

The webcast will start at 2 p.m. Eastern

---

- Visit [capincrouse.com/application-process](https://capincrouse.com/application-process) to access these materials from today's webcast:
  - Handout and other resources
  - Recording



## Walking Through the Application Process for CARES Act and Paycheck Protection Program Loans

Rob Faulk, Partner  
Stan Reiff, Partner  
Kenneth Tan, Principal  
4.2.20



## Today's Agenda

- Side-by-Side Comparison – Economic Injury Disaster Loan (EIDL) vs. Paycheck Protection Plan (PPP) Loan
- Decision Tree
- Paycheck Protection Plan Loan Application Form
- Economic Injury Disaster Loan Application Form
- Additional Resources

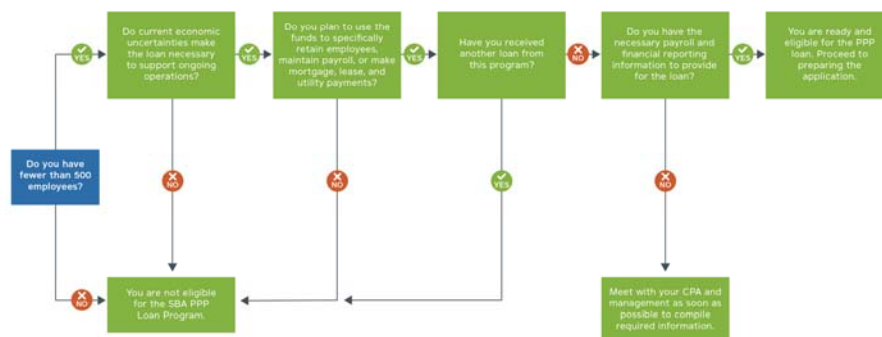
	Economic Injury Disaster Loan	Paycheck Protection Program
<b>Where do you apply for this loan?</b>	The Small Business Administration (SBA)	Your local bank that does SBA 7(a) loans
<b>What is the maximum amount we can apply for?</b>	\$2 million	Up to \$10 million, based on the calculation of your average monthly payroll cost
<b>What are the loan terms?</b>	30 years	10 years
<b>What is the annual interest rate for each loan?</b>	2.75% for nonprofits, 3.75% for businesses	Maximum 4%, no special rate for nonprofits (0.5% for first 2 years)
<b>When would my first payment begin?</b>	Up to one year from loan origination date (however, interest is accruing during this period)	6 months after loan origination date (however, interest is accruing during this period)

(continued)


	Economic Injury Disaster Loan	Paycheck Protection Program
Any specific uses for the loans?	Financial-related obligations and operating expenses that would have been met if the disaster did not occur	Payroll costs, health care benefits, insurance premiums, mortgage interest (principal is excluded), rent payments for leases enacted prior to February 15, 2020, and utility payments
Is any collateral required?	Yes	No
Any personal guarantee required?	Yes, for loans greater than \$200k	No
Is there a loan forgiveness program?	No	Yes
If there is, up to how much can be forgiven?	N/A	Up to 100% of the loan.
When can I apply for the loan?	You can apply now	Submissions will open on Friday, April 3, 2020. Loans will be given on a first-come, first-served basis.

## PPP Loan Decision Tree

Paycheck Protection Program  
Nonprofit Decision Tree



# Paycheck Protection Program (PPP) Application Form



**Paycheck Protection Program  
Application Form**

OMB Control No.: 3245-0407  
Expiration Date: 09/30/2020

Non-Profit <input type="checkbox"/> Vet Org <input type="checkbox"/> Tribal <input type="checkbox"/> Ind. Cont. <input type="checkbox"/> Self Employed <input type="checkbox"/>		DBA or Tradename if applicable	
Business Legal Name			
Business Primary Address		Business TIN (EIN, SSN)	Business Phone
		( ) -	
		Primary Contact	Email Address

Average Monthly Payroll: \$      X 2.5 equals Loan Amount: \$      Number of Jobs:

Purpose of the loan (select more than one):

☐ Payroll  
 ☐ Rent / Mortgage Interest  
 ☐ Utilities  
 ☐ Other (explain):

**Applicant Ownership**

List all owners of Applicant with greater than 20% ownership stakes. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)

Use payroll records and income statement for this section.

