

Items to Consider for Documentation

Payroll tax reports

- IRS Forms 941 for the 1st and 2nd quarter of 2019 and 2020
- OH Form JFS-20125 for the 1st and 2nd quarter of 2019 and 2020

Compensation

- Gross wages for each employee for the following:
 - During the 8-week covered period
 - During the most recent full quarter before the 8-week covered period

Identify employees who during any period in 2019, received annualized pay of > \$100,000

Identify employees whose principal place of residence is outside the United States

Identify employees who are electing to utilize the qualified sick or FMLA option under the Families First Coronavirus Response Act

State and local employer taxes

- Determine state unemployment tax (SUTA) assessed on employee's comp during the 8-week period
- Document payment (canceled checks, bank statements supporting electronic payments)
- Document confirmation of payment

Group health benefits

- Document (canceled checks, bank statements supporting electronic payments) total costs paid for all health care benefits including insurance premiums paid by the employer
- Prepare reconciliation schedule showing
 - Total amount paid for all employees including owners
 - Employee withholdings for their portion of plan(s)

Retirement plan benefits

- Document (canceled checks, bank statements supporting electronic payments) all retirement plan funding costs remitted by the employer
- Document confirmation of deposits by investment custodian/trustee
- Prepare reconciliation showing
 - Total amount paid for all employees including owners
 - Employee withholdings/deferrals for their contribution to the plan

Full-time Equivalents (FTEs)

- The average number of FTEs per month for the following periods
 - During the 8-week covered period
 - February 15, 2019 through June 30, 2019 - **THIS PERIOD TO BE USED BY SEASONAL EMPLOYERS**
 - January 1, 2020 through February 29, 2020

Other expenses

- Mortgage interest, lease payments, utility payments including electricity, gas, water, transportation, telephone, or internet access for which service began before 2/15/2020. Sewerage is not specifically mentioned but is generally considered a utility.
 - Invoices/bills
 - Canceled checks
 - Bank statements supporting electronic payments
 - Credit card statements supporting payment by CC
 - Account statements
 - Lease agreements

Documenting Current Economic Uncertainty Making Your PPP Loan Request Necessary to Support Ongoing Operations

We recommend that you take immediate action to assemble the following information in a comprehensive manner:

- Review prior corporate minutes, cash flow projections, and other communications that support plans for capital expenditures, specific reserves, support for your cash management and investment policies. Retain a copy of these records in the PPP documentation file.
- Review and document budget forecasts and the impact of COVID-19. Include changes to revenue, customer demand, risk that your product offering will be diminished during the economic uncertainty. What happens if business must close again after reopening?
- Document the specific economic uncertainties faced by your business. What are the unique aspects faced by your company? What is the lag time from the start of the pandemic to the initial impact on your business? Consider supply chain, consumer responses, anticipated changes due to break in service/customer relations? What lead time is required once business reopens?
- Document the employee related decisions including those that are not impacted by COVID-19. What decisions would be different if the loan were not available?
- Document the availability of capital and the cost of each type of capital. What is the timing to procure the capital?
- What are the long-term or recurring effects of using any available source of capital for even the eight-week covered period?
- A rolling forecast at the time of PPP application showing downturn/shut down. Any following forecasts prepared illustrating the impacts of COVID on the entity.
- Market reports or market indicators illustrating the impact of COVID.
- Industry demand reports or documentation of any disruptions in the supply chain.
- Government mandates on shutdowns (both on the federal and state level), including those on key suppliers or customers.
- Cash flow modeling pre- and post-COVID impact.

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