

# PAYCHECK PROTECTION PROGRAM

HOW TO ACCESS FUNDS + WHAT THIS PROGRAM MEANS FOR YOUR BUSINESS

**Jennifer Lapeyrouse**

**JEDCO Economic Development Finance Manager**



**HISPANIC CHAMBER**  
*of COMMERCE of Louisiana*



**JEDCO**

Jefferson Parish Economic Development Commission

# EIDL vs. PPP

## EIDL = Economic Injury Disaster Loan

- Application through SBA online portal only
- Less restrictive loan uses
- Loan with 30 year maturity and 3.75% fixed interest rate
- Longer (unknown) funding time

## PPP = Paycheck Protection Program

- Application through local SBA lender
- Very limited eligible loan uses
- Full loan amount may be forgiven
- Loan funds received quickly

# EIDL vs. PPP: Eligible Loan Uses

## EIDL = Economic Injury Disaster Loan

- Salaries including owners' salaries
- Mortgage, lease, or *fixed debt* monthly payment
- Accounts payable
- Interest payments, principal reductions, or payment in full is allowable for
  - Lines of Credit
  - Credit Cards

FIXED DEBT: outstanding loan with established monthly payments such as a car loan or equipment loan

## PPP = Paycheck Protection Program

### • Payroll/employee compensation

#### INCLUDED

- Insurance premiums
- Continuation of group healthcare during periods of paid sick, medical and family leave

#### NOT INCLUDED

- Payment to sole proprietor
- Payment to independent contractor

### • Interest on mortgage payment or lease payment

### • Utilities

- Electric/gas
- Phone
- Internet
- Water

# PPP: Eligible Loan Uses

- Payroll/employee compensation

INCLUDED

- Insurance premiums
- Continuation of group healthcare during periods of paid sick, medical and family leave

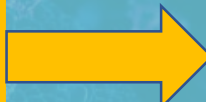
NOT INCLUDED

- Payment to sole proprietor
- Payment to independent contractor

- Interest on mortgage payment or lease payment

- Utilities

- Electric/gas
- Phone
- Internet
- Water



Must be at  
least 75% of  
loan proceeds

# PPP Loans: Who is Eligible to Apply?

- Small businesses including not-for-profits, veterans' organizations, Tribal concerns, self-employed individuals, sole proprietorships, and independent contractors
- Located in US
- < 500 employees (there are exceptions here)
- *In operation* on February 15, 2020

IN OPERATION: A company 'in operation' is transacting sales; this is not an 'incorporated as of' date

# PPP Loans: Program Timeframe

**1<sup>st</sup> day for Applications: Friday, April 3, 2020**

**Last Application Day: June 30, 2020 *or until funds are exhausted***

# PPP Loans: Loan Amount Calculation

**Maximum PPP Loan Amount =  
Average Monthly Payroll Costs x 2.5**

- **1099 Employees are eligible to apply for a PPP loan on their own, so they do not count for purposes of PPP Loan Amount Calculation**
- **If you did not receive EIDL Funding prior to April 3, 2020, then it is not considered in your PPP loan application**

**Chase Bank has a good PPP Calculation Loan Worksheet.**

# PPP Loans: Loan Funding and Loan Forgiveness

- Loan funding should occur 24-48 hours after approval
- Loan forgiveness can be up to the full principal amount and accrued interest
- Loan funds used for *Eligible Expenses* will be forgiven
- Additional guidance from SBA regarding loan forgiveness is pending

## ELIGIBLE EXPENSES:

Payroll/employee compensation

Interest on mortgage payment or lease payment

Utilities



Must be at least

75% of loan

proceeds



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# PPP Loans: Apply Now

## Documents to gather:

- 2019 W-3
- 2019 IRS Quarterly 940, 941, or 944 payroll tax reports
- Third Party Payroll Processing Summary Documents
- Company-Prepared Payroll Summary Documents
- 2019 Company-Prepared Financial Statements
- 2019 Business Tax Return
- 2019 Personal Tax Return (if the business files as a sole proprietorship, single entity LLC)

