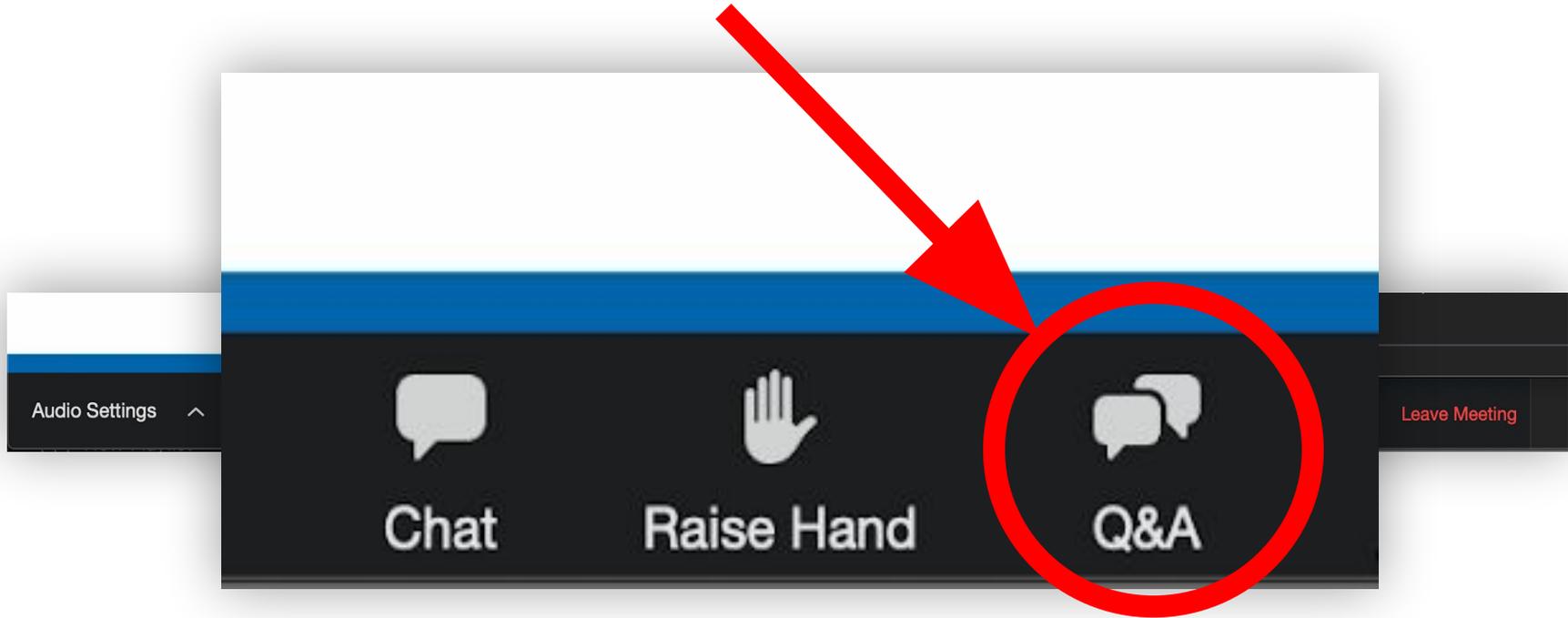


PPP Forgiveness – How to Get the Application Right as a LLC, C- or S- Corporation

Live Webinar will begin shortly

August 27, 2020

4:30-6:00 PM



Meet The Presenters



Eric Saltzman

Greg Loosvelt

Juliana Ramirez

Disclaimer

The information provided is based upon facts that were available at the time of publication and are subject to change. We make no warranties, express or implied, or representations as to the accuracy, completeness or timeliness of the information provided. We cannot be held liable for any claims or damages that result from reliance on this information.

Neither SCORE or SCORE Mentors provide legal or accounting advice. This presentation provides a general overview of the subject matter. You should seek advice from your lawyers, accountants and other advisor regarding the specifics of your business.

AGENDA

- The Flexibility Act
- PPP Loan Forgiveness Application
- PPP Loan Forgiveness Options and Rules
- Q&A

Paycheck Protection Program Flexibility Act?

On June 5, 2020, the President signed into law the PPP “Flexibility Act.” The law is designed to give small businesses more flexibility and time to make qualifying expenditures for loan forgiveness.

The Flexibility Act covers:



Lengthens the forgiveness “**covered period**” from an **8-week period (56 days)** to **24-weeks (168 days)**, but no later than December 31, 2020

- ✓ Borrowers who received their PPP loan before June 5, 2020, maintain the option to use the original 8-week period or any period between the 8-week and 24-week covered period



Extends the **PPP loan payment deferral period** from 6 months, to the date on which your eligible forgiveness amount is remitted to the lender. For borrowers who do not apply for forgiveness within **10 months** after the end of the covered period, the deferral period will end at that time as well



Revises the 75/25 **payroll/non-payroll** cost minimum requirement to **60/40**



If loan obtained on or after **June 5, 2020 loan term is 5 years**. Loan term may be extended upon borrower and lender agreement, from 2 years to 5 years, if PPP loan was obtained prior to June 5, 2020.

Paycheck Protection Program Flexibility Act? Cont'd

On June 5, 2020, the President signed into law the PPP “Flexibility Act.” The law is designed to give small businesses more flexibility and time to make qualifying expenditures for loan forgiveness.

