



# PPP Loan Amount Calculation Checklist

To help complete your PPP loan application, we recommend that you refer to this calculation checklist to calculate your loan amount and gather the required documentation accordingly. In order to help us expedite your application we recommend submitting this calculation sheet with your application.

This checklist describes payroll costs using calendar year 2019 as the reference period for loan amounts calculation. However, borrowers are permitted to use payroll costs from either calendar year 2019 or calendar year 2020 for their PPP Loan amount calculation. Documentation, including IRS forms, must be supplied for the selected reference period.

To support your application, and IRS Form W-3 or third party payroll processor reports, including quarterly and annual tax reports, in lieu of IRS Form 941. Additionally, very small businesses that file an annual IRS Form 944 or agricultural employers that file an annual IRS Form 943 should rely on and provide IRS Form 944 or IRS Form 943 in lieu of IRS Form 941.

An applicant may provide records from a retirement administrator to document employer retirement contributions. An applicant may also provide records from a health insurance company or third-party administrator for a self-insured plan to document employer health insurance contributions.

**Please refer to the checklists below based on your business type (e.g., S-Corp, Self-Employed, etc.). Note: if you are an LLC owner, you should follow the instructions that apply to your tax filing status in the reference period used to calculate payroll costs (2019 or 2020)—i.e., whether the LLC filed (or will file) as a sole proprietor, a partnership, or a corporation in the reference period.**

## A Note for Second Draw PPP Borrowers:

For borrowers assigned a NAICS code beginning with 72 at the time of disbursement, the maximum loan amount is equal to 3.5 months of payroll costs rather than 2.5 months. Therefore, in this Calculation Checklist, this group of borrowers may calculate 3.5 times of their average monthly payroll costs when applicable, instead of 2.5 times.

Applicants for a Second Draw PPP may not be required to provide payroll documents if they **previously used 2019 annual payroll for their first PPP loan, use 2019 annual payroll for second draw PPP loan application AND they previously applied for their first PPP loan through Hancock Whitney.**

On loans above \$150,000, documentation provided to substantiate a decline must be audit statements or an owner of the company with at least 20% ownership must sign and date all pages of the document. Supporting documentation can be tax documents, quarterly financial statements, or bank statements. For loans of \$150,000 or less, applicants can provide this information upon or before seeking loan forgiveness, or upon SBA request.



#	SELF-EMPLOYED INDIVIDUALS WITH NO EMPLOYEES	AMOUNT
	Net Profit Amount of 2019 or 2020:	
1	<ul style="list-style-type: none"><li>Find this information on IRS Form 1040 Schedule C line 31.</li><li>If this amount is over \$100,000, enter \$100,000.</li><li>If this amount is zero or less, you are not eligible for a PPP loan.</li></ul>	
2	Calculate Average Monthly Net Profit Amount: <ul style="list-style-type: none"><li>Divide the amount in line 1 by 12.</li></ul>	
3	Calculate 2.5 Times of Average Monthly Net Profit Amount: <ul style="list-style-type: none"><li>Multiply the amount in line 2 by 2.5.</li></ul>	
4	<b>FIRST DRAW ONLY</b> Outstanding Amount of any Economic Injury Disaster Loan (EIDL) made between January 31, 2020 and April 3, 2020 that you seek to refinance: <ul style="list-style-type: none"><li>Do not include the amount of any advance under an EIDL COVID-19 loan.</li></ul>	
5	<b>TOTAL LOAN AMOUNT (TOTAL OF AMOUNTS IN LINE 3 AND LINE 4).</b>	

### Note

- You must also provide an IRS Form 1040 Schedule C must be provided to substantiate the applied-for PPP loan amount.
- You must also provide an IRS Form 1099-MISC detailing nonemployee compensation received (box 7), IRS Form 1099-K, invoice, bank statement or book of record establishing you were self-employed and a 2020 invoice, bank statement, or book of record establishing you were in operation on February 15, 2020.
- If you are a self-employed farmer and rancher without employees**, IRS Form 1040 Schedule F line 9 (gross income) should be used to determine the loan amount rather than Schedule C line 31, everything else is the same.



