



Documents to Gather – Partnerships with Employees

Disclaimer: The information below is based on the SBA's guidance as of January 7, 2020, and is subject to change.

ELIGIBILITY¹

(✓)

Payroll statement or similar documentation from the pay period that covered February 15, 2020, to establish you were in operation with employees on that date.

PAYROLL¹ (2019 OR 2020)

Gross Wages to Employees

Please provide one of the following options:

IRS 941s and state quarterly wage unemployment insurance tax reporting forms from each quarter

Please also provide a listing of individual employees who earned more than \$100,000 annually.

or Third-party payroll processor equivalent to IRS 941s and state quarterly wage unemployment insurance tax reporting forms from each quarter

Please also provide a listing of individual employees who earned more than \$100,000 annually.

or IRS Wage and Tax Statements (W-3 and W-2)

Please also provide a listing of individual employees who earned more than \$100,000 annually.

Employer Contributions for Group Health Benefits

This includes employer payments for health, life, disability, vision and dental group insurance benefits.

Please provide one of the following options:

Account statements

or Receipts or cancelled checks

Employer Contributions for Group Retirement Benefits

Please provide one of the following options:

Account statements

or Receipts or cancelled checks

State and Local Taxes Assessed on Employee Compensation

Please provide one of the following options:

State unemployment insurance tax filings

or Third-party payroll processor equivalent to state unemployment insurance tax filings

Partners' Self-Employment Income (K-1, box 14a)

2019 or 2020 IRS Form 1065

and All K-1s (showing self-employment income in Box 14a)

SECOND DRAW LOANS ONLY

If you received your First Draw loan from another lender, please obtain your First Draw SBA Loan Number and Loan Amount. If you received your First Draw loan from Angel Funding Group, we will pre-populate this information for you.

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To be eligible for a Second Draw loan, a customer must satisfy each of the following in addition to existing PPP loan requirements:

1. Have no more than 300 employees², and
2. Demonstrate at least a 25% decrease in gross receipts³ (see Gross Receipts Test below), and
3. Not be an entity that is specifically excluded from receiving a Second Draw PPP loan⁴, and
4. Have received a First Draw PPP Loan and have used, or will use, the full amount on authorized uses.

SECOND DRAW LOAN GROSS RECEIPTS TEST

Loans \$150,000 and Smaller: While you will be required to certify that you experienced a gross receipts reduction of at least 25% for one of the periods below, **gross receipts documentation is not required when you apply for the loan.** These documents will not be required until you apply for forgiveness.

Loans greater than \$150,000: Please be prepared to provide quarterly income statements or bank statements (or federal tax returns if comparing the year 2020 to the year 2019) supporting a reduction in gross receipts by at least 25% for one of the following periods:

If you were in operation all four quarters of 2019:

(✓)

Any quarter in 2020 **AND** the same quarter in 2019

or The year 2020 (with federal tax return) **AND** the year 2019 (with federal tax return)

If you were not in operation during the first or second quarter of 2019, but were in operation during the third and fourth quarters of 2019:

Any quarter in 2020

and Either the third or fourth quarter of 2019

If you were not in operation during the first three quarters of 2019, but were in operation during the fourth quarter of 2019:

Any quarter in 2020

and Fourth quarter of 2019

If you were not in operation during 2019, but were in operation on February 15, 2020:

Second, third or fourth quarter of 2020

and First quarter of 2020

¹SBA has indicated that certain Second Draw PPP Loan customers might not be required to provide documentation to substantiate payroll costs if (1) the borrower used calendar year 2019 figures to determine its First Draw PPP Loan amount, (2) the borrower used calendar year 2019 figures to determine its Second Draw PPP Loan amount (instead of calendar year 2020), and (3) the lender is the same for both the First Draw and Second Draw PPP Loans. However, SBA's guidance regarding required payroll documentation evolved throughout the First Draw PPP Loan process. **Angel Funding Group** is required to review a borrower's Second Draw PPP Loan payroll calculation and documentation and, if necessary, request additional supporting documentation before approving the loan. **To ensure the smoothest and most expedient process for customers, Angel Funding Group will require Second Draw PPP Loan Customers to provide all documentation listed here even if they meet the three criteria previously mentioned.**

²Employers with NAICS codes starting with "72" may have up to 300 employees per physical location. Employers with NAICS codes starting with "511110" or "5151" (or who are majority-owned or controlled by a business concern with those NAICS codes) may have up to 300 employees per physical location.

³According to the SBA, "gross receipts" include all revenue in whatever form received or accrued from whatever source, including from the sales of products or services, interest, dividends, rents, royalties, fees, or commissions, reduced by returns and allowances. Gross receipts do not include (1) net capital gains or losses as reported on IRS tax return forms, (2) amounts collected for and remitted to another party (such as sales taxes), or (3) proceeds from transactions between affiliates. All other items should be included as gross receipts. For more information, please [click here](#).

⁴(1) Businesses described in [13 CFR § 120.110](#), (2) Businesses primarily engaged in political or lobbying activities, including think tanks, research and advocacy groups, (3) Businesses who (a) are 20% or more owned (directly or indirectly) by (i) a Chinese company, or (ii) any company with significant operations in China, or (b) have a director who is a resident of China, (4) Businesses required to register under Section 2 of the Foreign Agents Registration Act of 1938, or (5) Businesses that receive a grant under the Economic Aid to Hard-Hit Small Businesses, Nonprofits and Venues Act.