The Flexibility Act covers:



Allows borrowers to **delay their payroll tax payments** through the end of 2020. The provision requires that the deferred employment tax be paid over the following two years, with half of the amount due by December 31, 2021, and the other half due by December 31, 2022



Provides an **additional exemption from loan forgiveness reduction** based on inability to rehire (in good faith) the same Full-Time Equivalent (FTE) level or inability to return (in good faith) to the same level of business activity before February 2020



Payroll costs capped at \$100,000 of annualized pay per employee (**8 weeks = maximum of \$15,385** per individual or **24 weeks = maximum of \$46,154** per individual)

Owner employees are capped at 8 weeks = maximum of \$15,385 or 24 weeks = maximum of \$20,833

SBA Loan Forgiveness Applications

On June 16, 2020, the SBA issued updated loan forgiveness applications and instructions.

Print and review the SBA Forms and Instructions. Gain an understanding of what data is needed and consult your legal and tax professional. Check with lender to determine whether they are using their own application.



Key highlight:

There are two loan forgiveness applications available. Be sure to review both to see which option will be better suited for your business:

The image shows the top portion of the SBA PPP Loan Forgiveness Application Form 568EZ. The form includes fields for Business Legal Name, Business Address, Business TIN, Primary Contact, and E-mail Address. It also has sections for SBA PPP Loan Number, Lender PPP Loan Number, PPP Loan Amount, PPP Loan Disbursement Date, Employees at Time of Loan Application, and EIDL Application Number. There are checkboxes for Payroll Schedule (Weekly, Biweekly, Twice a month, Monthly, Other) and a section for Covered Period. The form is titled 'Paycheck Protection Program PPP Loan Forgiveness Application Form 568EZ' and includes OMB Control No. 3245-0097 and Expiration date: 10/31/2020.

PPP Loan Forgiveness:

- [Application Form EZ](#)
- [Application](#)

Things you should know:

- A borrower can apply for loan forgiveness at any time on or before the maturity date of the loan, including prior to the end of the Covered Period
- The loan forgiveness expenses need to be collected prior to completing the loan forgiveness application via Lender online portal
- Borrowers will still need to prepare documentation as part of the loan forgiveness application process
- Borrowers will need to retain information for 6 years

The EZ Loan Forgiveness Application

Borrowers must meet one of three criteria options to be able to utilize the EZ application.

Option 1	Option 2 (2-part criteria)	Option 3 (2-part criteria)
<p>Borrower is a self-employed individual, independent contractor, or sole proprietor who had no employees at the time of the PPP loan application and did not include any employee salaries when applying for PPP funds</p>	<p>Borrower did not reduce annual salary or hourly wages of any employee by more than 25% during the Covered Period or the Alternative Payroll Covered Period compared to the period between January 1, 2020, and March 31, 2020</p>	
	<p style="text-align: center;">AND</p> <p>Borrower did not reduce the number of employees or the average paid hours (FTE) of employees between January 1, 2020 and the end of the Covered Period</p> <p>Reduction exception includes:</p> <ul style="list-style-type: none"> • Inability hire similarly qualified employees (counts as of February 15, 2020) for unfilled positions on or before December 31, 2020. • If an employee's hours that the Borrower offered to restore was refused by the employee 	<p style="text-align: center;">AND</p> <p>Borrower was unable to operate during the Covered Period at the same level of business activity as before February 15, 2020, due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020, by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration, related to the maintenance of standards of sanitation, social distancing, or any other work or customer safety requirement related to COVID-19</p>

How to calculate Full-Time Equivalency (FTE)?

A FTE is defined as an employee working 40 hours per week.

A simplified method that assigns a 1.0 for employees who work 40 hours or more per week and 0.5 for employees who work fewer hours may be used at the election of the Borrower.

Key highlights:

- ✓ Borrowers must use consistent FTE calculation when applying for loan forgiveness
 - ✓ Can use actual FTE calculation (37.5 hrs. / 40 hrs. = 0.9 FTE) or simplified method (0.5 FTE)
- ✓ 1099 employees (contractors) cannot be included in your total employee counts – they were able to apply for loan forgiveness separately

Reminders:

- 25% salary or wage reduction exception for the EZ form is based on each individual employee (not an overall employee average)
- Employee payroll costs are capped at \$100,000 of annualized pay per employee (8 weeks = maximum of \$15,385 per individual or 24 weeks = maximum of \$46,154 per individual)
- Owner employee payroll costs are capped at 8 weeks = maximum of \$15,385 or 24 weeks = maximum of \$20,833

Exceptions to the FTE Reduction Rules

There are a growing number of exceptions to the headcount reduction rule. For any of the following situations, the applicable FTE statistics should be excluded:

- (i) borrower makes a good-faith, written offer to rehire or restore the reduced hours of an employee during the forgiveness covered period, the offer was rejected and the borrower has documentation of the offer and rejection;
- (ii) the employee was fired for cause;
- (iii) the employee voluntarily resigned;
- (iv) the employee requested and received a reduction of their hours;
- (v) the borrower in good faith can document the inability to rehire individuals who were employees on February 15, 2020 and hire similarly qualified employees for unfilled positions on or before December 31, 2020;
- (vi) the borrower in good faith can document the inability to return to the same level of business activity as before February 15, 2020 due to compliance with requirements established or guidance issued related to COVID-19.

What do Owner Employees need to know about compensation caps?

An Owner Employee is inclusive of: Independent Contractor, Self-Employed Individual, Sole Proprietor, General Partner or Owner Employee of any other entity type.

