

# PAYCHECK PROTECTION PROGRAM

## PART 1 - CHECKLIST FOR PAYCHECK PROTECTION PROGRAM (“PPP”) APPLICATION FORM

1.  Check loan documents for existing debt.
  - Are there loan covenants against incurrence of additional debt?
  - Are there debt service coverage ratios that must be managed?
2.  Documentation Needed
  - (a)  PPP Application Form: (copy and paste attached link for current form)  
<https://www.sba.gov/sites/default/files/2020-04/PPP%20Borrower%20Application%20Form.pdf>
  - (b)  990 for most recent 3 years
  - (c)  Organized documentation of “Payroll Costs” and number of Full Time Equivalent (FTE) employees
  - (d)  Officer’s Certificate (see attached) documenting existence of borrower and that loan properly authorized. Include these attachments:
    - Articles of Incorporation
    - Certificate of Status for Corporation
    - Bylaws of Corporation
    - Resolutions authorizing borrowing
3.  Prepare Application, 990s, payroll Information and Officer’s Certificate in an organized package ... **“Make it easy for lender to say yes”**
4.  Completing Application
  - (a)  Fairly short (name, address, EIN etc. are self-explanatory)

(b) \_\_\_\_ Calculation of Average Monthly Payroll

\_\_\_\_ “Payroll Costs” for 2019/12 months = Average Monthly Payroll

Average Monthly Payroll = \_\_\_\_\_

\_\_\_\_ “Payroll Costs” include:

- Compensation to employees residing in USA (salary, wages, commissions or similar compensation under \$100,000)
- Cash tips or equivalent (based on employer records of past tips or reasonable, good-faith employer estimate of tips)
- Payment for vacation, parental, family, medical or sick leave
- Allowances for separation or dismissal
- Payments for employee benefits like group health coverage (including insurance premiums) and retirement
- Payment of state and local taxes assessed on compensation

\_\_\_\_ “Payroll Costs” for less than full year in 2019, or for highly seasonal operations use a different formula

(c) \_\_\_\_ Calculation of Loan Amount

\_\_\_\_ Average Monthly Payroll x 2.5 = Loan Amount

Loan Amount = \_\_\_\_\_

(d) \_\_\_\_ Calculation of Number of Jobs

\_\_\_\_ Count FTE employees for each month of 2019

\_\_\_\_ Sum of FTE for all 12 months/12 = Number of Jobs

Number of Jobs = \_\_\_\_\_

(e) \_\_\_\_\_ Applicant Ownership

\_\_\_\_\_ Insert "See attached" under Owner's name

\_\_\_\_\_ On attached sheet write:

*"Applicant is a nonstock corporation, organized under the laws of the State of Wisconsin, and recognized as tax exempt under Section 501(c)(3) of the Internal Revenue Code. Accordingly, Applicant has no owners."*

### **PART 2 - AFTER LOAN FUNDING**

1. \_\_\_\_\_ Keep track of use of loan proceeds (you will need documentation when apply for loan forgiveness)  
\_\_\_\_\_ At least 75% of loan proceeds have to go to "Payroll Costs"  
\_\_\_\_\_ Up to 25% of loan proceeds can go to other eligible costs
2. \_\_\_\_\_ To be forgivable, loan proceeds must be used in 8 weeks after loan funding

### **PART 3 - OFFICER'S CERTIFICATE (See Attached)**

1. \_\_\_\_\_ Use attached Officer's Certificate to insure lender knows Applicant is legit and loan is properly authorized  
\_\_\_\_\_ Fill in blanks with:  
\_\_\_\_\_ In caption paragraph  
\_\_\_\_\_ Name of Corporation  
\_\_\_\_\_ Name 1 and title of person signing the Officer's Certificate (usually Secretary, but does not have to be)

- \_\_\_ Section 4 - date of the Resolutions authorizing loan
  - \_\_\_ Section 5 - Name 2 and title of person who will be signing loan documents (usually the Executive Director or President, but another officer can be authorized)
  - \_\_\_ Section 5 Signature Block -Name 2 and title of person signing, and then provide a specimen signature
  - \_\_\_ Section 6 - Name 2 and title (same as in Section 5)
  - \_\_\_ Signature Block - Name 1 and title (same as in caption paragraph)
2. \_\_\_ Annex A - Attach Corporation's Articles of Incorporation. If Articles are unavailable, copies can be ordered online from WDFI at:  
<https://www.wdfi.org/apps/oos/?CategoryID=1,11>
  3. \_\_\_ Annex B - Attach a Certificate of Status for Corporation. Certificates of Status can be ordered online from WDFI at:  
<https://www.wdfi.org/apps/oos/?CategoryID=1,11>
  4. \_\_\_ Annex C - Attach Corporation's Bylaws. If no Bylaws, language in Section 3 should be adjusted to say *"the Corporation has no Bylaws, and is operated and governed under Wisconsin Statutes."*
  5. \_\_\_ Annex D - If Corporation has already adopted Resolutions authorizing borrowing, attach those Resolutions as Annex D. If Corporation has not adopted Resolutions, have Board of Directors adopt Resolutions attached as Annex D

