will need to review if that grant has been deemed gross income, which should have been clearly communicated. With every grant being different, I would not know

- This is the gross income of the business, and the method to be used is on a *calendar basis* and *cash basis* of accounting; which you count the gross income when you collected it. To be clear you need the following quarters gross income.
 - If you already know the quarter where your gross receipts has declined, then just have the information for it
 - 1st quarter **2019 AND 2020** (January – March)
 - 2nd quarter **2019 AND 2020** (April – June)
 - 3rd quarter **2019 AND 2020** (July – September)
 - 4th quarter **2019 AND 2020** (October – December)
 -

___ 2020 Profit & Loss for your Schedule C or F (Unless you already prepared Schedule C or F, then have that)

- See the last page of this pdf for a sample profit & loss as a guide (very general guide)
- If you have QuickBooks, Quicken or other software, print out the income & expenses (P&L) for 2020
- You need to know what you expect your net income to be for 2020

___ I will be addressing the issue of tax deductions reducing your net income on Schedule C or F, which reduces PPP

- You can use your 2019 Schedule C as a guide, but I will help you try to solve the following to deduct
 - Taking the home office deduction (Line 30 of Schedule C)
 - Taking mileage or vehicle expenses (Line 9 of Schedule C)
 - Depreciating, expensing assets bought in 2020, if any (Line 13 of Schedule C)
 - Others to discuss. Just a heads up. Be aware if you do these already