#	SELF-EMPLOYED INDIVIDUALS WITH EMPLOYEES	AMOUNT
	Net Profit Amount:	
1	<ul style="list-style-type: none"> <li>Find this information on 2019 IRS Form 1040 Schedule C line 31.</li> <li>If this amount is over \$100,000, enter \$100,000.</li> <li>If this amount is zero or less, enter zero.</li> </ul>	
	Gross Wages and Tips Paid to Employees (2a+2b-2c-2d):	
2	<ul style="list-style-type: none"> <li>Employees' principal place of residence is in the U.S.</li> <li>Amount is capped at \$100,000 per employee.</li> <li>This amount can be calculated by using amounts in line 2a + 2b – 2c – 2d.</li> </ul>	
2a	<i>IRS Form 941 Taxable Medicare wages &amp; tips (line 5c-column 1) from each quarter.</i>	
2b	<i>Pre-tax employee contribution for health insurance or other fringe benefits excluded from Taxable Medicare wages &amp; tips.</i>	
2c	<i>Amounts paid to any individual employee in excess of \$100,000.</i>	
2d	<i>Amounts paid to any employee whose principal place of residence is outside the U.S.</i>	
3	Employer contributions for employee group health, life, disability, vision, and dental insurance (the portion of IRS Form 1040 Schedule C line 14 attributable to those contributions).	
4	Employer contributions to employee retirement plans (IRS Form 1040 Schedule C line 19).	
5	Employer state and local taxes assessed on employee compensation, primarily state unemployment insurance tax (from state quarterly wage reporting forms).	
6	<b>TOTAL OF LINE 1 TO LINE 5.</b>	
	Calculate Average Monthly Payroll Costs Amount:	
7	<ul style="list-style-type: none"> <li>Divide the amount in line 6 by 12.</li> </ul>	
	Calculate 2.5 Times of Average Monthly Payroll Costs Amount:	
8	<ul style="list-style-type: none"> <li>Multiple the amount in line 7 by 2.5.</li> <li><b>SECOND DRAW ONLY</b> - multiply by 3.5 for NAICS Code 72 businesses.</li> </ul>	
	<b>FIRST DRAW ONLY</b> Outstanding Amount of any EIDL made between January 31, 2020 and April 3, 2020 that you seek to refinance:	
9	<ul style="list-style-type: none"> <li>Do not include the amount of any advance under an EIDL COVID-19 loan.</li> </ul>	
10	<b>TOTAL LOAN AMOUNT (TOTAL OF AMOUNTS IN LINE 8 AND LINE 9).</b>	

**Note**

- The aggregate Corporate Group cap for First draw loans is \$20 million and \$4 million for Second Draw PPP Loans.
- Your maximum First Draw PPP Loan amount is capped at \$10 million and your maximum Second Draw Loan amount is capped at \$2 million.
- The above methodology is also applicable to an independent contractor or a borrower who operates a sole proprietorship, but it cannot be applied to a partner in a partnership.
- Your IRS Form 1040 Schedule C, IRS Form 941 and state quarterly wage unemployment insurance tax reporting form from each quarter (or equivalent payroll processor records or IRS Wage and Tax Statements), along with documentation of any retirement or group health, life, disability, vision, and dental contributions, must be provided to substantiate the applied-for PPP loan amount.
- A payroll statement or similar documentation from the pay period that covered February 15, 2020 must be provided to establish you were in operation and had employees on that date.
- If you are a self-employed farmer and rancher with employee**, in place of Schedule C line 31 (net profit), the difference between Schedule F line 9 (gross income) and the sum of Schedule F lines 15, 22, and 23 (for employee payroll) should be used; your employer contributions for employee group health, life, disability, vision, and dental insurance (portion of Schedule F line 15 attributable to those contributions) and employer contributions for employee retirement contribution (Schedule F line 23) should be used in place of those respective lines on Schedule C; IRS Form 1040 Schedule 1 and Schedule F must be included with the loan application in place of IRS Form 1040 Schedule C, and IRS Form 943 should also be provided in addition to, or in place of, IRS Form 941, as applicable.



