

# Sole Proprietor Application for PPP Loan

Loan Eligibility		CARES Act Parameters	
H • Employee:	1	<input checked="" type="checkbox"/>	
H • Industry:	Gift Store		
H NAICS:	53220		
H • Operation Date:	1/30/18	<input checked="" type="checkbox"/>	operates before 2/15/20
<b>Business P&amp;L</b>			
H • Annual Income:	\$450,000		
H • Annual Expense:	\$275,000		
• Net Income ("Payroll Costs"):	\$175,000		"Payroll" = wage, commissions, income, or net earnings from self-employment (\$450K - \$275K)
<b>Qualifying PPP Loan Amount</b>			
• Qualifying Payroll:	\$100,000	<input checked="" type="checkbox"/>	payroll excludes costs over \$100K (despite \$175K earned)
Avg Monthly Payroll (Payroll/12):	\$8,333		(\$100K / 12 months)
x 2.5 = qualifying loan amount	\$20,833		note: for any Sole Proprietor making \$100K or more, \$20,833 is the maximum qualifying PPP loan (\$8,333 x 2.5)
<b>Use of Loan</b>			
24-weeks (~6 months):		<input checked="" type="checkbox"/>	costs incurred from 2/15/20 to 12/31/20
• Payroll:	\$16,667		(\$8,333 x 2)
H • Mortgage (principal + interest):	\$3,250	<input checked="" type="checkbox"/>	mortgage in place before 2/15/20
H • Utilities:	\$916		(\$16,667 + \$3,250 + \$916)
Qualifying Expenses - Total:	\$20,833		
<b>Loan Forgiveness</b>			
• Amount Forgiven (aka "PPP Grant"):	\$20,833	<input checked="" type="checkbox"/>	ensure that ≥ 60% of use went to Payroll
• Amount Converted into a PPP Loan:	\$0		

H = Hypothetical

*This analysis represents a fictitious entity per SBA guidance and is to be used as an example only.*