Key highlights:



Owner employee compensation for **8-week period** is capped at lesser of 8/52 of 2019 net profits or **\$15,385** per individual in total across all businesses



Owner employee compensation for **24-week period** is lesser of (2.5/12) months' worth of 2019 net profit up to **\$20,833** per individual in total across all businesses

- ✓ Excluding any qualified sick leave amount for which a credit is claimed under the Families First Coronavirus Response Act (Section 7002 or 7004)



If you leverage 2019 net profit or compensation then supply 2019 tax documents along with proof of payment during the covered period

Expenses included in Payroll & Non-Payroll Costs?

- Payroll costs are defined as: payroll expenses, including health and retirement benefits, and payment of state and local taxes imposed on employee payroll.
- Non-payroll costs are defined as: interest on business mortgage obligations, rent/leases and utilities.

Highlights of Payroll Cost (minimum of 60%):

Sample payroll expenses:



- ✓ Salary (up to \$100,000 per employee), wages, commissions, tips, bonuses and hazard pay
- ✓ Vacation, parental, family, medical and sick pay

Sample health and retirement benefits:



- ✓ Health, dental and vision insurance
- ✓ Employer paid: 401K matches, profit sharing payments, pension contributions and SEP contributions for W2 Owners

Payment of state and local taxes imposed on employee payroll (excludes employer paid FICA taxes)



- ✓ Do not list any taxes withheld from employee earnings

Highlights of Non-Payroll Cost clarified by the SBA:



Transportation utility costs are considered gasoline/fuel for business vehicles used for business purposes



Interest payment on business mortgage obligation on real or personal property:

- ✓ Real property is referring to the real estate, rent and leases
- ✓ Personal property is referring to business equipment only

Determine the best Covered Period for my PPP loan?

A borrower should choose a covered period that will allow all eligible payroll and non-payroll expenses to be paid out prior to applying for loan forgiveness.

Key highlights:

- ✓ The covered period chosen needs to align with payroll and non-payroll expense disbursement, payment and documentation
- ✓ Cannot pay for expenses prior to receiving PPP funds deposited into account

Things you should know:

A borrower can apply for loan forgiveness

- When PPP funds have been exhausted
- At any time on or before the maturity date of the loan, including prior to the end of the Covered Period



PPP funds deposited into account



PPP funds have been exhausted



8-week covered period on application



PPP funds deposited into account



PPP funds have been exhausted



24-week covered period on application

Covered Period & Alternative Payroll Covered Period?

The covered period is 8 weeks (56 days) OR 24 weeks (168 days), but no later than December 31, 2020, from date of loan disbursement. Borrowers with loans prior to June 5 can still elect to use the 8-week covered period

Alternative payroll covered period begins 8 weeks (56 days) OR 24 weeks (168 days), from the first day of the first payroll cycle in the Covered Period.

Covered Period:



Alternative Payroll Covered Period:

(only applies to bi-weekly and weekly payroll cycles)



Note: this alternative period is only applicable for payroll expenses



Documentation needed for forgiveness application?

Gather and scan PDF copies of the documentation listed below. Ensure PDF documents are not password protected before uploading to the online application.

Note: Expenses included in the loan forgiveness application require supporting documentation.

	Payroll Expenses		Non Payroll Expenses
	Bank account statements or third-party payroll service provider reports documenting cash compensation paid to employees		Business mortgage interest payments: <ul style="list-style-type: none"> • Amortization schedule and cancelled checks OR • Bank statements from February 2020 and each month of the Covered Period, plus one additional month
	Tax forms or equivalent third-party payroll service provider reports for: payroll tax filings and state quarterly wage reporting and unemployment insurance tax filings		Business rent and lease payments: <ul style="list-style-type: none"> • Copy of current lease and receipts OR • Cancelled checks or bank statements from February 2020 and each month of the Covered Period, plus one additional month
	Payment receipts, cancelled checks, or account statements documenting employee health insurance and retirement plan contributions		Business utility payments: <ul style="list-style-type: none"> • Copy of invoices from February 2020 and those paid during each month of the Covered Period, plus one additional month AND • Receipts, cancelled checks, or account statements
	FTE Documentation: Any employee job offers and refusals, firings for cause, voluntary resignations, and written requests by any employee for reductions in work schedule; documentation showing average number of FTE employees		

FORM 3508EZ
START WITH THE BASICS



Paycheck Protection Program
PPP Loan Forgiveness Application Form 3508EZ

OMB Control No. 3245-0407
Expiration date: 10/31/2020

Business Legal Name ("Borrower")		DBA or Tradename, if applicable	
BARMOR ENTERPRISES, INC.		Barrera's Restaurant & Bakery	
Business Address		Business TIN (EIN, SSN)	Business Phone
644 S. C Street		[REDACTED]	(805) 486 - 3717
Oxnard, CA 93036		Primary Contact	E-mail Address
		Carmen Morales	info@jrbookkeepingservices.com

SBA PPP Loan Number: 4403747410

Lender PPP Loan Number: n/a

PPP Loan Amount: 31,936

PPP Loan Disbursement Date: 05/11/2020

REFER TO OFFICIAL SBA PROMISSORY NOTE
REQUEST WITH YOUR BANK OR LENDER IN CASE YOU DON'T HAVE IT



U.S. Small Business Administration

NOTE

SBA Loan #	4403747410
SBA Loan Name	Barmor Enterprises Inc
Date	5/11/2020
Loan Amount	\$ 31936.00
Interest Rate	1.0%
Borrower	Barmor Enterprises Inc
Operating Company	Barmor Enterprises Inc
Lender	Customers Bank

IF YOU APPLIED FOR AN EIDL LOAN AND RECEIVED AN ADVANCE YOU SHOULD HAVE THIS INFORMATION



OMB Control #3245-0406

Expiration Date:
09/30/2020

Disaster Loan Assistance

Federal Disaster Loans for Businesses, Private Non-profits, Homeowners and Renters

COVID-19 ECONOMIC INJURY DISASTER LOAN APPLICATION

Application Submitted

Your application number is

 **3311712711**

You will not receive an email confirmation of your application submission. You will be notified through the email address you submitted (pabloguzman020@gmail.com) when we are processing your application. Please write down your application number or print this page for your records.

