

PPP First Draw Loan Sizing Worksheet



For: **Self-employed and has employees**

This includes independent contractors and sole proprietors, but not if you are a partner in a partnership.

Your business name:

PART I: CALCULATE YOUR MAXIMUM PPP LOAN REQUEST AMOUNT

1. **Enter the time period you are using to calculate average monthly payroll**

Options: 2019, 2020, or Startup Method (see instructions on page 3)

Owner Compensation:

2. **a. Enter if you would like to base your owners compensation off of Gross Income (Line 7) or Net Profit (Line 31)**

Options: Gross Income, Net Profit

- b. If using Gross Income, enter the following figures from your IRS Form 1040 Schedule C**

Gross income amount (Line 7)

(+)

Employee benefit programs (Line 14)

(-)

Pension and profit-sharing plans (Line 19)

(-)

Wages (less employment credits) (Line 26)

(-)

Subtotal (min \$0, max \$100,000)

- c. Else if using Net Profit, enter the net profit amount (Line 31) from your IRS Form 1040 Schedule C**

If this amount is over \$100,000, reduce it to \$100,000.

If this amount is less than zero, just enter 0.

Employee Payroll Costs for the selected time period:

3. **a. Enter IRS Form 941 Taxable Medicare wages & tips**

Line 5c-column 1 from each quarterly 941

Q1

Q2

Q3

Q4

Subtotal

As applicable for the selected time period:

- b. Enter any pre-tax employee contributions for health insurance or other fringe benefits excluded from Taxable Medicare wages & tips**

c. Enter (i) any amount paid to any individual employee in excess of \$100,000, and (ii) any amounts paid to any employee whose principal place of residence is outside the US

(-)

Additional eligible payroll costs for the selected time period:

d. Enter employer contributions for employee group health, life, disability, vision, and dental insurance

The portion of IRS Form 1040 Schedule C line 14 attributable to those contributions

e. Employer contributions to employee retirement plans

IRS Form 1040 Schedule C line 19

f. Employer state and local taxes assessed on employee compensation, primarily state unemployment insurance tax

Primarily state unemployment insurance tax (from state quarterly wage reporting forms)

4. Subtotal all payroll costs

Adding Line 2 plus Line 3-a, b, d, e, f, and minus Line 3-c

5. Calculate average monthly payroll

Net Profit / 12

» Enter this amount in the 'Average Monthly Payroll' box of your SBA Form 2483

6. Multiply the average monthly payroll amount by 2.5

7. Add the outstanding amount of any EIDL loan received between 1/31/20 and 4/3/20 that you seek to refinance.

Do not include the amount of any advance under an EIDL COVID-19 loan (because it does not have to be repaid).

You do not have to refinance your EIDL. This is purely optional.

→ This Your Maximum PPP Loan Request Amount:

.00

Line 6 + Line 7 rounded down to nearest whole dollar

» Enter up to this amount in the 'Loan Request Amount' box of your SBA Form 2483

PART II: ORGANIZE YOUR REQUIRED SUPPORTING DOCUMENTS

The following documents must be submitted along with your completed SBA Form 2483. If any required documents are missing, it will delay the processing of your application and could jeopardize its ability to be funded.

Document(s) to support your Average Monthly Payroll figure:

- IRS Form 1040 Schedule C for the relevant year
- IRS Form 941 from each quarter (or equivalent payroll processor records or IRS Wage and Tax Statements)
- If Line 3-f is greater than \$0: state quarterly wage unemployment insurance tax reporting form from each quarter (or equivalent payroll processor records or IRS Wage and Tax Statements)

- If Line 3-e is greater than \$0: documentation of any retirement or group health, life, disability, vision, and dental contributions

Document(s) to prove in operation:

- A payroll statement or similar documentation from the pay period that covered February 15, 2020 must be provided to establish you were in operation and had employees on that date.

**** Continue to the next page for Part III ****

PART III: FILL OUT YOUR SBA FORM 2483

Below are the most common ways applicants incorrectly fill out their Form 2483. Please review each of them to ensure you've correctly completed your form, and then initial at the bottom once you've verified each of the items.

