



Financial Assistance for Our Small Business Clients

March 31, 2020

Time is of the essence!

Get prepared now to apply for federal relief loans. Be proactive to ensure you're at the front of the line for business assistance loans recently approved by Congress under the Paycheck Protection Program.

Bank of George is here to help you and your business at this critical time.

The CARES Act

Last week, the U.S. Congress passed and President Trump signed into law the **CARES Act** (the Coronavirus Aid, Relief, and Economic Security Act) — a \$2 trillion legislation which provides billions in needed economic assistance to consumers and businesses.

As a part of the new legislation, the Small Business Administration (SBA) will administer a nearly **\$350 billion loan initiative** called the **Paycheck Protection Program**. This program will be generally available to businesses with 500 or fewer employees to assist with **payroll, rent, utilities, healthcare costs, and more**. The legislation has also expanded a number of existing SBA programs, including the **Economic Injury Disaster Loan program**.

The federal government is currently finalizing the details and protocols about how and when different programs will be implemented. Bank of George is ready to help facilitate the execution of these programs immediately upon the receipt of this federal guidance.

About the Paycheck Protection Program

Although details are still being finalized, some documentation will be required when applying for the program when it becomes available.

Loan amounts available under the **Paycheck Protection Program** will be determined based on 2.5 times your average monthly payroll, with a maximum loan amount of \$10 million.

This calculation will exclude:

- Company-paid federal taxes
- Employee-paid federal taxes
- Employee-paid withholding taxes
- Federal unemployment tax
- Salaries paid for any single employee beyond \$100,000 per year equivalent, or \$8,333.33 per month

Will Paycheck Protection Program Loans be Forgiven?

Yes, the CARES Act designates a process for the Federal forgiveness of loans under the **Paycheck Protection Program**. It is important to note that only certain designated expenses paid during the first eight weeks following loan disbursement may be eligible for forgiveness and cancellation. It will be critical for each business owner to thoroughly track and document eligible expenses such as payroll, rent, business mortgage interest, and covered utilities.

What Should I be Doing Now?

Although details are still pending from the Federal Government, it will be helpful for interested business owners to gather the following information about their business:

Preliminary Checklist for Paycheck Protection Program:

- 2019 Business Tax Returns or Year End Financial Statements as of December 31, 2019
- 2019 Payroll Cost and YTD Payroll Cost through February 15, 2020
- Number of employees as of December 31, 2019 – W2 and 1099
- Number of employees as of February 15, 2020 – W2 and 1099
- What industry does the business fall under?

Verification Documents to Include:

- IRS Form 940 Employers Annual Federal Unemployment Tax Return (FUTA)
- IRS Form 941 Employer's QUARTERLY Federal Tax Return
- Detailed Payroll Reports for 2019 with corresponding bank statements
 - W2 Summary
 - 1099 Summary
- Breakdown of payroll benefits (vacation, allowance for dismissal, group healthcare benefits, retirement benefits, etc.)
- Copy of 2019 1099s (if Independent Contractor)
- Copy of 2019 W2s (for wage earners)
- If Bank of George is not your current primary banking institution, three months operating, payroll, and all other related deposit account statements will be required. Statements will need to include December 31, 2019 and February 15, 2020.

As always, we are here to assist you and your business in any way that we can.

Thank you and stay well,



Edward M. Nigro
Executive Chairman



T. Ryan Sullivan
President/CEO