# Paycheck Protection Program (PPP) Application Form (continued)

Read this very carefully.

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

Question	Yes	No
1. Is the Business or any owner 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 Business, any of its owners, 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 currently delinquent or has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input type="checkbox"/>
3. Is the Business or any owner an owner of any other business or have common management with any other business? If yes, attach a listing of all Affiliates and describe the relationship as addendum A.	<input type="checkbox"/>	<input type="checkbox"/>
4. Has the Business received 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"/>

## Paycheck Protection Program (PPP) Application Form (continued)

*Applicants who are individuals and all 20% or greater owners of the business must answer the following questions. If questions (5) or (6) are answered "Yes" or question (7) is answered "No", the loan will not be approved.*

Question	Yes	No
5. Are you presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction, or presently incarcerated, on probation or parole?	<input type="checkbox"/>	<input type="checkbox"/>
Initial here to confirm your response to question 5 → _____		
6. Within the last 7 years, for any felony or misdemeanor for a crime against a minor, have you: 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; 4) been placed on pretrial diversion; or 5) been placed on any form of parole or probation (including probation before judgment)?	<input type="checkbox"/>	<input type="checkbox"/>
Initial here to confirm your response to question 6 → _____		
7. <input type="checkbox"/> I am a U.S. Citizen <u>OR</u> <input type="checkbox"/> I have Lawful Permanent Resident status <input type="checkbox"/> No		
Initial here to confirm your response to question 7 → _____		

### By Signing Below, You Make the Following Representations, Authorizations, and Certifications

#### REPRESENTATIONS AND AUTHORIZATIONS

I represent that:

- I have read the Statements Required by Law and Executive Order included in this form, and I understand them.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All SBA loan proceeds will be used only for business related purposes as specified in the loan application.
- To the extent feasible, I will purchase only American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.

For Applicants who are individuals and all Associates: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

#### CERTIFICATIONS

The Business and each 20% or greater owner must certify in good faith to all of the below by **initialing** next to each one:

- \_\_\_\_\_ Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.
- \_\_\_\_\_ The funds will be used to retain workers and maintain payroll or make mortgage payments, lease payments, and utility payments; I understand that if the funds are used for unauthorized purposes, the federal government may pursue criminal fraud charges.
- \_\_\_\_\_ Documentation verifying the number of full-time equivalent employees on payroll as well as the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight week period following this loan will be provided to the lender.
- \_\_\_\_\_ Loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities. Due to likely high subscription, it is anticipated that not more than twenty-five percent (25%) of the forgiven amount may be for non-payroll costs.
- \_\_\_\_\_ During the period beginning on February 15, 2020 and ending on December 31, 2020, the Applicant has not and will not receive another loan under this program.
- \_\_\_\_\_ I further certify that the information provided in this application and the information that I have provided in all supporting documents and forms is true and accurate. I realize that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 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 USC 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 calculate the eligible loan amount using tax documents I have submitted. I affirm that these tax documents are identical to those I submitted to the IRS. I also understand, acknowledge and agree that the Lender can share the tax information 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.

