

CARES ACT – PPP

President Trump signed an 880-page bill on March 27th, 2020 of \$2 trillion to support the economic disaster of those impacted by the COVID-19 outbreak. From this bill, \$350 billion is available to help small businesses survive through COVID-19 through the Paycheck Protection Program (PPP). These funds are provided as a loan for small businesses through any SBA lender to support payroll costs, interest on mortgages, rent and utilities. View the additional details below to learn more about PPP.

Paycheck Protection Program (PPP)

ELIGIBILITY

- Businesses with 500 employees or less
- Meet SBA’s “small” size standard
- 501c3 - non-profits
- Sole proprietor, independent contractor, or self-employed
- Tribal business and Veteran organizations - 501c19

APPLICATION

- To apply, applicants must go through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and farm credit system institution.
- The borrower will have to complete a [PPP Application Form](#) and provide payroll documentation, such as IRS forms, bank account information, payroll statements, profit & loss statements, etc.
- Most lenders will provide borrowers with information about what to include in application documentation.
- 1% Interest Rate – 2-year term – First payment deferred 6 months

LOAN AMOUNT

- Depending on payroll information the borrower provides, the business can apply for a loan amount of 2.5 x the borrower’s average payroll costs, or \$10 million maximum. Use Kansas SBDC’s [PPP Calculator](#)!
- Payroll costs include:
 - o Salary, wages, commission, tips
 - o Vacation, sick, medical, family leave
 - o Healthcare and Retirement benefits
 - o State/local taxes
 - o Net income for sole proprietors, contractors, and self-employed individuals
- \$100,000 salary cap/employee.

FORGIVENESS

- Loan amount can be forgiven during 8-week period from origination if the loan is spent on:
 - o Payroll costs, mortgage interest, rent, and utilities.
 - o At least 75% of the loan must be used for payroll costs.
- The forgiveness can be reduced if not all employees are rehired by June 30 or less than 75% of loan was for non-payroll costs

AS QUICK AS DETAILS CAN CHANGE, THIS INFORMATION MAY BE REVISED. PLEASE CHECK BACK FREQUENTLY FOR MORE INFORMATION.