#	PARTNERSHIPS	AMOUNT
	Net Earnings from Self-Employment of Individual U.S.-based General Partners that subject to self-employment tax, multiplied by 0.9235, up to \$100,000 per partner.	
1	<ul style="list-style-type: none"> <li>• Compute this amount by calculating <math>0.9235 \times (1a-1b-1c-1d)</math>.</li> <li>• If this amount is over \$100,000, enter \$100,000.</li> <li>• If this amount is less than zero, enter zero.</li> </ul>	
1a	Enter amount from IRS Form 1065 Schedule K-1, box 14a.	
1b	Enter amount of any section 179 expense deduction claimed in box 12.	
1c	Enter amount of any unreimbursed partnership expenses claimed.	
1d	Enter amount of any depletion claimed on oil and gas properties.	
2	Gross wages and tips paid to employees whose principal place of residence is in the U.S., up to \$100,000 per employee, which can be computed using 2a+2b-2c-2d.	
2a	IRS Form 941 Taxable Medicare wages & tips (line 5c-column 1) from each quarter.	
2b	Enter amount of any pre-tax employee contributions for health insurance or other fringe benefits excluded from Taxable Medicare wages & tips.	
2c	Enter amounts paid to any individual employee in excess of \$100,000.	
2d	Enter amounts paid to any employee whose principal place of residence is outside the U.S.	
3	Employer contributions for employee (but not partner) group health, life, disability, vision, and dental insurance, if any (portion of IRS Form 1065 line 19 attributable to those contributions).	
4	Employer contributions to employee (but not partner) retirement plans, if any (IRS Form 1065 line 18).	
5	Employer state and local taxes assessed on employee compensation, primarily state unemployment insurance tax (from state quarterly wage reporting forms), if any.	
6	<b>Total of Line 1 to line 5.</b>	
7	Calculate Average Monthly Payroll Costs Amount: <ul style="list-style-type: none"> <li>• Divide the amount in line 6 by 12.</li> </ul>	
8	Calculate 2.5 Times of Average Monthly Payroll Costs Amount: <ul style="list-style-type: none"> <li>• Multiple the amount in line 7 by 2.5.</li> <li>• <b>SECOND DRAW ONLY</b> - multiply by 3.5 for NAICS Code 72 businesses.</li> </ul>	
9	<b>FIRST DRAW ONLY</b> Outstanding Amount of any EIDL made between January 31, 2020 and April 3, 2020 that you seek to refinance: <ul style="list-style-type: none"> <li>• Do not include the amount of any advance under an EIDL COVID-19 loan.</li> </ul>	
10	<b>Total Loan Amount (Total of Amounts in Line 8 and Line 9).</b>	

**Note**

- The aggregate Corporate Group cap for First draw loans is \$20 million and \$4 million for Second Draw PPP Loans.
- Your maximum First Draw PPP Loan amount is capped at \$10 million and your maximum Second Draw Loan amount is capped at \$2 million.
- Partners' self-employment income should be included on the partnership's PPP loan application; individual partners may not apply for separate PPP loans.
- The partnership's IRS Form 1065 (including K-1s) must be provided to substantiate the applied-for First Draw PPP Loan amount.
- If the partnership has employees, other relevant supporting documentation, including the IRS Form 941 and state quarterly wage unemployment insurance tax reporting form from each quarter (or equivalent payroll processor records or IRS Wage and Tax Statements) along with records of any retirement or group health, life, disability, vision, and dental insurance contributions must also be provided to substantiate the PPP Loan amount.
- If the partnership has employees, a payroll statement or similar documentation from the pay period that covered February 15, 2020 must be provided to establish the partnership was in operation and had employees on that date.
- If the partnership has no employees, an invoice, bank statement, or book of record establishing the partnership was in operation on February 15, 2020 must instead be provided.



