

For independent contractors
and sole proprietorships
that file an IRS
1040 Schedule "C."

Each of these groups need to provide documentation that do two things:

1. Document Set A - Support and validate their loan request calculation;
2. Document Set B - Prove they were in operation on 02-15-2020.

The first case is for
Independent Contractors
WITHOUT EMPLOYEES.

The Document Set A Exhibits and Directions are (loan calculation):

1. Your 2019 IRS Form 1040 Schedule "C". You must submit this document whether you have filed your tax return or not.
2. Take your Schedule "C" Line 31 Net Profit up to \$100,000 and

3. then divide total by 12 to get your monthly average and
4. then multiply the above by 2.5 to get your result.
5. If applicable, add your Economic Injury Disaster Loan balance made between January 31, 2020 and April 3, 2020.

6. The result is your requested loan amount.
7. Your Schedule "C" must be accompanied by a 2019 IRS Form 1099-MISC detailing nonemployee compensation received (box 7), invoice, bank statement, or book of record that establishes you are self-employed and that supports your Schedule "C."

The Document Set B Exhibits needed are (in operation 02-15-2020)

1. A 2020 invoice, bank statement, or book of record to establish you were in operation on or around February 15, 2020.

The second case is for
Sole Proprietors
WITH EMPLOYEES.

The Document Set A Exhibits and Directions are (loan calculation):

1. Your 2019 IRS Form 1040 Schedule "C". You must submit this document whether you have filed your tax return or not.
2. Take your Schedule "C" Line 31 Net Profit up to \$100,000 and

3. ADD 2019 gross wages and tips paid to your employees whose principal place of residence is in the United states computed using 2019 IRS Form 941 Taxable Medicare wages & tips (line 5c-column 1) from each quarter plus any pre-tax employee contributions for health insurance or other fringe benefits excluded from Taxable Medicare wages & tips; subtract any amounts paid to any individual employee in excess of \$100,000 annualized and any amounts paid to any employee whose principal place of residence is outside the United States; and

4. ADD 2019 employer health insurance contributions (health insurance component of Form 1040 Schedule "C" line 14), and state and local taxes assessed on employee compensation (primarily under state laws commonly referred to as the State Unemployment Tax Act or SUTA from state quarterly wage reporting forms).

5. then divide total by 12 to get your monthly average
and

6. then multiply the above by 2.5 to get your result.

7. If applicable, add your Economic Injury Disaster Loan balance made between January 31, 2020 and April 3, 2020
8. The result is your requested loan amount.

9. Your Schedule "C" must be accompanied by a 2019 IRS Form 941 (or other tax forms or equivalent payroll processor records containing similar information) and state quarterly wage unemployment insurance tax reporting forms from each quarter in 2019 or equivalent payroll processor records, along with evidence of any retirement and health insurance contributions, if applicable.

The Document Set B Exhibits needed are (in operation 02-15-2020)

1. A 2020 invoice, bank statement, or book of record to establish you were in operation on or around February 15, 2020.