# Sole Proprietor Application for PPP Loan

## Loan Eligibility

<table>
<thead>
<tr>
<th>CARES Act Parameters</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>H • Employee:</strong></td>
<td>1</td>
</tr>
<tr>
<td><strong>H • Industry:</strong></td>
<td>Gift Store</td>
</tr>
<tr>
<td><strong>H • NAICS:</strong></td>
<td>53220</td>
</tr>
<tr>
<td><strong>H • Operation Date:</strong></td>
<td>1/30/18 operates before 2/15/20</td>
</tr>
</tbody>
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## Business P&L

- **Annual Income:** $450,000
- **Annual Expense:** $275,000
- **Net Income ("Payroll Costs"):** $175,000

"Payroll" = wage, commissions, income, or net earnings from self-employment ($450K - $275K)

## Qualifying PPP Loan Amount

- **Qualifying Payroll:** $100,000 payroll excludes costs over $100K (despite $175K earned)
- **Avg Monthly Payroll (Payroll/12):** $8,333 ($100K / 12 months)
- **x 2.5 = qualifying loan amount:** $20,833 note: for any Sole Proprietor making $100K or more, $20,833 is the maximum qualifying PPP loan ($8,333 x 2.5)

## Use of Loan

- **24-weeks (~6 months):** costs incurred from 2/15/20 to 12/31/20
- **Payroll:** $16,667 ($8,333 x 2)
- **Mortgage (principal + interest):** $3,250 mortgage in place before 2/15/20
- **Utilities:** $916 ($16,667 + $3,250 + $916)

**Qualifying Expenses - Total:** $20,833

## Loan Forgiveness

- **Amount Forgiven (aka "PPP Grant"):** $20,833 ensure that ≥ 60% of use went to Payroll
- **Amount Converted into a PPP Loan:** $0

**H = Hypothetical**

*This analysis represents a fictitious entity per SBA guidance and is to be used as an example only.*