#	S CORPORATIONS AND C CORPORATIONS	AMOUNT
1	Gross wages and tips paid to employees whose principal place of residence is in the U.S., up to \$100,000 per employee. • This amount can be calculated using 1a + 1b – 1c – 1d.	
1a	IRS Form 941 Taxable Medicare wages & tips (line 5c-column 1) from each quarter.	
1b	Enter amount of any pre-tax employee contributions for health insurance or other fringe benefits excluded from Taxable Medicare wages & tips.	
1c	Enter any amounts paid to any individual employee in excess of \$100,000.	
1d	Enter any amounts paid to any employee whose principal place of residence is outside the U.S.	
2	Enter amounts of employer group health, life, disability, vision, and dental insurance contributions (portion of IRS Form 1120 line 24 or IRS Form 1120-S line 18 attributable to those contributions).	
3	Enter amounts of employer retirement contributions (IRS Form 1120 line 23 or IRS Form 1120-S line 17).	
4	Enter amounts of employer state and local taxes assessed on employee compensation, primarily state unemployment insurance tax (from state quarterly wage reporting forms).	
5	<b>Total of line 1 to line 4.</b>	
6	Calculate Average Monthly Payroll Costs Amount: • Divide the amount in line 5 by 12.	
7	Calculate 2.5 Times of Average Monthly Payroll Costs Amount: • Multiple the amount in line 6 by 2.5. • <b>SECOND DRAW ONLY</b> - multiply by 3.5 for NAICS Code 72 businesses.	
8	<b>FIRST DRAW ONLY</b> Outstanding Amount of any EIDL made between January 31, 2020 and April 3, 2020 that you seek to refinance: • Do not include the amount of any advance under an EIDL COVID-19 loan.	
9	<b>Total Loan Amount (Total of Amounts in Line 7 and Line 8).</b>	

**Note**

- The aggregate Corporate Group cap for First draw loans is \$20 million and \$4 million for Second Draw PPP Loans.
- Your maximum First Draw PPP Loan amount is capped at \$10 million and your maximum Second Draw Loan amount is capped at \$2 million.
- The corporation’s IRS Form 941 and state quarterly wage unemployment insurance tax reporting form from each quarter (or equivalent payroll processor records or IRS Wage and Tax Statements), along with the filed business tax return (IRS Form 1120 or IRS 1120-S) or other documentation of any retirement and group health, life, disability, vision, and dental insurance contributions, must be provided to substantiate the applied-for PPP loan amount.
- A payroll statement or similar documentation from the pay period that covered February 15, 2020 must be provided to establish you were in operation and had employees on that date.



#	NONPROFIT ORGANIZATIONS	AMOUNT
1	Gross wages and tips paid to employees whose principal place of residence is in the U.S., up to \$100,000 per employee. • This amount can be calculated using 1a + 1b – 1c – 1d.	
1a	IRS Form 941 Taxable Medicare wages & tips (line 5c-column 1) from each quarter.	
1b	Enter amount of any pre-tax employee contributions for health insurance or other fringe benefits excluded from Taxable Medicare wages & tips.	
1c	Enter any amounts paid to any individual employee in excess of \$100,000.	
1d	Enter any amounts paid to any employee whose principal place of residence is outside the U.S.	
2	Enter amounts of employer group health, life, disability, vision, and dental insurance contributions (portion of IRS Form 990 Part IX line 9 attributable to those contributions).	
3	Enter amounts of employer retirement contributions (IRS Form 990 Part IX line 8).	
4	Enter amounts of employer state and local taxes assessed on employee compensation, primarily state unemployment insurance tax (from state quarterly wage reporting forms).	
5	<b>Total of line 1 to line 4.</b>	
6	Calculate Average Monthly Payroll Costs Amount: • Divide the amount in line 5 by 12.	
7	Calculate 2.5 Times of Average Monthly Payroll Costs Amount: • Multiple the amount in line 6 by 2.5. • <b>SECOND DRAW ONLY</b> - multiply by 3.5 for NAICS Code 72 businesses.	
8	<b>FIRST DRAW ONLY</b> Outstanding Amount of any EIDL made between January 31, 2020 and April 3, 2020 that you seek to refinance: • Do not include the amount of any advance under an EIDL COVID-19 loan.	
9	<b>Total Loan Amount (Total of Amounts in Line 7 and Line 8).</b>	

