

Required documentation for clients who received a First Draw PPP loan from Sandy Spring Bank for loans \$150,000 and less:

- Date of Origination
- NAICS code from your tax return
- PPP Original Loan Amount
- SBA Loan number
- If you are using **2019** for purposes of calculating the maximum loan amount, Sandy Spring Bank has this information, and you only need to submit a **Completed SBA Second Draw Borrower Application**.
- If you are using **2020** for purposes of calculating the maximum loan amount, please see documentation required for a First Draw PPP loan which can be found on the [First Draw Documents Checklist](#).

On or before the date you apply for forgiveness, you must submit documentation that demonstrates that the applicant has experienced a revenue reduction of 25% or greater in any quarter of 2020 relative to 2019 such as:

- For all businesses that have employees:** 2020 IRS Form 941 for Reference Quarter(s), annual tax forms (Form 1065, Form 1120, Form 1120S, Form 990) if using annual gross receipts, or if relevant tax forms are not available, quarterly financial statements or bank statements.
- For self-employed individuals, independent contractors & sole proprietorships:** 2020 Form 1040 Schedule C and if applicable 2020 1099-MISC showing compensation in Box 7, or if relevant tax forms are not available, quarterly financial statements or bank statements.

Required documentation for clients who received a First Draw PPP loan from Sandy Spring Bank for loans greater than \$150,000:

- Date of Origination
- NAICS code from your tax return
- PPP Original Loan Amount
- SBA Loan number
- If you are using **2019** for purposes of calculating the maximum loan amount, Sandy Spring Bank has this information, and you only need to submit a **Completed SBA Second Draw Borrower Application and backup for Reduction in Gross Receipts** (see below).
- If you are using **2020** for purposes of calculating the maximum loan amount, please see documentation required for a First Draw PPP loan which can be found on the [First Draw Documents Checklist](#).

PAYCHECK PROTECTION PROGRAM

SECOND DRAW DOCUMENTS CHECKLIST

- For all businesses that have employees:** Form 941 for Reference Quarter(s), annual tax forms (Form 1065, Form 1120, Form 1120S, Form 990)
- For self-employed individuals, independent contractors & sole proprietorships:** 2020 Form 1040 Schedule C (even if not yet filed with IRS) and if applicable 2020 1099-MISC showing compensation in Box 7, or if relevant tax forms are not available, quarterly financial statements or bank statements.

The following information can be used to substantiate a 25% reduction in gross receipts (only one should be used):

- Quarterly financial statements for the entity.** If the financial statements are not audited, the Applicant must sign and date the first page of the financial statement and initial all other pages, attesting to their accuracy. If the financial statements do not specifically identify the line item(s) that constitute gross receipts, the Applicant must annotate which line item(s) constitute gross receipts.
- Quarterly or monthly bank statements for the entity showing deposits from the relevant quarters.** The Applicant must annotate, if it is not clear, which deposits listed on the bank statement constitute gross receipts (e.g., payments for purchases of goods and services) and which do not (e.g., capital infusions).
- Annual IRS income tax filings of the entity** (required if using an annual reference period). If the entity has not yet filed a tax return for 2020, the Applicant must fill out the return forms, compute the relevant gross receipts value, and sign and date the return, attesting that the values that enter into the gross receipts computation are the same values that will be filed on the entity's tax return.

Required documentation for clients who did not receive their First Draw PPP loan from Sandy Spring Bank:

- Date of Origination
- NAICS code from your tax return
- PPP Original Loan Amount
- SBA Loan number
- You may use 2019 **OR** 2020 for purposes of calculating maximum loan amount and provide documentation that corresponds with the year selected.
- Copy of driver's license for the authorized signer and each owner who owns 20% or more of the company.
- 3rd party payroll verification and/or pay stub as of 2/15/2020 to establish you were in operation or had employees as of that date (if self-employed: provide bank statement or invoice), state quarterly wage unemployment insurance tax reporting forms from each quarter in 2019 **OR** equivalent payroll processing records*.
- Articles of organization/formation.

For All Businesses that have Employees

- 2019 IRS Form 940 (944 can be used in place of 940) OR 2019 Q1 through Q4 IRS Form 941*.

For LLCs and Partnerships with Multiple Owners

- 2019 IRS Form 940 (944 can be used in place of 940) OR 2019 Q1 through Q4 IRS Form 941 (if company has employees), *2019 IRS Form 1065 Schedule K-1 (even if not yet filed with IRS)*.

For Self-Employed Individuals, Independent Contractors & Sole Proprietorships

- 2019 Form 1040 Schedule C (even if not yet filed with IRS)*.
- 2019 1099-MISC showing compensation in Box 7*.

The following information can be used to substantiate a 25% reduction in gross receipts (only one should be used):

- Quarterly financial statements for the entity.** If the financial statements are not audited, the Applicant must sign and date the first page of the financial statement and initial all other pages, attesting to their accuracy. If the financial statements do not specifically identify the line item(s) that constitute gross receipts, the Applicant must annotate which line item(s) constitute gross receipts.
- Quarterly or monthly bank statements for the entity showing deposits from the relevant quarters.** The Applicant must annotate, if it is not clear, which deposits listed on the bank statement constitute gross receipts (e.g., payments for purchases of goods and services) and which do not (e.g., capital infusions).
- Annual IRS income tax filings of the entity** (required if using an annual reference period). If the entity has not yet filed a tax return for 2020, the Applicant must fill out the return forms, compute the relevant gross receipts value, and sign and date the return, attesting that the values that enter into the gross receipts computation are the same values that will be filed on the entity's tax return.

Other Documents to Support the Application

If an applicant provides the information outlined above according to their specific situation, Sandy Spring Bank can process a PPP loan request. However, if the applicant has a complicated request or includes healthcare expenses, retirement expenses, or other eligible expenses in the calculation of Average Monthly Payroll as defined by the SBA, it is recommended the following additional documents are also provided:

- 3rd party payroll report detailing compensation and benefits paid to employees over the 12 month period being used to calculate Average Monthly Payroll.
- 3rd party supporting documentation to verify healthcare expenses.
- 3rd party supporting documentation to verify corporate retirement expenses.

**Provide 2020 information if 2020 data is used to calculate the maximum loan amount.*