



PRESTAMOS CDFI
a division of **CHICANOS POR LA CAUSA**

RESPOND → PLAN → RETURN STRONGER

Preparing for the Next Round of PPP

PRESENTED BY

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What Is The Paycheck Protection Program

Forgivable SBA Loan Program

- Intended to Help Employers Keep Employees on Payroll & Benefits/Self-Employed
- Fixed 5-Year Term Loan
- 1% Interest Rate
- 100% Forgivable if Conditions Are Met



Burning Questions

Can I Get a 2nd PPP Loan?

- Borrowers who received a 1st Draw PPP loan **ARE** eligible for a 2nd Draw PPP loan if they meet certain conditions. Forgiveness on the 1st PPP is **NOT** required before applying for a 2nd PPP loan!

Can I Get a 1st PPP Loan?

- Businesses that **did not** receive a PPP during a previous round **will be** eligible to receive a PPP for the first time if they meet requirements

When/How Can I Apply?

- You Can Apply Now With Community Banks, Small Banks, and as of Monday 1/18 With All Participating Banks and Lenders
- Join our Prestamos Familia by applying at www.prestamosloans.org/ppp

PPP Rules and Requirements

Eligibility

- For Profit Businesses, 501(c)(3) and 501(c)(6) Organizations
- Employees have principal residence in US
- 500 or fewer employees (300 for Second Draw)
- You pay W2 wages or have self-employment income

Eligible Use of Funds

- 60% of the loan must be used for W2 wages, owner compensation replacement, group health and retirement, and/or state unemployment taxes
- 40% to other eligible expenses (Rent/Utilities/Interest/PPE/Computing)

PPP Terms

- 2.5x average monthly payroll amount on up to first \$100,000 in wages per employee (3.5x for second draw borrowers in food/accommodations)
- 8 to 24 Week Covered Period

How Do I Determine My PPP Amount?

If You Pay W2 Employees

- If you paid W2 employees in either 2019 or 2020, you are eligible based on the total wages, company paid health/retirement, and state unemployment
- Total Divided by 12 to get “monthly payroll cost”, multiply by 2.5 months**

If You Are Self Employed

- If you file a Schedule C as part of your personal taxes, you can use Line 31 of your Schedule C
- Line 31 Divided by 12 to get “monthly payroll cost”, multiply by 2.5 months**

If You Are A Partnership

- If you file a 1065 Partnership Return and Receive a K-1, you will use Line 14 of each partners K-1. Add each K-1 then multiply by .9235
- Total Divided by 12 to get “monthly cost”, multiply by 2.5 months**

What Payroll Documents Can I Provide?

Must Use Same-Year Documents
(cannot mix 2019 & 2020)

Annual Forms

- 940 Federal Unemployment “FUTA”, or;
- Copy of W3 and W2’s

Quarterly Forms

- Q1, Q2, Q3, and Q4 IRS Quarterly Form 941, or;
- Q1, Q2, Q3, and Q4 State Unemployment Forms

Other

- Payroll Summary Report (Employee Name & Total Annual Wage Paid) or;
- Copy of Pay Stubs



IRS 940 FUTA

Form **940 for 2020: Employer's Annual Federal Unemployment (FUTA) Tax Return**

Department of the Treasury — Internal Revenue Service

850113

OMB No. 1545-0028

Employer identification number (EIN) -

Name (not your trade name)

Trade name (if any)

Address

Number Street Suite or room number

City State ZIP code

Foreign country name Foreign province/county Foreign postal code

Type of Return
(Check all that apply.)

a. Amended

b. Successor employer

c. No payments to employees in 2020

d. Final: Business closed or stopped paying wages

Go to www.irs.gov/Form940 for instructions and the latest information.

Read the separate instructions before you complete this form. Please type or print within the boxes.

Part 1: Tell us about your return. If any line does NOT apply, leave it blank. See instructions before completing Part 1.

1a If you had to pay state unemployment tax in one state only, enter the state abbreviation **1a**

1b If you had to pay state unemployment tax in more than one state, you are a multi-state employer **1b** Check here. Complete Schedule A (Form 940).

2 If you paid wages in a state that is subject to CREDIT REDUCTION **2** Check here. Complete Schedule A (Form 940).

Part 2: Determine your FUTA tax before adjustments. If any line does NOT apply, leave it blank.

3 Total payments to all employees **3**

4 Payments exempt from FUTA tax **4**

Check all that apply: **4a** Fringe benefits **4c** Retirement/Pension **4e** Other
4b Group-term life insurance **4d** Dependent care

5 Total of payments made to each employee in excess of \$7,000 **5**

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IRS Quarterly 941

Form **941 for 2020: Employer's QUARTERLY Federal Tax Return**
 (Rev. July 2020) Department of the Treasury — Internal Revenue Service

950120
 OMB No. 1545-0029

Employer identification number (EIN) -

Name (not your trade name)

Trade name (if any)

Address

Number Street Suite or room number

City State ZIP code

Foreign country name Foreign province/county Foreign postal code

Report for this Quarter of 2020

1: January, February, March

2: April, May, June

3: July, August, September

4: October, November, December

Go to www.irs.gov/Form941 for instructions and the latest information.