Local SBA  
Lenders  
Participating  
in PPP

**b1BANK**  
1-877-614-7600  
[b1BANK Website](#)  
[COVID-19 Response](#)

**Capital One**  
985-201-4685  
[Small Business Loans](#)  
[Covid-19 Response](#)

**Chase Bank**  
1-800-935-9935  
[Small Business Loans](#)  
[COVID-19 Response](#)

**Fidelity Bank**  
985-612-2755  
[Small Business Loans](#)  
[COVID-19 Response](#)

**First Bank & Trust**  
504-584-5900  
[Business Loans](#)  
[COVID-19 Updates](#)

**Gulf Coast Bank**  
1-800-223-2060  
[SBA Loans](#)  
[COVID-19 Response](#)

**Hancock/Whitney**  
1-800-448-8812  
[Small Business Financing](#)  
[COVID-19 Response](#)

**Home Bank**  
337-237-1960  
[SBA Loans](#)  
[Covid-19 Response](#)

**Iberia Bank**  
404-235-5550  
[SBA Lending](#)  
[Covid-19 Response](#)

**Jefferson Financial  
Federal Credit Union**  
504-348-2424  
[JFFCU Website](#)  
[COVID-19 Response](#)

**Metairie Bank & Trust**  
504-834-6330  
[Metairie Bank Site](#)  
[Covid-19 Response](#)

**Mississippi River Bank**  
504-392-1111  
[Mississippi River Bank Website](#)  
[COVID-19 Response](#)

**OnPath Federal Credit Union**  
800-749-6193  
[Business Loans](#)  
[COVID-19 Response](#)

**Regions Bank**  
1-800-734-4667  
[SBA Loans](#)  
[COVID-19 Response](#)



ADDITIONAL DISASTER  
FUNDING OPTION:

LOUISIANA LOAN  
PORTFOLIO GUARANTY  
PROGRAM | COVID-19  
ASSISTANCE

<https://www.opportunitylouisiana.com/covid19/led-loan-guaranty-program?v=2>

# Helpful Links

Apply for EIDL: <https://covid19relief.sba.gov/#/>

PPP Application: <https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Application-3-30-2020-v3.pdf>

Chase Bank PPP Salary Calculation Worksheet:  
<https://recovery.chase.com/content/dam/chase/recover/sba/paycheck-protection-program-calculation-loan-worksheet.pdf>

Local SBA Lenders: <https://www.jedco.org/wp-content/uploads/2020/03/SBA-Lenders-1.pdf>

LED COVID-19 Loan Assistance Program: <https://www.opportunitylouisiana.com/covid19/led-loan-guaranty-program?v=2>

JEDCO's COVID-19 Resource Page: <https://www.jedco.org/covid19-updates/>

HCCL COVID-19 Resource Page: <https://www.hccl.biz/covid-19-resources/>

This worksheet may assist in summarizing key data needed to determine the Paycheck Protection Program (PPP) loan amount for which you may qualify. You are required to provide documentation verifying the number of employees on payroll as well as the dollar amount of payroll costs. These tips may be useful for many applicants but not all.

**SUPPORTING DOCUMENTATION:**

Only one document is required as proof of payroll, but you may upload additional documents to support your average monthly payroll calculation. Examples of supporting payroll documentation include, but are not limited to:

- 2019 W-3
- 2019 IRS Quarterly 940, 941, or 944 payroll tax reports
- Third Party Payroll Processing Summary Documents
- Company-Prepared Payroll Summary Documents
- 2019 Company-Prepared Financial Statements
- 2019 Business Tax Return
- 2019 Personal Tax Return (if the business files as a sole proprietorship, single entity LLC)

**REMINDER:** Please do not upload a paper copy of your Paycheck Protection Program Borrower Application Form

**FOR SEASONAL BUSINESSES**

In evaluating a borrower’s eligibility, a lender may consider whether a seasonal borrower was in operation on February 15, 2020 or for an 8-week period between February 15, 2019 and June 30, 2019.