**Note**

- The aggregate Corporate Group cap for First draw loans is \$20 million and \$4 million for Second Draw PPP Loans.
- Your maximum First Draw PPP Loan amount is capped at \$10 million and your maximum Second Draw Loan amount is capped at \$2 million.
- The nonprofit organization’s IRS Form 941 and state quarterly wage unemployment insurance tax reporting form from each quarter (or equivalent payroll processor records or IRS Wage and Tax Statements), along with the filed IRS Form 990 Part IX or other documentation of any retirement and group health, life, disability, vision, and dental insurance contributions, must be provided to substantiate the applied for PPP loan amount.
- A payroll statement or similar documentation from the pay period that covered February 15, 2020 must be provided to establish you were in operation and had employees on that date.
- **Eligible nonprofits that file IRS Form 990-EZ should rely on that form; Those that do not file an IRS Form 990 or 990-EZ**, typically those with gross receipts less than \$50,000, the entity’s 2019 IRS Form 941 and state quarterly wage unemployment insurance tax reporting form from each quarter (or equivalent payroll processor records or IRS Wage and Tax Statements), along with documentation of any retirement and group health, life, disability, vision, and dental insurance contributions, must be provided to substantiate the applied-for PPP loan amount. A payroll statement or similar documentation from the pay period that covered February 15, 2020 must be provided to establish you were in operation and had employees on that date.



#	GENERAL CALCULATION	AMOUNT
	Salary, wages, tips, paid leave, bonuses, and commissions up to \$100K annually.	
1	<ul style="list-style-type: none"> <li>Find this information on Form 941, 940, W3, W2, third-party payroll provider, or bank statements.</li> <li>This amount should not include 1099 salary paid to independent contractors.</li> </ul>	
2	Allowance for separation or dismissal .	
3	Payment for vacation, parental, family, medical, or sick leave not credited under Families First Coronavirus Response Act (“FFCRA”).	
4	Group health care benefits paid by EMPLOYER (not self-Employed or Partnership), including life, disability, medical, dental, and vision.	
5	Retirement 401(k) employer match.	
6	Defined-benefit plan employer contribution.	
7	Defined-contribution plan employer contribution.	
8	Employer-paid state disability insurance (in applicable states).	
9	State unemployment insurance.	
10	Employer-paid state and local employment taxes.	
11	<b>Total Payroll Costs (add amounts from line 1 to line 10).</b>	
12	Amounts paid to any individual employee in excess of \$100,000.	
13	Amounts paid to any employee whose principal place of residence is outside the U.S.	
12	<b>Total Eligible Payroll Costs (line 11 minus line 12 and line 13).</b>	
13	Calculate Average Monthly Amount: <ul style="list-style-type: none"> <li>Divide the amount in line 12 by 12.</li> </ul>	
14	Calculate 2.5 Times of Average Monthly Payroll Costs Amount: <ul style="list-style-type: none"> <li>Multiple the amount in line 13 by 2.5.</li> <li><b>SECOND DRAW ONLY</b> - multiply by 3.5 for NAICS Code 72 businesses.</li> </ul>	
15	FIRST DRAW ONLY Outstanding Amount of any Economic Injury Disaster Loan (EIDL) made between January 31, 2020 and April 3, 2020 that you seek to refinance: <ul style="list-style-type: none"> <li>Do not include the amount of any advance under an EIDL COVID-19 loan.</li> </ul>	
16	<b>Total Loan Amount (Total of Amounts in Line 14 and Line 15).</b>	

Hancock Whitney Bank, Member FDIC.

This information is accurate and updated as of 1/12/2021. Information provided by the Bank, on this website and through other resources, should not be considered a substitute for legal or accounting advice. Borrowers are encouraged and should confirm legal and accounting advice through their consultants and through their own due diligence. Please note that the information provided is based on guidance provided by the U.S. Treasury and the SBA, including information included as part of the form of Paycheck Protection Program Loan Forgiveness Application currently published by the SBA. This information is provided solely for your convenience. It is not intended to be, and should not be considered, comprehensive or definitive. To the extent of any conflict between any information posted below or in any FAQ and the information and guidance issued directly by the SBA and/or the U.S. Treasury, the information provided directly by the SBA and/or U.S. Treasury will control.