Page 1 Common Issues:

Paycheck Protection Program
 Borrower Application Form Revised January 8, 2021

OMB Control No.: 3245-0407
 Expiration Date: 7/31/2021

Check One: <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> Independent Contractor <input type="checkbox"/> Self-Employed Individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal Business <input type="checkbox"/> Other	DBA or Tradename (if applicable)	Year of Establishment (if applicable)
Business Legal Name	NAICS Code	Applicant (including affiliates, if applicable) Meets Size Standard (check one): <input type="checkbox"/> No more than 500 employees (or 300 employees, if applicable) <input type="checkbox"/> SBA industry size standards <input type="checkbox"/> SBA alternative size standard
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed)	Business TIN (EIN, SSN)	Business Phone
	Primary Contact	Email Address

Average Monthly Payroll: \$	x 2.5 + EIDL (Do Not Include Any EIDL Advance) equals Loan Request Amount: \$	Number of Employees:	Purpose of the loan (select all that apply): <input type="checkbox"/> Payroll Costs <input type="checkbox"/> Rent / Mortgage Interest <input type="checkbox"/> Utilities <input type="checkbox"/> Covered Operations Expenditures <input type="checkbox"/> Covered Property Damage <input type="checkbox"/> Covered Supplier Costs <input type="checkbox"/> Covered Worker Protection Expenditures <input type="checkbox"/> Other (explain):
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Applicant Ownership
 List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN/SSN)	Address

If questions (1), (2), (5), or (6) are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	<input type="checkbox"/>	<input type="checkbox"/>
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input type="checkbox"/>
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management (including a management agreement) with any other business? If yes, list all such businesses (including their TINs if available) and describe the relationship on a separate sheet identified as addendum A.	<input type="checkbox"/>	<input type="checkbox"/>
4. Did the Applicant receive an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020? If yes, provide details on a separate sheet identified as addendum B.	<input type="checkbox"/>	<input type="checkbox"/>
5. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction? <i>Initial here to confirm your response to question 5 →</i>	<input type="checkbox"/>	<input type="checkbox"/>
6. Within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance, or within the last year, for any other felony, has the Applicant (if an individual) or any owner of the Applicant (1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment)? <i>Initial here to confirm your response to question 6 →</i>	<input type="checkbox"/>	<input type="checkbox"/>
7. Is the United States the principal place of residence for all employees included in the Applicant's payroll calculation above?	<input type="checkbox"/>	<input type="checkbox"/>
8. Is the Applicant a franchise?	<input type="checkbox"/>	<input type="checkbox"/>
9. Is the franchise listed in the SBA's Franchise Directory? If yes, enter the SBA Franchise Identifier Code here: _____	<input type="checkbox"/>	<input type="checkbox"/>

Make sure to enter your full EIN (if incorporated) or SSN (if self-employed) **without dashes**.

Must provide SSN (**without dashes**) if owner is an individual. Only use EIN if owner is another business.

Make sure and answer **all** questions.

If Yes for #3, you must attach Addendum A.

If Yes for #4, you must attach Addendum B.

Don't forget to **initial questions 5 & 6!!!**

Carefully read and answer #7 (hint: must be 'Yes' to be a valid application)

Page 2 Common Issues:

645 by imprisonment of not more than two years and/or a fine of not more than \$5,000, and, if submitted to a federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

I acknowledge that the Lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge, and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

Signature of Authorized Representative of Applicant	Date
Print Name	Title

SBA Form 2483 (1/21) 2

Initial all boxes

And don't forget to **sign your form!!**

Initial:

Initial to the right to indicate that you have reviewed each of these common issues and verified your form has been completed fully to the best of your ability →

SPECIAL INSTRUCTIONS IF USING THE "STARTUP METHOD" TIME PERIOD

If you were in operation on February 15, 2020, but were not in operation between February 15, 2019, and June 30, 2019, you may choose one of two ways to calculate your First Draw PPP Loan amount.

The **first option** is to simply use payroll information for all of 2020 instead of 2019. If using this option, please select "2020" as your time period for question 1 above and then proceed following the instructions.

The **second option**, the "Startup Method", is to calculate your loan amount using your average monthly payroll costs (and Schedule C net income) for January and February 2020.

Fill out an IRS Form 1040 Schedule C for January and February 2020. The entries on the schedule must reflect all business income and expenses from those two months, with the exception that on Schedule C line 13:

- o you must include only 1/6 of the amount of any annual depreciation and section 179 expense deduction attributable to investment made in those months, and

- o you must include 1/6 of the amount of the 2020 depreciation deduction attributable to investment made in prior years.

Once completed, enter the amount from Line 31 on your Schedule C for Question 2 on page 1 of this worksheet. Note: save your Schedule C as you will be required to attach it when submitting your application.

Then, additionally add all relevant employee payroll costs for on Page 1 Lines 3 a-f. You also must provide payroll records from those two months, your IRS Form 941 for the first quarter of 2020, and documentation of any employer retirement and group health, life, disability, vision, and dental insurance contributions made on behalf of employees.

QUESTIONS?

[Please visit our PPP Help Center for FAQ, webinars, and contact information to reach one of our PPP specialists](#)