## Paycheck Protection Plan – Documents to Retain

---


- Payroll records (current year-to-date)
- Most current year-to-date income statement and full prior-year income statement

## Economic Injury Disaster Loan Form

---

1. Able to prepare online  
<https://covid19relief.sba.gov/#/>
2. Print, complete and mail to:  
U.S. Small Business Administration  
Processing and Disbursement Center  
14925 Kingsport Road,  
Fort Worth, TX 76155

## Economic Injury Disaster Loan Form

 <b>U.S. Small Business Administration</b> <b>DISASTER BUSINESS LOAN APPLICATION</b>		OMB No. 3245-0017 Expiration: 08/31/2021
FOR SBA INTERNAL USE ONLY		Date Received _____ Location _____ By _____
Physical Declaration Number	_____	Filing Deadline Date
Economic Injury Declaration Number	_____	Filing Deadline Date
FEMA Registration Number (if known)	_____	SBA Application Number
1. ARE YOU APPLYING FOR:		
<input type="checkbox"/> <b>Physical Damage</b> -- Indicate type of damage <input type="checkbox"/> Real Property <input type="checkbox"/> Business Contents <input type="checkbox"/> <b>Economic Injury (EIDL)</b>		<input type="checkbox"/> <b>Military Reservist EIDL (MREIDL)</b> <small>(complete the following)</small> * Name of Essential Employee _____ * Employee's Social Security Number _____
PLEASE PROVIDE ALL INFORMATION OR DOCUMENTATION REQUESTED IN THE ATTACHED FILING REQUIREMENTS. <small>* For information about these questions, see the attached Statements Required by Laws and Executive Orders.</small> Apply online at <a href="https://disasterloan.sba.gov/ela/">https://disasterloan.sba.gov/ela/</a> OR send completed applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, Texas 76155		
2. ORGANIZATION TYPE *Sole Proprietors should complete form 5C		
<input type="checkbox"/> Partnership <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Limited Liability Entity <input type="checkbox"/> Corporation <input type="checkbox"/> Nonprofit Organization <input type="checkbox"/> Trust <input type="checkbox"/> Other: _____		
3. APPLICANT'S LEGAL NAME		4. FEDERAL E.I.N. (if applicable)
5. TRADE NAME (if different from legal name)		6. BUSINESS PHONE NUMBER (including area code)
7. MAILING ADDRESS <input type="checkbox"/> Business <input type="checkbox"/> Home <input type="checkbox"/> Temp <input type="checkbox"/> Other _____		
Number, Street, and/or Post Office Box _____		City _____ County _____ State _____ Zip _____
8. DAMAGED PROPERTY ADDRESS(ES) (If you need more space, attach additional sheets.) <input type="checkbox"/> Same as mailing address		BUSINESS PROPERTY IS: <input type="checkbox"/> Owned <input type="checkbox"/> Leased
Number and Street Name _____		City _____ County _____ State _____ Zip _____

## Economic Injury Disaster Loan Form

9. PROVIDE THE NAME(S) OF THE INDIVIDUAL(S) TO CONTACT FOR:	
Loss Verification Inspection	Information necessary to process the Application
Name _____	Name _____
Telephone Number _____	Telephone Number _____
10. ALTERNATE WAY TO CONTACT YOU	
<input type="checkbox"/> Cell Number _____	<input type="checkbox"/> E-mail _____
<input type="checkbox"/> Fax Number _____	<input type="checkbox"/> Other _____
11. BUSINESS ACTIVITY:	12. NUMBER OF EMPLOYEES (pre-disaster):
13. DATE BUSINESS ESTABLISHED:	14. CURRENT MANAGEMENT SINCE:
15. AMOUNT OF ESTIMATED LOSS: <small>If unknown, enter a question mark.</small>	<input type="checkbox"/> Real Estate _____ <input type="checkbox"/> Inventory _____ <input type="checkbox"/> Machinery & Equipment _____ <input type="checkbox"/> Leasehold Improvements _____
16. INSURANCE COVERAGE (IF ANY) (If you need more space, attach additional sheets.)	
Name of Insurance Company and Agent _____	
Phone Number of Insurance Agent _____	Policy Number _____