SBAD TREAS 310 PREAUTHORIZED ACH CREDIT SBAD TREAS 310 **\$6,000**

COVERED PERIOD & ALTERNATIVE COVERED PERIOD?

8 WEEKS OR 24 WEEKS

Employees at Time of Loan Application: 6

Employees at Time of Forgiveness Application: 6

EIDL Advance Amount: N/A

EIDL Application Number: N/A

Payroll Schedule: The frequency with which payroll is paid to employees is:

Weekly Biweekly (every other week) Twice a month Monthly Other

Covered Period: 05/11/2020 to 07/05/2020 OR 10/25/2020

Alternative Payroll Covered Period, if applicable: 05/18/2020 to 07/12/2020 OR 11/1/2020

COVERED PERIOD & ALTERNATIVE COVERED PERIOD?

Run Payroll: Biweekly

Pay from

Chase Checkings*****2639

Balance -\$2,156.91

Pay period

08/10/2020 to 08/23/2020

06/29/2020 to 07/12/2020

06/15/2020 to 06/28/2020

06/01/2020 to 06/14/2020

05/18/2020 to 05/31/2020

05/04/2020 to 05/17/2020

04/20/2020 to 05/03/2020



New Average Monthly Qualified Payroll Cost Report

View this new report if you're applying for a loan.

[View report](#)

TOTAL PAYROLL COSTS

Forgiveness Amount Calculation:

Payroll and Nonpayroll Costs

Line 1. Payroll Costs (enter the amount from PPP Schedule A, line 10):	27,192
Line 2. Business Mortgage Interest Payments:	0
Line 3. Business Rent or Lease Payments:	1,600
Line 4. Business Utility Payments:	450

CARES SBA-PPP: Loan Forgiveness Payroll Cost
From: 05/11/20 To: 07/05/20
Covered Period: 8 Weeks

This report provides the total payroll cost for all pay dates during your selected covered period length. The SBA payroll cost must be at least 80% of the forgiveness amount. Employees are listed alphabetically in two separate groups: first are employees who did not earn more than \$100,000 on an annualized basis* in any single pay period in 2019 and employees who were not employed in 2019; and second are employees who earned, in at least one pay period in 2019, gross pay in excess of \$100,000 on an annualized basis*. For your Loan Forgiveness Application, these two groups of employees will need to be listed separately.

Name	Gross Pay	FFCRA Excluded Earnings*	Gross Pay in Excess of \$100K Equivalent*	SBA Gross Pay	Employer Taxes State and Local	Employer Health Benefit Cost*	Employer Retirement Plan Cost*	SBA Payroll Cost
Employees that are under \$100K in 2019								
Estus, Robert F	\$11,750.00	\$0.00	\$0.00	\$11,750.00	\$57.00	\$0.00	\$0.00	\$11,807.00
Silveira, William E	\$16,666.64	\$0.00	\$1,281.64	\$15,385.00	\$0.00	\$0.00	\$0.00	\$15,385.00
Total	\$28,416.64	\$0.00	\$1,281.64	\$27,135.00	\$57.00	\$0.00	\$0.00	\$27,192.00
Employees that are over \$100K in 2019								
Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Grand Total	\$28,416.64	\$0.00	\$1,281.64	\$27,135.00	\$57.00	\$0.00	\$0.00	\$27,192.00

CARES SBA-PPP: Loan Forgiveness Employee Wage Comparison
From: 05/11/20 To: 07/05/20
Covered Period: 8 Weeks

The Wage Comparison Report lists gross wages paid for each employee for the selected covered period and the lookback period and shows average annual salary (for employees on salary for any portion of either period) or average hourly rate (for hourly employees) for each period. The Wage Comparison Report can be used to show if there has been a reduction of wages for any employee of more than 25% between the selected covered period and the lookback period. Note that if you processed unpaid hours for any hourly employee, such as for unpaid leave, during one of the listed periods, you may need to manually adjust the employee's calculated hourly rate.

Name	SSN	Hire Date	Term Date*	Lookback Period Gross Pay	Lookback Period Average Annual Salary*	Lookback Period Total Hours	Lookback Period Average Hourly Wage*	Covered Period Gross Pay	Covered Period Average Annual Salary*	Covered Period Total Hours	Covered Period Average Hourly Wage*	Wage Comparison *	Potential Forgiveness Reduction Amount*	Over \$100K in 2019*
Estus, Robert F	xxx-xx-1041	01/01/19		\$14,000.00	\$58,000.00			\$11,750.00	\$78,375.00			1.38	\$0.00	
Silveira, William E	xxx-xx-0104	01/01/19		\$24,999.98	\$99,999.84			\$15,385.00	\$100,000.00			1.00	\$0.00	
Total													\$0.00	

THIRD PARTY PAYROLL COMPANIES LIKE ADP, PAYCHEX, GUSTO, ETC. HAVE PPP REPORTS AVAILABLE

CARES SBA-PPP: Loan Forgiveness FTEE Comparison

The Comparison Report provides Full Time Equivalent Employee (FTEE) values for the FTEE calculation options and can be used to show if there has been a reduction of FTEEs between the selected Covered Period and the Lookback Period you choose.