**OFFICER’S CERTIFICATE**  
**\_\_\_\_\_ (Corp Name) \_\_\_\_\_**

The undersigned, **\_\_(Name1)\_\_** is the duly elected, qualified, and acting **\_\_(Title)\_\_** of **\_\_(Corp Name)\_\_** a Wisconsin, nonstock corporation, recognized as tax-exempt under Section 501(c)(3) of the Internal Revenue Code (the “Corporation”). I am fully apprised of and familiar with the business and affairs of the Corporation. I have personal knowledge of the matters set forth in this Officer’s Certificate and understand the Small Business Administration, certain other federal, state and local governmental or regulatory authorities, and/or certain other lenders may rely on this Officer’s Certificate with respect to the Corporation’s application to borrow funds under the Paycheck Protection Program, the Economic Injury Disaster Loan Program and/or certain other federal, state or local loan programs established to help businesses impacted by the COVID-19 virus (collectively, the “Government Loan Programs”).

With regard to the foregoing, I do hereby certify that:

1. Attached to this Officer’s Certificate as **Annex A** is a true and correct copy of the Articles of Incorporation of the Corporation filed with the Wisconsin Department of Financial Institutions, which have not been amended and are in full force and effect on the date of this Officer’s Certificate.

2. Attached to this Officer’s Certificate as **Annex B** is a true and correct copy of a Certificate of Status for the Corporation provided by the Wisconsin Department of Financial Institutions, which has not been amended and is in full force and effect on the date of this Officer’s Certificate.

3. Attached to this Officer’s Certificate as **Annex C** is a true and correct copy of the Bylaws of the Corporation, which have not been amended and are in full force and effect on the date of this Officer’s Certificate.

4. Attached to this Officer’s Certificate as **Annex D** is a true and correct copy of Resolutions adopted on **\_\_(Date)\_\_**, authorizing the Corporation to borrow funds, which Resolutions have not been amended or rescinded and are in full force and effect on the date of this Officer’s Certificate.

5. **\_\_(Name2)\_\_** is the duly appointed and acting **\_\_(Title)\_\_** of the Corporation, and the following is the genuine signature of **\_\_(Name2)\_\_**.

<u>Name</u>	<u>Title</u>	<u>Signature</u>

6. \_\_**(Name2)**\_\_, in his or her capacity as \_\_**(Title)**\_\_ of the Corporation, is authorized (a) to execute on behalf of the Corporation, any and all documents or instruments associated with or related to obtaining a loan under the Government Loan Programs, and (b) to undertake and complete any and all acts he or she deems reasonably necessary to effectuate or accomplish the foregoing.

IN WITNESS WHEREOF, I have executed this Officer's Certificate as of this \_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
\_\_**(Name 1)**\_\_, \_\_**(Title)**\_\_

**ANNEX A**

**Articles of Incorporation**

*[See Attached]*

**ANNEX B**

**Certificate of Status**

*[See Attached]*



ANNEX C

**Bylaws of Corporation**

*[See Attached]*

**ANNEX D**

**Resolution of Board of Directors**

*[See Attached]*

**RESOLUTIONS OF \_\_\_\_ (CORP NAME) \_\_\_\_**

The undersigned, \_\_\_\_ (CORP NAME) \_\_\_\_ a Wisconsin nonstock corporation, recognized as tax-exempt under Section 501(c)(3) of the Internal Revenue Code (the "Corporation"), hereby adopts the following Recitals and Resolutions:

**RECITALS**

A. The Corporation may borrow funds during the COVID-19 crisis (i) from the Small Business Administration ("SBA") under the Economic Injury Disaster Loan Program ("EIDL Program"), and/or (ii) from a SBA eligible lender under the Paycheck Protection Program ("PPP").

B. The Corporation may borrow additional funds during the COVID-19 crisis under any other loan or grant program sponsored or approved by any federal, state or municipal authority (the "Other Loan Programs," and together with the PPP and the EIDL Program, the "Government Loan Programs").

C. The purpose of borrowing the funds shall be (i) to keep employees on, or return employees to payroll during the COVID-19 crisis, (ii) to pay certain operating costs and/or (iii) for other eligible uses.

**RESOLUTIONS**

1. Actions taken to date by \_\_\_\_ (Corp Name) \_\_\_\_ in furtherance of acquiring loans under any Government Loan Programs are hereby ratified and approved.

2. The Corporation is hereby authorized to borrow funds under the Government Loan Programs in amounts and under terms deemed reasonable by the \_\_\_\_ (Title) \_\_\_\_ of the Corporation.

3. \_\_\_\_ (Name) \_\_\_\_, as \_\_\_\_ (Title) \_\_\_\_ of the Corporation is hereby authorized to take any and all actions and execute any and all documents or instruments deemed necessary or desirable to effectuate the purposes of these resolutions.

These Resolutions are approved and effective as of \_\_\_\_ (Date) \_\_\_\_.

\_\_\_\_ (CORPANIZATION NAME) \_\_\_\_,  
a Wisconsin nonstock corporation

By: \_\_\_\_\_  
\_\_\_\_ (Name) \_\_\_\_, \_\_\_\_ (Title) \_\_\_\_