Read the separate instructions before you complete Form 941. Type or print within the boxes.

Part 1: Answer these questions for this quarter.

- 1 Number of employees who received wages, tips, or other compensation for the pay period including: Sept. 12 (Quarter 3) or Dec. 12 (Quarter 4) 1
- 2 Wages, tips, and other compensation 2
- 3 Federal income tax withheld from wages, tips, and other compensation 3

4 If no wages, tips, and other compensation are subject to social security or Medicare tax Check and go to line 6.

	Column 1	Column 2
5a Taxable social security wages	<input type="text"/>	<input type="text"/>
5a (i) Qualified sick leave wages	<input type="text"/>	<input type="text"/>
5a (ii) Qualified family leave wages	<input type="text"/>	<input type="text"/>
5b Taxable social security tips	<input type="text"/>	<input type="text"/>
5c Taxable Medicare wages & tips	<input type="text"/>	<input type="text"/>

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Other

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Arizona UC-018

UC-018-FF (4-15)

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ARIZONA DEPARTMENT OF ECONOMIC SECURITY

P.O. BOX 52027 • MD 5881

PHOENIX, AZ 85072-2027

Telephone (602) 771-6601

UNEMPLOYMENT TAX AND WAGE REPORT

A. NUMBER OF EMPLOYEES –

Report for each month the number of full- and part-time covered workers who worked during or received pay subject to UI Taxes for the payroll period which includes the 12th of the month.

B. WAGES – List all employees in Social Security Number order, or alphabetically by last name.

For additional employees, use white paper in the

JAL

Arizona Account Number:

Calendar Quarter Ending:

To Avoid Penalty Mail By:

Federal ID NO.:

MAKE SURE FEDERAL ID NO. IS CORRECT!

FILE ONLINE AT WWW.AZUITAX.GOV

C. WAGE SUMMARY – See reverse for instructions

- | | | |
|--|----------------------|----------------------|
| 1. TOTAL WAGES PAID IN QUARTER | <input type="text"/> | <input type="text"/> |
| From Section B. Wage Listing | | |
| 2. SUBTRACT EXCESS WAGES | <input type="text"/> | <input type="text"/> |
| Cannot exceed Line 1 – see instructions | | |
| 3. TAXABLE WAGES PAID | <input type="text"/> | <input type="text"/> |
| Up to \$7,000 per Employee – Line 1 minus Line 2 | | |
| 4. TAX DUE | <input type="text"/> | <input type="text"/> |
| Line 3 X Tax Rate of the decimal equivalent = | | |
| 5. ADD INTEREST DUE | <input type="text"/> | <input type="text"/> |
| 1% of Tax Due for each month payment is late | | |
| 6. ADD PENALTY FOR LATE REPORT | <input type="text"/> | <input type="text"/> |
| 0.10% of Line 1 (\$35 min / \$200 max) | | |
| 7. ADD SURCHARGE DUE | <input type="text"/> | <input type="text"/> |
| Applicable percentage of Line 3 – see instructions | | |

What Business/Tax Documents Do I Provide?

Articles of Organization/Inc

- If you have a business name, provide your Articles of Organization/Incorporation from the state where you filed

Owner Verification

- Personal Information
- Identification

Tax Returns

- 1040 Schedule C – Sole Proprietor/Single Member LLC
- 1065 Partnership Return
- 1120 or 120s Corporate Return



IRS Schedule C

SCHEDULE C (Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Business (Sole Proprietorship)

▶ Go to www.irs.gov/ScheduleC for instructions and the latest information.

▶ Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships generally must file Form 1065.

OMB No. 1545-0074

2020
Attachment
Sequence No. **09**

Name of proprietor	Social security number (SSN)
A Principal business or profession, including product or service (see instructions)	B Enter code from instructions
C Business name. If no separate business name, leave blank.	D Employer ID number (EIN) (see instr.)
E Business address (including suite or room no.) ▶ City, town or post office, state, and ZIP code	
F Accounting method: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶	

30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions.

Simplified method filers only: Enter the total square footage of (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30.

31 **Net profit or (loss).** Subtract line 30 from line 29.

- If a profit, enter on both **Schedule 1 (Form 1040), line 3**, and on **Schedule SE, line 2**. (If you checked the box on line 1, see instructions). Estates and trusts, enter on **Form 1041, line 3**.
- If a loss, you **must** go to line 32.

32 If you have a loss, check the box that describes your investment in this activity. See instructions.

- If you checked 32a, enter the loss on both **Schedule 1 (Form 1040), line 3**, and on **Schedule SE, line 2**. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on

30	
31	Net Income Must Be +

32a All investment is at risk.