**FOR NEW BUSINESSES**

Average monthly payroll may be calculated using the time period from January 1, 2020 to February 29, 2020.

**STEP 1: CALCULATING TOTAL SALARY**

Enter the compensation to employees (whose principal place of residence is the United States) in the form of annual gross salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment of state and local taxes assessed on compensation of employees. For an applicant who is an independent contractor or sole proprietor, wage, commissions, income, or net earnings from self-employment or similar compensation. **NOTE:** Independent Contractors do not count as employees for the purposes of the calculation.

<b>Employee</b> <small>Whose principal place of residence is the U.S.A.</small>	<b>Compensation</b> <small>Annual gross salary, wages, commissions, tips</small>	<b>PPP annual payroll costs</b> <small>If greater than \$ 100,000 enter \$ 100,000.</small>
Angela	\$ 120,000	\$ 100,000
Betty	\$ 5,000	\$ 5,000
Charlie	\$ 40,000	\$ 40,000
<b>TOTAL BENEFITS COMPENSATION</b>		<b>\$ 145,000</b>

**NOTE:** If the total salary for an employee is greater than \$ 100,000, enter \$ 100,000.

For more business resources, visit [chase.com/business](https://chase.com/business) | For current PPP Loan Requirements go to [sba.gov](https://sba.gov)

**IMPORTANT NOTE:** For Informational Purposes Only: Interpretations and strategies described may not be appropriate for every applicant, and do not take the place of legal, tax or accounting advice for your situation. You should carefully consider your needs and objectives before making any decisions, and consult the appropriate professional(s). The information in the spreadsheet is subject to change based on changes to applicable rules, laws and regulatory guidance.

### STEP 2: CALCULATING TOTAL BENEFITS COMPENSATION

Add to the total amount in STEP 1: Benefits and other compensation to all employees for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payment for the provision of employee benefits consisting of group health coverage, including insurance premiums; and retirement.

Benefit Amount	Amount
Payments to employees for vacation, parental, family, medical, or sick leave	\$ 500
Allowance for separation or dismissal	\$ 11,300
Employee benefits: group health coverage, insurance premiums	\$ 700
Retirement benefits	\$ 300
<b>TOTAL BENEFITS COMPENSATION</b>	<b>\$ 12,800</b>

### STEP 3: EXCLUSIONS

Subtract: Federal employment taxes imposed or withheld between February 15, 2020 and June 30, 2020, including the employee’s and employer’s share of FICA (Federal Insurance Contributions Act) and Railroad Retirement Act taxes; and income taxes required to be withheld from employees; and qualified sick and family leave wages for which a credit is allowed under sections 7001 and 7003 of the Families First Coronavirus Response Act.

Exclusions	Amount
Federal employment taxes including Employee and Employer share of FICA and RR Retirement taxes imposed or withheld between February 15, 2020 and June 30, 2020	- \$ 500
Income taxes required to be withheld from employees	- \$ 1,000
Qualified sick and family leave wages for which a credit is allowed under Families First Coronavirus Response Act	- \$ 300
<b>TOTAL EXCLUSIONS</b>	<b>- \$ 1,800</b>

### STEP 4: CALCULATE TOTAL ANNUAL PAYROLL

Total Salary		Total Benefits Compensation		Total Exclusions		Total Annual Payroll
\$ 145,000	+	\$ 12,800	-	\$ 1,800	=	\$ 156,000

### STEP 5: CALCULATE AVERAGE MONTHLY PAYROLL

Total Annual Payroll		12 (months)		Average Monthly Payroll
\$ 156,000	/	12	=	\$ 13,000

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