

DOCUMENTATION INSTRUCTIONS FOR SECOND DRAW PAYCHECK PROTECTION PROGRAM (PPP) BORROWERS

These instructions were created to help you if you are requesting a different PPP loan amount for your second draw PPP loan than your first draw, or are a new PPP borrower to Cache Valley Bank. These instructions explain the list of documents you will need to provide along with your application for a second draw PPP loan.

The acceptable time period borrowers use to calculate payroll costs for a second draw PPP loan can be either:

- 2019 calendar year payroll,
- 2020 calendar year payroll , or
- A precise one year period before the application date
 - Note, the precise 1 year option is not available to sole proprietors or self-employed individuals.

For an in-depth guide on how to calculate your loan amount please refer to the form below which was created by the US Treasury for first draw PPP loans. It provides specific instructions for each borrower type. Note, that the guide refers specifically to the 2019 calendar year, but the same methodology applies to a borrowers that choose to use the 2020 calendar year or precise one year period before the application date. Also note that second draw PPP loans are capped at \$2MM.

<https://home.treasury.gov/system/files/136/How-to-Calculate-Loan-Amounts.pdf>

REQUIRED DOCUMENT LIST FOR EXISTING CVB BORROWERS REQUESTING A DIFFERENT LOAN AMOUNT

1. Borrowers requesting loans *under* \$150,000 must submit the following (where relevant):
 - a. C Corps, S Corps, and other business types with employees:
 - i. IRS Form 940/941 matching the time period used to calculate payroll,
 - ii. state quarterly wage unemployment insurance tax reporting forms matching the time period used to calculate payroll, or
 - iii. a PEO report matching the selected time period
 - b. Sole Proprietors:
 - i. A Schedule C from their personal tax returns
 - c. Partnerships:
 - i. A Schedule K-1 showing box 14a ‘self-employment earnings’
 - d. Evidence of any employer paid retirement and health insurance contributions.
2. Borrowers requesting loans *over* \$150,000 must submit the following (where relevant):
 - a. The same documentation requirements as listed above 1(a - d); and
 - b. Financial Statements, tax returns, bank account statements or other documentation showing at least a 25% decline in revenue in 2020 as compared to 2019, or in at least one quarter of 2020 compared to the same quarter in 2019. For many small

businesses this will be a financial statement from quick books or similar accounting software.

REQUIRED DOCUMENT LIST FOR NEW CVB BORROWERS

1. Borrowers requesting loans *under* \$150,000 must submit the following (where relevant):
 - a. C Corps, S Corps, and other business types with employees:
 - i. IRS Form 940/941 matching the time period used to calculate payroll,
 - ii. state quarterly wage unemployment insurance tax reporting forms matching the time period used to calculate payroll, or
 - iii. a PEO report matching the selected time period
 - b. Sole Proprietors:
 - i. A Schedule C from their personal tax returns
 - c. Partnerships:
 - i. A Schedule K-1 showing box 14a 'self-employment earnings'
 - d. Evidence of any employer paid retirement and health insurance contributions.

2. Borrowers requesting loans *over* \$150,000 must submit the following (where relevant):
 - a. The same documentation requirements as listed above 1(a - d); and
 - b. Financial Statements, tax returns, bank account statements or other documentation showing at least a 25% decline in revenue in 2020 as compared to 2019, or in at least one quarter of 2020 compared to the same quarter in 2019. For many small businesses this will be a financial statement from quick books or similar accounting software.

3. All new borrowers to CVB, regardless of loan size are also required to submit the following:
 - a. Articles of incorporation/Organization for their business
 - b. Driver's License and Social Security Numbers for anyone who owns 20% or more of the business
 - c. A certificate of good standing for the business from the state it is registered in
 - d. A voided check for the account the PPP funds will be deposited into