How Can I Use The PPP Loan?

60% For Payroll/40% For Other Eligible Expenses

Payroll Expenses Include: Wages, Tips, Commissions, Vacation Time, Sick Time, Company Paid Health or Retirement Benefits and State Unemployment Tax

Operations Expenditures:

Business Rent/Lease, Utilities, Mortgage or Fixed Loan Interest Only

Operations Expenditures:

Software, cloud computing, human resource, and accounting needs

Property Damage Costs:

Costs related to property damage during 2020 public disturbances not covered by insurance

Worker Protection:

PPE and adaptive instruments necessary for health compliance

Eligibility Requirements for Second Draws

Must Have Been Eligible For/Received First Draw

Business Start Date

Must have been in OPERATION on February 15, 2020

Number of Employees

No more than 300

25% Reduction in GROSS RECEIPTS

Borrower can demonstrate a 25% decrease in at least **one** quarter of 2020 compared to the same quarter of 2019

Lender Choice

You do not have to use the same lender for your second draw.. You can use **any** participating lender

25% Evaluation Spreadsheet



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Enter the gross receipts/gross revenue received each month of the year. Only fill in the colored fields.

	January	February	March	April	May	June	July	August	September	October	November	December
2019												
2020												

Q1 2019 \$ -

Q2 2019 \$ -

Q3 2019 \$ -

Q4 2019 \$ -

Q1 2020 \$ -

Q2 2020 \$ -

Q3 2020 \$ -

Q4 2020 \$ -

Difference #DIV/0!

Difference #DIV/0!

Difference #DIV/0!

Difference #DIV/0!

Qualifying Quarters

Q1 #DIV/0!

Q2 #DIV/0!

Q3 #DIV/0!

Q4 #DIV/0!

25% Evaluation Spreadsheet



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Enter the gross receipts/gross revenue received each month of the year. Only fill in the colored fields.

	January	February	March	April	May	June	July	August	September	October	November	December
2019	\$ 1,500.00	\$ 1,600.00	\$ 1,550.00	\$ 1,800.00	\$ 1,600.00	\$ 1,550.00	\$ 1,580.00	\$ 2,000.00	\$ 1,950.00	\$ 1,800.00	\$ 1,875.00	\$ 2,100.00
2020	\$ 1,550.00	\$ 1,580.00	\$ 1,420.00	\$ 1,300.00	\$ 1,250.00	\$ 900.00	\$ 925.00	\$ 955.00	\$ 1,200.00	\$ 1,350.00	\$ 1,800.00	\$ 1,750.00

Q1 2019	\$ 4,650.00	Q2 2019	\$ 4,950.00	Q3 2019	\$ 5,530.00	Q4 2019	\$ 5,775.00
Q1 2020	\$ 4,550.00	Q2 2020	\$ 3,450.00	Q3 2020	\$ 3,080.00	Q4 2020	\$ 4,900.00
Difference	-2%	Difference	-30%	Difference	-44%	Difference	-15%

Qualifying Quarters

Q1	FALSE
Q2	Eligible
Q3	Eligible
Q4	FALSE



Quick Recap

When/How To Apply

- The PPP Program is open now to 1st and 2nd Draw Applicants
- Contact a participating lender or apply with us online at www.prestamosloans.org/ppp

Eligibility

- Borrowers who pay W2 employees or Self-Employed Individuals with positive net income on Schedule C/1065 Partnership K-1's
- 1st Draw = Less Than 500 Employees
- 2nd Draw = Less Than 300 Employees, 25% Reduction In One Quarter of 2020 vs 2019

Forgiveness

- The PPP is 100% Forgivable by The SBA If:
 - Borrower uses at least 60% for eligible payroll costs (can use 100%)
 - Borrower uses no more than 40% for other eligible costs
 - Self Employed Using Schedule C can use 100% for “owner compensation replacement”
 - Borrower Maintains FTE Headcounts

<https://catran.sba.gov/lendermatch/form/contact.cfm>

Additional Resources

Prestamos PRIME Program

- No-Cost Assistance for eligible businesses
 - Accounting, Marketing, Social Media, Coaching, Website. Etc
- <https://www.prestamosloans.org/sba-prime-program/>

Prestamos Events Page

- Webinars with PPP updates, business planning, financials, etc
- <https://www.prestamosloans.org/events/>

CPLC Prestamos Women's Business Center

- In-person and Virtual Coaching & Business Assistance Coming Soon (*Buckeye Commerce Center – 11th Street & Buckeye*)
- <https://www.prestamosloans.org/womens-business-center/>



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Additional Resources

SCORE Counseling

- www.SCORE.ORG
- Free Mentoring

Small Business Development Centers

- <https://www.azsbdc.net/>
- One-On-One Guidance

Southern AZ Prestamos Women's Business Center

- <https://ywcatucson.org/program/wbc/womens-business-center-wbc/>

Veterans Business Outreach Centers

<https://www.arizonavboc.org/>



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