Cover Period = 05/11/20 to 07/05/20

Lookback Period 1 = 02/15/19 to 06/30/19

Lookback Period 2 = 01/01/20 to 02/29/20

Name	SSN	Hire / Rehire Date	Term Date*	Covered Period Hours*	Covered Period FTEE Opt 1*	Covered Period FTEE Opt 2*	Lookback Period 1 Hours*	Lookback Period 1 FTEE Opt 1*	Lookback Period 1 FTEE Opt 2*	Lookback Period 2 Hours*	Lookback Period 2 FTEE Opt 1*	Lookback Period 2 FTEE Opt 2*
Employees that are under \$100K in 2019												
Estus, Robert F	xxx-xx-1041	01/01/19			1.00	1.00		1.00	1.00		1.00	1.00
Silveira, William E	xxx-xx-0104	01/01/19			1.00	1.00		1.00	1.00		1.00	1.00
Total					2.0	2.0		2.0	2.0		2.0	2.0
Employees that are over \$100K in 2019												
Total					0.0	0.0		0.0	0.0		0.0	0.0
Grand Total					2.0	2.0		2.0	2.0		2.0	2.0

LOAN FORGIVENESS FTEE CALCULATION

Cover Period = 05/11/20 to 07/05/20

Lookback Period 1 = 02/15/19 to 06/30/19

Lookback Period 2 = 01/01/20 to 02/29/20

Name	SSN	Hire / Rehire Date	Term Date*	Covered Period Hours*	Covered Period FTEE Opt 1*	Covered Period FTEE Opt 2*
Employees that are under \$100K in 2019						
Aly, Omar M	xxx-xx-3931	12/15/16		250.34	0.78	0.50
Daniels, Shawuatombi a C	xxx-xx-4744	06/22/15		260.92	0.82	0.50
Drew, Jazmine	xxx-xx-0118	09/10/17		171.00	0.53	0.50
Real, Claudia C	xxx-xx-7354	01/25/17		157.00	0.49	0.50
Thomas, Stanique	xxx-xx-2283	05/01/16		237.92	0.74	0.50
Hasan, Emma	xxx-xx-0789	06/22/15			1.00	1.00
Sattiewhite, Regina	xxx-xx-1700	08/01/15			1.00	1.00
Total					5.4	4.5
Employees that are over \$100K in 2019						
Total					0.0	0.0
Grand Total					5.4	4.5

FTE formula used in this example

Total hours 250.34 / 8 weeks / 40 hours = .78

PPP SCHEDULE A WORKSHEET

PPP Schedule A Worksheet

Table 1: List employees who:

- Were employed by the Borrower at any point during the Covered Period or the Alternative Payroll Covered Period whose principal place of residence is in the United States; and
- Received compensation from the Borrower at an annualized rate of less than or equal to \$100,000 for all pay periods in 2019 or were not employed by the Borrower at any point in 2019.

Employee's Name	Employee Identifier	Cash Compensation	Average FTE	Salary / Hourly Wage Reduction
Estus, Robert	1041	11,750	1	0
Silveria, William	0104	15,385	1	0
FTE Reduction Exceptions:				
Totals:		Box 1 27,135	Box 2 2	Box 3 0

Table 2: List employees who:

- Were employed by the Borrower at any point during the Covered Period or the Alternative Payroll Covered Period whose principal place of residence is in the United States; and
- Received compensation from the Borrower at an annualized rate of more than \$100,000 for any pay period in 2019.

Employee's Name	Employee Identifier	Cash Compensation	Average FTE
Totals:		Box 4	Box 5

Attach additional tables if additional rows are needed.

PPP SCHEDULE A

FTE Reduction Safe Harbor 2:

- Step 1. Enter the borrower's total average FTE between February 15, 2020 and April 26, 2020. Follow the same method that was used to calculate Average FTE in the PPP Schedule A Worksheet Tables. Sum across all employees and enter: 2.
- Step 2. Enter the borrower's total FTE in the Borrower's pay period inclusive of February 15, 2020. Follow the same method that was used in step 1: 2.
- Step 3. If the entry for step 2 is greater than step 1, proceed to step 4. Otherwise, FTE Reduction Safe Harbor 2 is not applicable and the Borrower must complete line 13 of PPP Schedule A by dividing line 12 by line 11 of that schedule.
- Step 4. Enter the borrower's total FTE as of the earlier of December 31, 2020, and the date this application is submitted: .
- Step 5. If the entry for step 4 is greater than or equal to step 2, enter 1.0 on line 13 of PPP Schedule A; the FTE Reduction Safe Harbor 2 has been satisfied. Otherwise, FTE Reduction Safe Harbor 2 does not apply and the Borrower must complete line 13 of PPP Schedule A by dividing line 12 by line 11 of that schedule.

