



COLLEGE of AMERICAN PATHOLOGISTS

Member Resources

Paycheck Protection Program Roadmap to Preparation and Application

Objective:

The purpose of this document is to provide general guidance and recommendations for practices to use when preparing to apply for a loan under the Paycheck Protection Program (PPP). This resource is for general informational purposes and should not be viewed as a substitute for professional accounting or legal advice.

Deadline for application: June 30, 2020

Who can apply for the PPP loan? All businesses, including nonprofits, Tribally owned business concerns, sole proprietorships, self-employed individuals and independent contractors with fewer than 500 employees.

Where do I apply? Contact your local financial institution to see if they are participating in the program. Additional lenders may be found at www.sba.gov

What is the maximum loan amount? Your maximum loan amount is 2.5 times your average monthly payroll. Refer to the CAP's PPP Worksheet as a guide to developing your "average monthly payroll amount".

What can the funds be used for? The proceeds from the loan should be used for

- Payroll costs, including health care benefits, retirement benefits and any state or local taxes that the practice must pay based on the compensation it pays its employees.
- Interest on mortgage obligations, incurred before February 15, 2020
- Rent, under agreements in force before February 15, 2020
- Utilities, for which service began before February 15, 2020

How much of the loan will be forgiven? The loan will be fully forgiven IF 75% of the funds are used for payroll costs; 25% can be used for interest on mortgages, rent and utilities. Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.

Will I be charged interest on the loan? The loan has an interest rate of 1%. There are no other fees associated with the PPP loan.

How much time do I have to repay the loan? The term of the loan is for a 2-year period. Loan payments will be deferred for the first six months. There are no prepayment penalties. No collateral or personal loan guarantees are required.

PPP Loan Application: <https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Application-3-30-2020-v3.pdf>

Paycheck Protection Program (PPP) Loan Roadmap

Information Required for Application	Potential Source(s)
Total number of full-time equivalents (FTE) employees for the preceding calendar year.	<i>Payroll register identifying employees paid.</i>
Total gross taxable payroll for the preceding calendar year. These amounts should be by quarter.	<i>Payroll register or 941 quarterly tax filings or annual tax return.</i>
Listing of annual salaries for employees earning in excess of \$100,000/year	<i>Payroll register</i>
Amount the practice has paid for its employees' health care benefits for the preceding calendar year. These expenses should be on a monthly basis	<i>Paid invoices, or federal tax returns or your practice income statements</i>
Amounts paid by the practice for employee retirement benefits in 2019.	<i>Federal tax returns or the practices financial statements.</i>
State or local taxes the practice paid on wages that it paid to employees in 2019.	<i>State or local tax returns or federal tax returns or the practices financial statements.</i>
Loan amount desired	
PPP loan application	https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Application-3-30-2020-v3.pdf

Additional Resources:

SBA Paycheck Protection Program

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp>

COVID – 19 Information

<https://www.cap.org/news/2020/latest-on-the-novel-coronavirus-covid-19>

COVID -19 Recent Updates

<https://www.cap.org/covid-19>