



Paycheck Protection Program

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What is it?

- The Paycheck Protection Program (PPP) is part of the CARES (Coronavirus Aid, Relief, and Economic Security) Act to help small businesses stay open and keep people employed during this pandemic.
- \$349 Billion was allocated to give out in federally guaranteed, potentially forgivable loans to small businesses through the SBA.
- Loan amounts are calculated based on your payroll costs, but are capped at a max loan amount of \$10 million.
- Loan term is 2 years, but can be forgiven or paid off before then.
- Interest rates are 1.00% fixed for all loans.
- Loan payments are deferred for 6 months.
 - Interest will accrue during this time.
- As of now, you can only take out a PPP loan once.



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Who qualifies?

Non-profit and small businesses that are being negatively impacted by COVID-19!

- Small businesses with fewer than 500 employees.
- Non-profit organizations with fewer than 500 employees.
- Tribal businesses.
- Independent contractors and self-employed individuals.
- Sole proprietorships.
- Veteran organizations.

Important Reminders

1. Business/organization must meet SBA size standards.
2. Qualifying businesses were open on or before February 15, 2020.
3. If you have multiple locations if <500 employees, each location may qualify for a PPP loan!
4. 500 employee threshold includes all employees, i.e. full-time, part-time, and any other status.

What can I use it for?

- Payroll costs, including benefits.
- Mortgage interest incurred before February 15, 2020.
- Rent for lease agreements in force before February 15, 2020.
- Utilities, for which service began before February 15, 2020.



How much can I borrow?



Loans can be up to 2.5x the borrower's average monthly payroll costs, not to exceed \$10 million.

Congress only approved a limited pool of funds for ALL small and medium-sized employers in the country, so the funds will be distributed on a first-come, first-serve basis. Larger companies will likely be able to have more resources to quickly apply and get funding, leaving less for smaller NCDFIs. **Apply ASAP** so you get a piece of the pie, too.





Salary, wages, commissions, or tips.

** capped at \$100,000 on an annualized basis for each employee*



State and local taxes assessed on compensation.

Employee benefits including:

- Costs for vacation, parental, family, medical, or sick leave.
- Allowance for separation or dismissal.
- Payments required for the provisions of group health care benefits including insurance premiums.
- Payment of any retirement benefit.



For a sole proprietor or independent contractor:
Wages, commissions, income, or net earnings from self-employment.

** capped at \$100,000 on an annualized basis for each employee.*

What are payroll costs?

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'I THINK YOU SHOULD BE MORE EXPLICIT HERE IN STEP TWO.'

How do I calculate my payroll costs?



Excluded Payroll Costs:

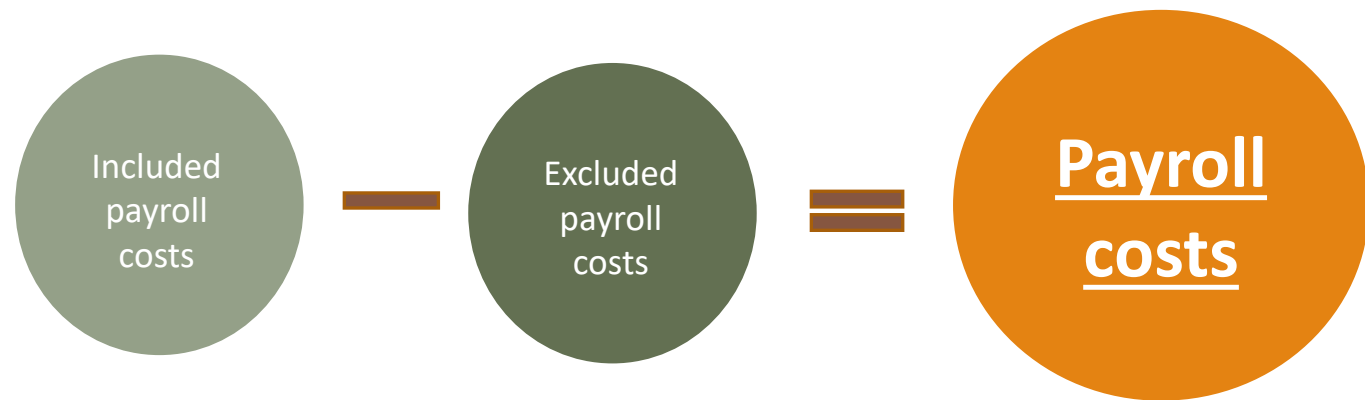
- Individual employee with annual salary >\$100,000 (prorated for Feb 15 to June 30, 2020)
- Taxes for payroll, income, and railroad retirement.
- Compensation of an employee whose place of residence is outside of the US.
- Qualified sick leave wages and qualified family leave wages for which a credit is allowed under Families First Coronavirus Response Act .