Note: 2/15/2020 - 4/26/2020 is 10 weeks

The formula to calculate FTE per employee for those 10 weeks would be:

To divide Total hours by 10 by 40

For example: $250 \text{ hrs} / 10 = 25 / 40 = .62$ (which would be .50 for FTE purposes)

PPP SCHEDULE A

PPP Schedule A

PPP Schedule A Worksheet, Table 1 Totals

Line 1. Enter Cash Compensation (Box 1) from PPP Schedule A Worksheet, Table 1:	27135
Line 2. Enter Average FTE (Box 2) from PPP Schedule A Worksheet, Table 1:	2
Line 3. Enter Salary/Hourly Wage Reduction (Box 3) from PPP Schedule A Worksheet, Table 1: If the average annual salary or hourly wage for each employee listed on the PPP Schedule A Worksheet, Table 1 during the Covered Period or the Alternative Payroll Covered Period was at least 75% of such employee's average annual salary or hourly wage between January 1, 2020 and March 31, 2020, check here <input type="checkbox"/> and enter 0 on line 3.	0

PPP Schedule A Worksheet, Table 2 Totals

Line 4. Enter Cash Compensation (Box 4) from PPP Schedule A Worksheet, Table 2:	0
Line 5. Enter Average FTE (Box 5) from PPP Schedule A Worksheet, Table 2:	0
<u>Non-Cash Compensation Payroll Costs During the Covered Period or the Alternative Payroll Covered Period</u>	
Line 6. Total amount paid or incurred by Borrower for employer contributions for employee health insurance:	0
Line 7. Total amount paid or incurred by Borrower for employer contributions to employee retirement plans:	0
Line 8. Total amount paid or incurred by Borrower for employer state and local taxes assessed on employee compensation:	57

Compensation to Owners

Line 9. Total amount paid to owner-employees/self-employed individual/general partners: This amount may not be included in PPP Schedule A Worksheet, Table 1 or 2. If there is more than one individual included, attach a separate table that lists the names of and payments to each.	0
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---

Total Payroll Costs

Line 10. Payroll Costs (add lines 1, 4, 6, 7, 8, and 9):	27,192
----------------------------------------------------------	--------

ADJUSTMENTS FOR FTE EQUIVALENCY AND SALARY/HOURLY WAGE REDUCTIONS

Adjustments for Full-Time Equivalency (FTE) and Salary/Hourly Wage Reductions

Line 5. Total Salary/Hourly Wage Reduction (enter the amount from PPP Schedule A, line 3):

0

Line 6. Add the amounts on lines 1, 2, 3, and 4, then subtract the amount entered in line 5:

29,242

Line 7. FTE Reduction Quotient (enter the number from PPP Schedule A, line 13):

1

POTENTIAL FORGIVENESS

Potential Forgiveness Amounts

Line 8. Modified Total (multiply line 6 by line 7):

29,242

Line 9. PPP Loan Amount:

31,936

Line 10. Payroll Cost 60% Requirement (divide line 1 by 0.60):

45,320

Forgiveness Amount

Line 11. Forgiveness Amount (enter the smallest of lines 8, 9, and 10):

29,242

FOR C-CORP OWNER-EMPLOYEE

BARMOR ENTERPRISES, INC.

PROFIT AND LOSS

January - December 2019

	TOTAL
* Income	
Food Sales	371,412.67
Non Taxable Food Sales	190.22
Total Income	\$371,602.89
* Cost of Goods Sold	
Food Purchases	118,599.21
Restaurant Supplies	12,406.77
Total Cost of Goods Sold	\$131,005.98
GROSS PROFIT	\$240,596.91
* Expenses	
Automobile	85.88
Bank Service Charges	477.00
Equipment Rental	1,998.24
* Insurance Expense	7,573.41
Merchant Account Fees	4,676.14
* Professional Fees	19,004.80
Rent Expense	16,901.00
Repairs and Maintenance	7,328.00
* Salaries and Wages	
Employee Wages	119,379.19
Officer's Salary	32,844.24
Total Salaries and Wages	152,223.43
* Taxes and Licenses	15,360.16
Unapplied Cash Bill Payment Expense	112.11
* Utilities	14,365.45
Total Expenses	\$240,105.62
NET OPERATING INCOME	\$491.29
* Other Income	
Earned Interest	3.40
Total Other Income	\$3.40
NET OTHER INCOME	\$3.40
NET INCOME	\$494.69

2.5/12 of his or her 2019 employee cash compensation (“Officer’s Salary”)

In this example:

$$\$32,844.24 \div 12 = \$2,737.02 \times 2.5 = \$6,842.55$$

For a 24-week Covered Period, this amount is capped at \$20,833 (the 2.5-month equivalent of \$100,000 per year) for each individual or the 2.5-month equivalent of their applicable compensation in 2019, whichever is lower. For an 8- week Covered Period, this amount is capped at 8/52 of 2019 compensation (up to \$15,385).

FOR GENERAL PARTNERS

Schedule K-1 (Form 1065) 2019
 Department of the Treasury Internal Revenue Service
 OMB No. 1545-0123

Final K-1 Amended K-1

Partner's Share of Income, Deductions, Credits, etc.
 beginning / / 2019 ending / /

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4a	Guaranteed payments for services		
4b	Guaranteed payments for capital		
4c	Total guaranteed payments		
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends		
6c	Dividend equivalents	17	Alternative minimum tax (AMT) items
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	18	Tax-exempt income and nondeductible expenses
9b	Collectibles (28%) gain (loss)	C*	26.
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)		
11	Other income (loss)	19	Distributions
12	Section 179 deduction	20	Other information
13	Other deductions	Z*	STMT

14 A Self-employment earnings (loss) 27,301.

L Partner's Capital Account Analysis

Beginning capital account	\$ 52,071.
Capital contributed during the year	\$
Current year net income (loss)	\$ 643.
Other increase (decrease) (attach explanation)	\$
Withdrawals & distributions	\$
Ending capital account	\$ 52,714.

M Did the partner contribute property with a built-in gain or loss?
 Yes No If "Yes," attach statement. See instructions.