# Economic Injury Disaster Loan Form

<b>17. OWNERS</b> (Individuals and businesses.) Complete for each: 1) proprietor, or 2) limited partner who owns 20% or more interest and each general partner, or 3) stockholder or entity owning 20% or more voting stock. (If you need more space attach additional sheets.)					
Legal Name		Title/Office		% Owned	E-mail Address
SSN/EIN*	Marital Status	Date of Birth*	Place of Birth*	Telephone Number (area code)	US Citizen <input type="checkbox"/> Yes <input type="checkbox"/> No
Mailing Address			City	State	Zip
Legal Name		Title/Office		% Owned	E-mail Address
SSN/EIN*	Marital Status	Date of Birth*	Place of Birth*	Telephone Number (area code)	US Citizen <input type="checkbox"/> Yes <input type="checkbox"/> No
Mailing Address			City	State	Zip
* For information about these questions, see the attached Statements Required by Laws and Executive Orders.					
Business Entity Owner Name		EIN	Type of Business	% Ownership	
Mailing Address		City	State	Zip Code	
E-mail Address			Phone		
<b>18. For the applicant business and each owner listed in item 17, please respond to the following questions, providing dates and details on any question answered YES (Attach an additional sheet for detailed responses).</b>					
a. Has the business or a listed owner ever been involved in a bankruptcy or insolvency proceeding?				<input type="checkbox"/> Yes	<input type="checkbox"/> No
b. Does the business or a listed owner have any outstanding judgments, tax liens, or pending lawsuits against them?				<input type="checkbox"/> Yes	<input type="checkbox"/> No
c. In the past year, has the business or a listed owner been convicted of a criminal offense committed during and in connection with a riot or civil disorder or other declared disaster, or ever been engaged in the production or distribution of any product or service that has been determined to be obscene by a court of competent jurisdiction?				<input type="checkbox"/> Yes	<input type="checkbox"/> No
d. Has the business or a listed owner ever had or guaranteed a Federal loan or a Federally guaranteed loan?				<input type="checkbox"/> Yes	<input type="checkbox"/> No
e. Is the business or a listed owner delinquent on any Federal taxes, direct or guaranteed Federal loans (SBA, FHA, VA, student, etc.), Federal contracts, Federal grants, or any child support payments?				<input type="checkbox"/> Yes	<input type="checkbox"/> No
f. Does any owner, owner's spouse, or household member work for SBA or serve as a member of SBA's SCORE, ACE, or Advisory Council?				<input type="checkbox"/> Yes	<input type="checkbox"/> No
g. Is the applicant or any listed owner currently suspended or debarred from contracting with the Federal government or receiving Federal grants or loans?				<input type="checkbox"/> Yes	<input type="checkbox"/> No