Included Payroll Costs:

Sum of payments for employees compensation (i.e. salary, wage, commission, etc) and payments of:

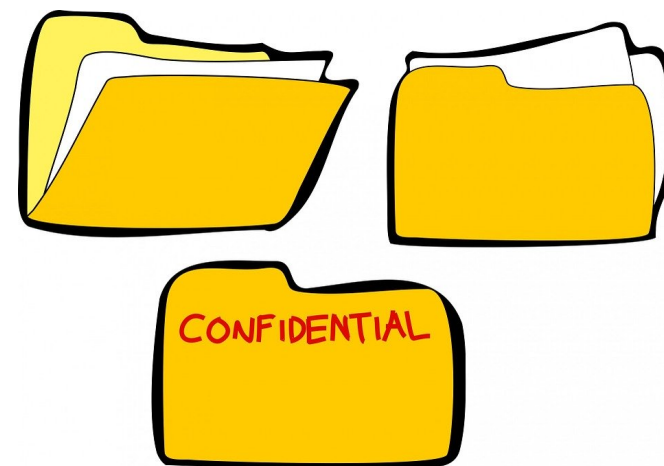
- cash tip or equivalent.
- vacation, parental, family, medical, or sick leave.
- allowance for dismissal or separation
- the provisions of group health care benefits, including insurance premiums.
- any retirement benefit.
- state or local tax assessed on the compensation of the employee.


**For sole proprietors, independent contractors, and self-employed individuals, the sum of payments that are income, wage, commission, net earnings, and similar compensation. Amount cannot exceed \$100,000 in one year.*



What do I need to apply?

- Certify in good faith that current economic uncertainty **makes the loan necessary** to support your ongoing operations.
- **Articles of incorporation** for each borrowing entity and by-laws or operating agreement for each borrowing entity.
- IRS forms 940 and 941 & Form 1099-MISC (if you're an **independent contractor**)
- Most recent **mortgage or rent statement** and **utility bills**.
- A list of **owners who hold at least a 20% stake** in your company and copies of **their drivers licenses**.
- **Payroll expense verification** documents & **payroll summary report** with corresponding **bank statements**.
- Breakdown of **payroll benefits** (vacation, allowance for dismissal, group healthcare benefits, retirement benefits, etc.)
- **Certification** that all employees live **within the United States**, and a list of employees who **do not live in the U.S. and their salaries**
- Trailing **12-month profit and loss statement** (as of the date of application) for all applicants





Keep your workers on the payroll.

Maintain employee salary & wages.

Record all payroll costs & know how you've spent your loan.

No more than 25% of the forgiven amount may be for non-payroll costs.

Borrowers can still spend funds on other forgivable expenses, including:

- Vacation, parental, family, medical, or sick pay.
- Allowance for dismissal or separation.
- Health insurance premiums and group healthcare benefits.
- Retirement benefits.
- State or local taxes related to employee compensation.
- Cash tips or equivalent for tipped workers.
- Business utilities (electricity, gas, and water).
- Communication (phone or internet access).
- Rent or mortgage provided the lease or owner agreement was signed before February 15, 2020.

What do I need to do for loan forgiveness?

How Much of My Loan Will be Forgiven?

You will owe money when your loan is due if you use the loan amount for anything other than payroll costs, mortgage interest, rent, and utilities payments over the 8 weeks after getting the loan.

You will owe money if more than 25% of the amount is used for non-payroll costs.

Your loan forgiveness will be reduced if you decrease your full-time employee headcount.

Your loan forgiveness will be reduced if you decrease salaries and wages by more than 25% for any employee that made less than \$100,000 annualized in 2019.

You have until June 30, 2020 to rehire your full-time employment and restore salary levels for any changes made between February 15, 2020 and April 26, 2020.

How do I get my loan forgiven?

- Submit request to the lender servicing your loan.
- Documents to include:
 - Verification of full-time equivalent employees and payrates.
 - Payments made on eligible mortgage, lease, and utility obligations.
 - Certification that documents are true
 - Certification that you used the forgiveness amount to keep employees and make eligible payments.
- Lender must make a decision on the forgiveness within 60 days.





Must-Knows

- COVID-19 relief programs are evolving regularly. Please visit **SBA.gov** for the most up to date information.
- You will need to complete the Paycheck Protection Program loan application and submit the application with the required documentation to an approved lender that is available to process your application by **June 30, 2020**. The program is open until June 30, 2020, **we encourage you to apply as quickly as you can** because there is a funding cap and lenders need time to process your loan.



Frequently Asked Questions

- When can I apply for the PPP loan?
- I laid off my employees. Can I still apply for the PPP?
- Does the PPP cover paid sick leave?
- Does the PPP offer loan or a grant?
- What CAN'T I do with my PPP loan?

