



**Women's Business**  
Development Council

# Applying for PPP: What You Need to Know

July 23, 2020

This session is held in partnership with:

- CT Early Childhood Alliance
- CT Office of Early Childhood
- U.S. Small Business Administration CT District Office



# Agenda

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- Introductions
- PPP Overview & Eligibility
- How to Apply
- How WBDC can help you
- What comes next
- Q&A

# Welcome to WBDC



## Training and Counseling

Educates, empowers, and guides the aspiring, emerging and established entrepreneur throughout their small business venture.



## Financial Education

Gives people a solid foundation from which to grow. The program includes settings for clients with different financial needs.



## Access to Capital

Provides technical assistance to both aspiring and established entrepreneurs who are actively pursuing capital.

**Over the past 20 years, we've helped more than 18,000 women across CT become better business people.**

- Training & counseling services are offered at little to no-cost.
- Men are welcome too!

# What is PPP?

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- Paycheck Protection Program (PPP)
- Federal program providing forgivable loans to businesses to help with payroll & certain other expenses during COVID
- Must apply with an approved lender, including banks, credit unions or fintechs (like QuickBooks, PayPal & Square)
- August 3<sup>rd</sup> application deadline for many lenders
- Loans may be 100% forgivable – the loan becomes a grant if you spend it correctly

# Who is eligible for PPP?

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- Sole proprietors, single-member LLCs, and independent contractors, including home-based daycares
  - Profitable in 2019 (if open then)
- Child care centers and other businesses with employees
- Businesses operating on February 15, 2020

# Uses of Funds

Allowed Expenses	Operating in a commercial space?	Operating in a home?
Payroll expenses including owner's pay	Yes	Yes
Mortgage loan interest	Yes	No
Rent	Yes	No
Utilities in name of business (electricity, gas, internet, cell phone, etc.)	Yes	No
Insurance	No	No
Building repairs/upgrades	No	No
New equipment	No	No
PPE	No	No

# PPP Rules

Feature	PPP Rules
Covered Period <sup>1</sup> (when funds must be used)	Up to 24 weeks
Minimum % of PPP used for Payroll & Owner's Pay to get 100% Forgiveness	60%
Maximum Spending Allowed on Other Approved Expenses <sup>2</sup>	40%
Maximum wage rate or salary reduction to get 100% Forgiveness <sup>3</sup>	25%

<sup>1</sup> From date of PPP disbursement or beginning of 1<sup>st</sup> pay period after disbursement

<sup>2</sup> Mortgage interest, rent, utilities, and transportation (where applicable)

<sup>3</sup> Excludes those staff earning over \$100,000 per year

# PPP Eligibility

Business Type	Max Amount of Loan	Supporting Documents Needed
Sole proprietor, single-member LLC, independent contractor, including home-based daycare <u>with no employees</u>	2019 Schedule C <sup>2</sup> Line 31 ÷ 12 x 2.5 OR 2019 K-1 <sup>2</sup> Line 14 ÷ 12 x 2.5	2019 Schedule C OR 2019 K-1
Sole proprietor, single-member LLC, independent contractor, including home-based daycare <u>with W-2 employees</u>	Above + 2.5 x average monthly payroll <sup>1</sup>	Above + 941s or other equivalent payroll reports
All other small businesses and non-profits	2.5 x average monthly payroll <sup>1</sup>	941s or other equivalent payroll reports

<sup>1</sup> Includes all payroll expenses except employer's contribution to FICA

<sup>2</sup> Self-employed/owner wages capped at \$20,855 across all businesses owned (equivalent of 2.5 months at \$100,000 annual cap as per CARES Act)



# Calculating PPP Loan Amount

Who?	2019 Annual Income or Payroll Source	Example	PPP Eligible Amount
Owner (if not W-2)	2019 Schedule C Line 31  OR  2019 K-1 Line 14	2019 Schedule C Line 31 = \$24,000  $\$24,000 \div 12 = \$2,000$  $\$2,000 \times 2.5 = \underline{\$5,000}$	<b>\$5,000.00</b>
W-2 Employees (if any)	Total of 2019 941 Taxable Wages  PLUS:  <ul style="list-style-type: none"> <li>• Employer contributions to health insurance &amp; retirement plans</li> <li>• Employer state and local taxes (SUTA)</li> </ul>	Total 2019 941s = \$50,000  Total employer contribution to health insurance and retirement plans = \$2,500  Total employer paid SUTA = \$1,250  Total Payroll Expense = \$53,750  $\$53,750 \div 12 = \$4,479.17$  $\$4,479.17 \times 2.5 = \underline{\$11,197.92}$	<b>\$11,197.92</b>
<b>Total PPP Eligible Amount</b>			<b>\$16,197.92</b>

# Where do I apply?

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- Go to the bank where you have a business account
- If no business account, go to Lauren Torres at Webster Bank (Se habla español.)  
[LETorres@WebsterBank.com](mailto:LETorres@WebsterBank.com) / 914-967-1679

OR

- Go to [QuickBooks](#), [Kabbage](#), [Fundera](#) or [Funding Circle](#)

## Don't Forget!

- Have your tax return close by, and payroll reports if you have employees.
- Apply by August 3<sup>rd</sup> so you don't miss out!

# How do I get help applying?

- We are holding small-group sessions:
  - Providers with no W-2 employees
    - Fri, 7/24 at 9:30am with Beth ([Register Here](#))
    - Mon, 7/27 at 9:30am with Jacqui ([Register Here](#))
    - Weds, 7/29 at 6:00pm with Jacqui ([Register Here](#))
  - Providers with W-2 employees
    - Tues, 7/28 at 9:30am with Sherry ([Register Here](#))
    - Weds, 7/29 at 12:00pm with Sherry ([Register Here](#))
- Those with situations we did not cover today can book an individual counseling appointment.
- Contact WBDC at (203) 751-9550 or [info@ctwbdc.org](mailto:info@ctwbdc.org) to request a 1:1 virtual appointment.

# What comes next?

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- You can apply for PPP loan forgiveness, but we'll hold a separate webinar on this
- For funds to be forgiven, you must use the funds in the way we described earlier
- Keep records of what you spent the money on
  - WBDC can help you develop a system to track these!

# Thank you for attending!

For other types of business support, contact us at  
[childcarebusiness@ctwbdc.org](mailto:childcarebusiness@ctwbdc.org)



[www.ctwbdc.org](http://www.ctwbdc.org)