N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)

Beginning	\$
Ending	\$

BAA For Paperwork Reduction Act Notice, see Instructions for Form 1065. www.irs.gov/form1065 Schedule K-1 (Form 1065) 2019 Partner 1 PTPA0312L 12/10/19

14	Self-employment earnings (loss)	
A	27,301.	

2.5/12 of their 2019 net earnings from self-employment that is subject to self-employment tax, which is computed from 2019 IRS Form 1065 Schedule K-1 box 14a

In this example:

$$\$27,301 \div 12 = \$2,275.08 \times 2.5 = \$5,687.70$$

However, if your K1 income was more than 100k for 2019 then the cap is \$15,385 for an 8-week covered period or \$20,833 for a 24-week covered period

CREATE CUSTOM REPORTS TO BE ABLE TO COMPARE 8 WEEKS VS 24 WEEKS

Reports

Standard

Custom reports

Management reports

NAME	CREATED	DATE RANGE
24 weeks (168 days) PPP P&L	Juliana Ramirez	05/11/2020-11/01/2020
8 Week (56 days) PPP - P&L	Juliana Ramirez	05/11/2020-07/05/2020

PROFIT & LOSS BY CLASS - ISOLATE PPP AND EIDL ELIGIBLE EXPENSES ALL IN ONE REPORT

BARMOR ENTERPRISES, INC.

PROFIT AND LOSS
January - December 2020

	EIDL	PPP	NOT SPECIFIED	TOTAL
Income	\$0.00	\$0.00	\$121,304.41	\$121,304.41
Cost of Goods Sold	\$0.00	\$0.00	\$24,007.60	\$24,007.60
GROSS PROFIT	\$0.00	\$0.00	\$97,296.81	\$97,296.81
Expenses				
Advertising			1,918.56	\$1,918.56
Auto and Truck Expenses			3,760.41	\$3,760.41
Bank Service Charges			66.00	\$66.00
Computer/Software Expenses			611.91	\$611.91
Dues and Subscriptions			671.70	\$671.70
Equipment Lease			3,042.45	\$3,042.45
Equipment Purchase Payment			44.01	\$44.01
Insurance Expense			552.48	\$552.48
Legal and Professional Fees			4,192.50	\$4,192.50
Meals and Entertainment			966.00	\$966.00
Merchant Fees			212.04	\$212.04
Office Expense			1,175.27	\$1,175.27
Payroll Expenses		25,142.08	2,133.39	\$27,275.47
Rent Expense	9,000.00	4,500.00	22,500.00	\$36,000.00
Repairs and Maintenance			10,880.02	\$10,880.02
Security			331.95	\$331.95
Shipping Expense			36.88	\$36.88
Small Tools and Equipment			789.19	\$789.19
State Income Taxes			826.00	\$826.00
Telephone & Internet Expense	534.93	226.02	2,202.58	\$2,963.53
Travel			570.40	\$570.40
Utilities	1,348.64	744.43	1,262.37	\$3,355.44
Total Expenses	\$10,883.57	\$30,612.53	\$58,746.11	\$100,242.21
NET OPERATING INCOME	\$ -10,883.57	\$ -30,612.53	\$38,550.70	\$ -2,945.40
Other Income				
EIDL Advance		5,000.00		\$5,000.00
Total Other Income	\$0.00	\$5,000.00	\$0.00	\$5,000.00
NET OTHER INCOME	\$0.00	\$5,000.00	\$0.00	\$5,000.00
NET INCOME	\$ -10,883.57	\$ -25,612.53	\$38,550.70	\$2,054.60

SAMPLE DOCUMENTS TO KEEP IN YOUR RECORDS FOR 6 YEARS

COVID-19 FOLDER

> PPP DOCS

- > UTILITIES (MONTHLY BILLS AND CHECKS)
- > RENT (LEASE AGREEMENT, MONTHLY BILLS AND CHECKS)
- > MORTGAGE INTEREST (MORTGAGE STATEMENT)
- > PAYROLL

> EIDL DOCS

- > UTILITIES (MONTHLY BILLS AND CHECKS)
- > RENT (LEASE AGREEMENT, MONTHLY BILLS AND CHECKS)
- > MORTGAGE INTEREST (MORTGAGE STATEMENT)
- > SUPPLIER INVOICES (COGS)
- > OTHER OPERATIONAL EXPENSES

SAMPLE IMAGES OF DOCUMENTATION

LANDLORD
C/O ESSES REALTY MGMT INC
18012 SKY PARK CIR STE 100
IRVINE CA 92614

TENANT
123 Alexander Street
Oxnard, CA 93030

DATE	SUITE NUMBER
3/25/2020	2010

Location: _____

MAKE CHECKS PAYABLE TO: **LANDLORD**

Date	Code	Description	Charges	Pmts & Credits	Amount Due
4/1/2020	RNT	Base Rent	1,653.75	0.00	1,653.75

Current	30	60	90	120	BALANCE DUE
1,653.75	0.00	0.00	0.00	0.00	1,653.75

IF YOU HAVE A QUESTION ABOUT THIS STATEMENT, PLEASE CALL (805) 289-9909
PAYMENTS RECEIVED AFTER THE 20TH MAY NOT BE REFLECTED ON STATEMENT.

