



Financial Resources for City of Racine Businesses

February 24, 2021

PPP Process for Financial Institutions

- Be Prepared – Financial Statements, Payroll Reports, Other Expense Reports
- PPP Borrower Application – Form 3245
 - » *If you have not received a PPP loan before, First Draw PPP Loans are available to you.*
 - » *If you have previously received a PPP loan, certain businesses are eligible for a Second Draw PPP Loan. Eligibility requirement – demonstrate 25% reduction in gross revenues comparing a calendar quarter between 2019 and 2020.*
- PPP Loan Forgiveness Application – Form 3508
 - » *Select Covered Period.*





**Paycheck Protection Program
Second Draw Borrower Application Form**

OMB Control No.: 3245-0417
Expiration Date: 7/31/2021

Check One:	<input type="checkbox"/> Sole Proprietor	<input type="checkbox"/> Partnership	<input type="checkbox"/> C-Corp	<input type="checkbox"/> S-Corp	<input type="checkbox"/> LLC	DBA or Tradename (if applicable)	Year of Establishment (if applicable)
	<input type="checkbox"/> Independent Contractor	<input type="checkbox"/> Self-Employed Individual					
	<input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization						
	<input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Housing cooperative						
	<input type="checkbox"/> Tribal Business <input type="checkbox"/> Other						
Business Legal Name						NAICS Code	
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed)						Business TIN (EIN, SSN)	Business Phone
						Primary Contact	Email Address
Average Monthly Payroll:	\$		± 2.5 (or ± 3.5 for NAICS 72 applicants) equals Loan Request Amount (may not exceed \$2,000,000):	\$		Number of Employees (including affiliates, if applicable; may not exceed 300):	
Purpose of the loan (select all that apply):	<input type="checkbox"/> Payroll Costs		<input type="checkbox"/> Rent / Mortgage Interest		<input type="checkbox"/> Utilities		<input type="checkbox"/> Covered Operations Expenditures
	<input type="checkbox"/> Covered Property Damage		<input type="checkbox"/> Covered Supplier Costs		<input type="checkbox"/> Covered Worker Protection Expenditures		<input type="checkbox"/> Other (explain):
PPP First Draw SBA Loan Number:							
Reduction in Gross Receipts of at Least 25% (Applicants for loans of \$150,000 or less may leave blank but must provide upon or before seeking loan forgiveness or upon SBA request):	2020 Quarter (e.g., 2Q 2020):				Reference Quarter (e.g., 2Q 2019):		
	Gross Receipts:		\$		Gross Receipts		\$

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address

If questions (1), (2), (4), or (5) are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant 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?		
2. Has the Applicant, any owner of the Applicant, 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 (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government?		
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management (including a management agreement) with any other business? If yes, list all such businesses (including their TINs if available) and describe the relationship on a separate sheet identified as addendum A.		
4. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction? Initial here to confirm your response to question 4 --		
5. Within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance, or within the last year, for any other felony, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 5 --		
6. Is the United States the principal place of residence for all employees included in the Applicant's payroll calculation above?		
7. Is the Applicant a franchise?		
8. Is the franchise listed in SBA's Franchise Directory? If yes, enter SBA Franchise Identifier Code here: _____		





Paycheck Protection Program
Second Draw Borrower Application Form

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

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) and the Department of the Treasury (Treasury) implementing Second Draw Paycheck Protection Program Loans under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (the Paycheck Protection Program Rules).
- The Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) employs no more than 300 employees; or (3) if NAICS 72, employs no more than 300 employees per physical location; (4) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business or a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, employs no more than 300 employees per location.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rules including the prohibition on using loan proceeds for lobbying activities and expenditures. If Applicant is a news organization that became eligible for a loan under Section 317 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, proceeds of the loan will be used to support expenses at the component of the business concern that produces or distributes locally focused or emergency information.
- I understand that SBA encourages the purchase, to the extent feasible, of 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: 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.

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one:

- The Applicant was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees, or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.
- Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.
- The Applicant has realized a reduction in gross receipts in excess of 25% relative to the relevant comparison time period. For loans greater than \$150,000, Applicant has provided documentation to the lender substantiating the decline in gross receipts. For loans of \$150,000 or less, Applicant will provide documentation substantiating the decline in gross receipts upon or before seeking loan forgiveness for the Second Draw Paycheck Protection Program Loan or upon SBA request.
- The Applicant received a First Draw Paycheck Protection Program Loan and, before the Second Draw Paycheck Protection Program Loan is disbursed, will have used the full loan amount (including any increase) of the First Draw Paycheck Protection Program Loan only for eligible expenses.
- The funds will be used to retain workers and maintain payroll; or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures as specified under the Paycheck Protection Program Rules; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.
- I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, covered utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures, and not more than 40% of the forgiven amount may be for non-payroll costs. If required, the Applicant will provide to the Lender and/or SBA documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of eligible expenses for the covered period following this loan.
- The Applicant has not and will not receive another Second Draw Paycheck Protection Program Loan.
- The Applicant has not and will not receive a Shuttered Venue Operator grant from SBA.
- The President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings





**Paycheck Protection Program
Loan Forgiveness Application Form 3508 Revised January 19, 2021**

OMB Control No.: 3245-0407
Expiration Date: 7/31/2021

PPP Loan Forgiveness Calculation Form

Business Legal Name ("Borrower")		DBA or Tradename, if applicable	
Business Address	NAICS Code	Business TIN (EIN, SSN)	Business Phone
			() -
		Primary Contact	E-mail Address

First Draw PPP Loan **Second Draw PPP Loan** (check one)

SBA PPP Loan Number: _____ **Lender PPP Loan Number:** _____

PPP Loan Amount: _____ **PPP Loan Disbursement Date:** _____

Employees at Time of Loan Application: _____ **Employees at Time of Forgiveness Application:** _____

Covered Period: _____ to _____

If Borrower (Together with Affiliates, if Applicable) Received First Draw PPP Loans of \$2 Million or More or Second Draw PPP Loans of \$2 Million or More, check here:

Forgiveness Amount Calculation:

Payroll and Nonpayroll Costs

Line 1. Payroll Costs (enter the amount from PPP Schedule A, line 10):

Line 2. Business Mortgage Interest Payments:

Line 3. Business Rent or Lease Payments:

Line 4. Business Utility Payments:

Line 5. Covered Operations Expenditures:

Line 6. Covered Property Damage Costs:

Line 7. Covered Supplier Costs:

Line 8. Covered Worker Protection Expenditures:

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

Line 9. Total Salary/Hourly Wage Reduction (enter the amount from PPP Schedule A, line 3):

Line 10. Sum the amounts on lines 1 through 8, then subtract the amount entered in line 9.

Line 11. FTE Reduction Quotient (enter the number from PPP Schedule A, line 13):

Potential Forgiveness Amounts

Line 12. Modified Total (multiply line 10 by line 11):

Line 13. PPP Loan Amount:

Line 14. Payroll Cost 60% Requirement (divide line 1 by 0.60):



PPP Process for Financial Institutions

- Beginning today, businesses with fewer than 20 employees will have an exclusive two-week period to apply for PPP loans.
- Apply through your local financial institution or Community Development Financial Institution (CDFI)
 - *Wisconsin Women's Business Initiative Corp. (WWBIC)*
 - *First American Capital Corp.*
 - *Legacy Redevelopment Corp.*
- Be Prepared

