

PrinsBank PAYCHECK PROTECTION PROGRAM (PPP)

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2nd Draw PPP Information Sheet

* Information is subject to change as new guidance is issued by the SBA and the Federal Government

Who Can Apply?

- Any small business that received a prior SBA PPP Loan
- Was an active business as of February 15th, 2020
- Is a small business who paid employees during the year's 2019 and/or 2020
- Sole proprietor, self-employed individual or independent contractor who filed a Schedule C or Schedule F for the tax year 2019 or 2020
- 501(c)(3) or other similar non-profit organization who paid employees during the years 2019 and 2020

KEY difference compared to previous PPP loan Program:

To Qualify

- o A small business, sole proprietor, self-employed individual or independent contractor must have experienced at least a 25% or more gross revenue reduction in any single quarter of 2020 vs. the same quarter of 2019

Example

- o Example: Revenue Q2 of 2019 = \$500,000, Revenue Q2 of 2020 = \$350,000
This is a 30% revenue decline and therefore eligible for a 2nd PPP loan

Maximum Loan Amount:

For small business owners & non-profits who paid payroll in 2019 or 2020:

- o Maximum loan amount is 2.5 x your average monthly payroll for 2019 or 2020
- o Example: 2020 payroll is $\$250,000/12 \text{ months} = \$20,833 \times 2.5 = \$52,083$

Sole proprietors, self-employed individuals & independent contractors who file a Schedule C:

- o Maximum loan amount is your 2019 or 2020 schedule C net profit (capped at \$100,000) divided by 12 x 2.5
- o Example: 2020 schedule C net profit is $\$75,000/12 = \$6,250 \times 2.5 = \$15,625$

Farmers & Ranchers who file a Schedule F:

- o Maximum loan amount is your 2019 or 2020 schedule F gross revenue (line 9) (capped at \$100,000) divided by 12 x 2.5
- o Example: 2020 schedule F gross revenue is \$300,000, capped at $\$100,000/12 = \$8,333 \times 2.5 = \$20,833$

Documentation required:

SBA Application form 2483-SD [CLICK HERE](#)

Documentation validating 25% gross revenue reduction in any single quarter of 2020 vs. the same quarter of 2019.

- o This can be in the form of a profit & loss statement, income tax documents or documentation of receipts received during the applicable time periods

Small businesses which paid payroll in 2019 or 2020:

- o 2019 or 2020 payroll records, IRS form 941's or similar documents

Sole proprietors, self-employed individuals & independent contractors who file a Schedule C or F:

- o 2019 or 2020 Schedule C or Schedule F, whichever is applicable



Our team is working hard to support your business during this unprecedented time.

Please contact your PrinsBank loan officer for additional details, as we are an SBA approved lender and are accepting PPP applications.



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