How do I apply?



Contact your local financial institution to find out if they are an SBA Lender.



Contact [Joel Smith](#) or [Shannon Ward](#) at Native American Bank.



If you use QuickBooks, you can apply directly through Intuit.



Visit your local bank.



Contact the Small Business Administration (SBA).



CLICK [HERE](#) FOR
APPLICATION.

PAYCHECK PROTECTION
PROGRAM

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Native American Bank Checklist:



Native American Bank Payment Protection Program (PPP) Loan Checklist and Questionnaire

Please check as completed or insert "N/A" if a section does not pertain to your business.

<input type="checkbox"/>	1	PPP Application	Primary NAICS Code:	<input type="text"/>
<input type="checkbox"/>	2	Copies of payroll tax reports filed with the IRS (Form 940, 941, 944) for the entire year of 2019 and first quarter of 2020 (if available)		
<input type="checkbox"/>	3	Articles of Incorporation/Organization	Date Business Started:	<input type="text"/>
<input type="checkbox"/>	4	By-Laws, Operating Agreement		
<input type="checkbox"/>	4a	Borrowing Resolution (if applicable per bylaws);		
<input type="checkbox"/>	4b	List Authorized Signor(s) per Bylaw/Resolution	Name:	<input type="text"/>
<input type="checkbox"/>			Title:	<input type="text"/>
<input type="checkbox"/>	5	Beneficial Ownership Form (Bank Provided)		
<input type="checkbox"/>	6	Payroll records* for each pay period for 2019 and 2020 YTD. Such reports should include:		
		<ul style="list-style-type: none">- Total Full-Time Employee (FTE) on staff in each pay period- All wages, salaries and commissions paid, including vacation leave, sick leave, Paid Time Off (PTO), family leave, medical leave, parental leave- Monies spent or involved in an employee termination or dismissal- Employer contribution to costs related to maintaining a group healthcare plan including premiums (Plan must be in-place prior to 2/15/2020)- Employer contribution to employee retirement benefits (Only employer portion i.e. match)- Employer contribution for state or local taxes assessed on employee compensation- Breakout of Highly Compensated Employees (with total compensation over \$100,00 annually/\$8,333.33 monthly)<ul style="list-style-type: none">- Indicate total number of employees above threshold each period and amount of total compensation above threshold- 1099s for 2019 for independent contractors that would otherwise be employees of your business. (Do NOT include 1099s for services)		
<input type="checkbox"/>	7	A detailed profit and loss statement for the year ended 2019 and YTD 2020 (as available)		
<input type="checkbox"/>	8	Current Debt Schedule (NAB Form or Your Format)		
<input type="checkbox"/>	9	Copy of Leases - If intended PPP Loan use includes lease payments - Must be executed prior to 2/15/2020		
<input type="checkbox"/>	10	Copy of Promissory Note - If intended PPP Loan use includes loan interest payments - Must be executed prior to 2/15/2020		
<input type="checkbox"/>	11	Copy of Insurance Policies - If intended PPP Loan use includes loan interest payments - Must be in place prior to 2/15/2020		
<input type="checkbox"/>	12	Utility Costs - If intended PPP Loan use includes utility payments - Certify these were active as of 2/15/2020	Initial:	<input type="text"/>

*If the business uses ADP's Runmodule, this report can be found in Reports > Payroll for All Employees

Please indicate the average number of FTE's you employed in the following periods:

2/15/19 - 6/30/19	<input type="text"/>
1/1/20- 2/29/20	<input type="text"/>

Native American Bank Checklist:



Native American Bank Social Metrics Collection Sheet

Company Information:
Company Name:
First Time Borrower: ☐
Native American Owned*: ☐
Woman Owned*: ☐
Tribal or Alaska Native Corp Owned*: ☐
Start-Up Business: ☐
Non-Profit: ☐
Small Business**: ☐

(Check all that are applicable)

Date:

Tribal Affiliation:

Tribal Affiliation:

Employment Information:

Number of New Permanent Jobs: As a result of this financing

Number of Jobs Retained: As a result of this financing

% of Employees Provided: Living Wage*** Health Insurance Retirement

% of Jobs Available: W/o Advanced Degree To Low-Income Community Residents

Native Preference in Hiring Staff: ☐

*Owned - At least 51%

** Revenue of 1 Million or Less

*** Living Wage - The minimum hourly wage necessary for an individual to meet basic needs, including housing, nutrition, daily living expenses and other incidentals such as clothing, for an extended period of time



Team Oweesta and Native American Bank thanks you and your team for participating in this webinar. We are all in this together and we are grateful for the opportunity to serve YOU!