TENANT
123 Alexander Street
Oxnard, CA 93030

Date: 3/25/2020
Building ID: 434
Lease ID: 018518
Amount Due: 1,653.75
Amount Paid: \$ _____

LANDLORD
C/O ESSES REALTY MGMT INC
18012 SKY PARK CIR STE 100
IRVINE CA 92614

PAYMENT COUPON
RETURN WITH CHECK

018518

TENANT
123 ALEXANDER ST.
OXNARD, CA 93033

PACIFIC WESTERN BANK
10-26201123

11581

APR 06 2020

04/01/2020

PAY TO THE ORDER OF **LANDLORD** \$ **1,653.75

One thousand six hundred fifty-three and 75/100*****

LANDLORD
c/o Essex Realty Management, Inc.
18012 Sky Circle, Suite 100
Irvine, CA 92614

MEMO STE. 2010 Rent

AUTHORIZED SIGNATURE

⑆01156⑆ ⑆122236200⑆ ⑆001011756⑆

FOR DEPOSIT ONLY
LANDLORD
REGIONS BANK
C#1503500
4/7/2020
0000953375460E

SAMPLE IMAGES OF DOCUMENTATION



SoCalGas
A Sempra Energy utility

ACCOUNT NUMBER 0 71 6
SERVICE FOR
OXNARD CA 93030-7017

DATE MAILED: May 7, 2020
24 Hour Service
1-800-427-2000 English
1-800-427-6029 Español

Page 1 of 2
socialgas.com

Account Summary

Amount of Last Bill \$1,076.26
Payment Received 04/28/20 THANK YOU -1,076.26
Current Charges +393.84
Total Amount Due \$393.84

7% Late Payment Charge Due if Paid After JUN 01, 2020

Current Charges

Rate: GN-10 - Non-Residential
Meter Number: 15543060 (Next scheduled read date Jun 4 2020) Cycle: 5

Billing Period	Days	Month	Reading	Previous Reading	Difference	Factor	Total Therms
04/09/20 - 05/05/20	29	15543060	0119	9732	387	1.000	1.043

GAS CHARGES

Customer Charge	Amount
29 Days x \$493.15	14.30
Gas Transportation (Details below)	404 Therms
Tier 1	154
Tier 2	154
Therms used	250
Rate/Therm	\$ 783.33
Charge	\$195.83
+ \$65.77	=
	261.60
Gas Commodity	404 Therms x \$ 212.29
	85.78
	Total Gas Charges \$361.66

TAXES & FEES ON GAS CHARGES

Amount	
State Regulatory Fee	404 Therms x \$ 00247
	1.00
Public Purpose Surcharge	404 Therms x \$ 077.18
	31.13
	Total Taxes and Fees on Gas Charges \$32.18
	Total Current Charges \$393.84

Gas Usage History (Total Therms used)



May 19	Apr 20	May 20
TotG Therms used	805	\$19
Daily average Therms	20.8	16.7
Days in billing cycle	29	31

DATE DUE May 28, 2020

AMOUNT DUE \$393.84

Please enter amount enclosed

\$

Write account number on check and make payable to SoCalGas.

OXNARD CA 93030-7017

SoCalGas
PO BOX C
MONTEREY PARK CA 91756-5111

80 03-

00039384 69

0341139871 0006824263

4/28/2020

Pay Bill: Success | Business My Account | SoCalGas



Success

Your payment of **\$1,076.26** was accepted and will be processed on **04/28/2020**. Your confirmation number is **1190719**. You may Print This Page for your records and you will receive an email confirmation.

For payments scheduled for today: The Current Balance amount will not be updated immediately; however, Payments scheduled for today are **effective immediately**. There is no need to call to confirm this payment was received.

Payments by Account

Account	Account Payment	Bank Account	Confirmation Number	Edit or Cancel Payment
(0 716)	\$1,076.26 on 04/28/2020	CHASE BANK(S) (****36)	1190719	Payments cannot be edited or canceled on the payment date.

Other Account Options

[Manage Payment Reminders](#) »

[See all Scheduled Payments](#) »

[My Account Home](#) »

[Help Center](#) | [SoCalGas Terms and Conditions](#) | [SoCalGas Privacy Policy](#) | [SoCalGas Privacy Notice](#)





© 1998 - 2020 Southern California Gas Company. The trademarks used herein are the property of their respective owners. All rights reserved.

https://business.socialgas.com/portals/aces/create-payment-flow/createPaymentSuccess?_afsf_cbl-state#2EdJedmg_55A_sflrLogr686126485475937 1/1

Q & A

<https://santabarbara.score.org/find-mentor>

THANK YOU!

Business Resources / Workshops and Webinars / Free Mentoring

The screenshot displays the SCORE Santa Barbara website. At the top left is the SCORE logo. To its right are links for "Donate", "Volunteer", "Blog & Articles", and "Volunteer Log In". A search bar with the placeholder "Enter Terms" and a "SEARCH" button is located on the right. Below the navigation is a header for "Santa Barbara" with a sub-header "Santa Barbara County". A dark blue navigation bar contains the following menu items: "FIND A MENTOR", "TAKE A WORKSHOP", "BROWSE THE LIBRARY", "TESTIMONIALS", and "ABOUT US".

Three featured webinar series are shown in a grid:

- WHAT IS IMPORTANT NOW**
Webinar Series: Navigating Your Business Through Uncertainty Towards Recovery
A series of webinars that provides support and tools to analyze your business situation, develop a tactical ad strategic plan - and to suggest action.
[Read more >](#)
- Webinar Series: Starting or Pivoting Your Business in eCommerce**
Recorded webinars presented by SCORE Santa Barbara covering starting or pivoting a business to eCommerce. [Read more >](#)
- Webinar Series: Best Practices for Managing your Small Business Bookkeeping & Accounting**
Webinar Series: Best Practices for Managing your Small Business Bookkeeping & Accounting
[Read more >](#)