<b>19. Regarding you or any joint applicant listed in Item 17:</b>	
a) are you presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction; b) have you been arrested in the past six months for any criminal offense; c) for any criminal offense - other than a minor vehicle violation - have you ever: 1) been convicted, 2) plead guilty, 3) plead nolo contendere, 4) been placed on pretrial diversion, or 5) been placed on any form of parole or probation (including probation before judgement)? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, Name: _____	
<b>20. PHYSICAL DAMAGE LOANS ONLY.</b> If your application is approved, you may be eligible for additional funds to cover the cost of mitigating measures (real property improvements or devices to minimize or protect against future damage from the same type of disaster event). It is not necessary for you to submit the description and cost estimates with the application. SBA must approve the mitigating measures before any loan increase. <b>By checking this box, I am interested in having SBA consider this increase.</b> <input type="checkbox"/>	
<b>21. If anyone assisted you in completing this application, whether you pay a fee for this service or not, that person must print and sign their name in the space below.</b>	
Name and Address of Representative (please include the individual name and their company)	
(Signature of Individual)	(Print Individual Name)
(Name of Company)	Phone Number (include Area Code)
Street Address, City, State, Zip	Fee Charged or Agreed Upon <input type="checkbox"/>
<b>Unless the NO box is checked, I give permission for SBA to discuss any portion of this application with the representative listed above. NO</b> <input type="checkbox"/>	
<b>AGREEMENTS AND CERTIFICATIONS</b>	
On behalf of the undersigned individually and for the applicant business: I/We authorize my/our insurance company, bank, financial institution, or other creditors to release to SBA all records and information necessary to process this application. If my/our loan is approved, additional information may be required prior to loan closing. I/We will be advised in writing what information will be required to obtain my/our loan funds. I/We hereby authorize the SBA to verify my/our past and present employment information and salary history as needed to process and service a disaster loan. I/We authorize SBA, as required by the Privacy Act, to release any information collected in connection with this application to Federal, state, local, tribal or nonprofit organizations (e.g. Red Cross, Salvation Army, Mennonite Disaster Services, SBA Resource Partners) for the purpose of assisting me with my/our SBA application, evaluating eligibility for additional assistance, or notifying me of the availability of such assistance. I/We will not exclude from participating in or deny the benefits of, or otherwise subject to discrimination under any program or activity for which I/we receive Federal financial assistance from SBA, any person on grounds of age, color, handicap, marital status, national origin, race, religion, or sex. I/We will report to the SBA Office of the Inspector General, Washington, DC 20416, any Federal employee who offers, in return for compensation of any kind, to help get this loan approved. I/We have not paid anyone connected with the Federal government for help in getting this loan. <b>CERTIFICATION AS TO TRUTHFUL INFORMATION:</b> By signing this application, you certify that all information in your application and submitted with your application is true and correct to the best of your knowledge, and that you will submit truthful information in the future. <b>WARNING:</b> Whoever wrongfully misapplies the proceeds of an SBA disaster loan shall be civilly liable to the Administrator in an amount equal to one-and-one half times the original principal amount of the loan under 15 U.S.C. 645, 18 U.S.C. 1001, 18 U.S.C. 1014, 18 U.S.C. 1040, 18 U.S.C. 3571, and any other applicable laws; 2) treble damages and civil penalties under the False Claims Act, 31 U.S.C. 3729; 3) double damages and civil penalties under the Program Fraud Civil Remedies Act, 31 U.S.C. 3802; and 4) suspension and/or debarment from all Federal procurement and non-procurement transactions. Statutory fines may increase if amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.	
<b>SIGNATURE</b> _____	<b>TITLE</b> _____ <b>DATE</b> _____



## Economic Injury Disaster Loan Form – Required Forms to Attach

---

- This Application (SBA Form 5), completed and signed
- Complete copy of the organization's most recent tax return OR a copy of the organization's IRS tax-exempt certification and complete copies of the organization's three most recent years' "Statement of Activities"
- Schedule of Liabilities
- Tax Information Authorization (IRS Form 4506-T), completed and signed for each applicant and for any affiliated entity
- They may request a current Year-To-Date Profit and Loss Statement

## Considerations for Religious Employers

---

- Will applying for one of these loans require a religious employer to hire employees who are unwilling to subscribe to the organization's statement of faith or comply with its code of conduct? At issue is specific guidance relating to Title VII of the Civil Rights Act.
- **Consult with your legal counsel.**

## Additional COVID-19 Resources

---

Things are changing fast! Visit [capincrouse.com](https://capincrouse.com) and click on the home page banner below for the latest updates.



Rob Faulk, Partner  
Church and Denomination Services Director

✉ [rfaulk@capincrouse.com](mailto:rfaulk@capincrouse.com)

📱 505.50.CAPIN ext. 1652

Stan Reiff, Partner  
Professional Practice Leader – Consulting

✉ [sreiff@capincrouse.com](mailto:sreiff@capincrouse.com)

📱 505.50.CAPIN ext. 1306

Kenneth Tan, Principal

✉ [ktan@capincrouse.com](mailto:ktan@capincrouse.com)

📱 505.50.CAPIN ext. 1323

