

# VALLEY REPUBLIC BANK

Dear Paycheck Protection Program Applicant,

Yesterday evening the Small Business Administration (SBA) provided the final rules for the CARES Act, Paycheck Protection Program (PPP). Your Valley Republic Team has been diligently reviewing the rules and can now provide more definitive direction on what we will need to process your application. The following is the comprehensive list:

- Written certification of officer of borrower or sole proprietor that the business was operational on Feb. 15, 2020, and had employees;
- Payroll records from a third-party payroll provider or internal payroll records certified by the officer of the borrower or sole proprietor reflecting:
  - Aggregate payroll costs (defined below) from the last twelve months for employees whose principal place of residence is the United States;
  - Subtract any compensation paid to an employee(s) in excess of an annual salary of \$100,000
- Examples of source documents to be provided for validation of your average monthly payroll expense:
  - ADP report “2020 CARES SBA – PPP Monthly Payroll Cost”
  - Quarterly Contribution Return and Report of Wages (DE 9C)
  - IRS Form 940
  - W-2 Report for all employees
  - 12-month summary payroll report
  - Bank Statements
  - Payroll tax payment receipts
  - Group health care insurance premiums for employer portion only

## ***What qualifies as “payroll costs?”***

Payroll costs consist of compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payment for the provision of employee benefits consisting of group health care coverage, including insurance premiums, and retirement; payment of state and local taxes assessed on compensation of employees; and for an independent contractor or sole proprietor, wage, commissions, income, or net earnings from self-employment or similar compensation.

Unfortunately, the SBA has provided a 4th version of the application which you will need to complete and can be found at the following site: <https://home.treasury.gov/policy-issues/top-priorities/cares-act/assistance-for-small-businesses>.



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As of now we do not have access to the SBA portal to begin uploading approved applications. We are doing everything in our power to get access as soon as possible. Even though we don't currently have access to the portal, your Valley Republic Team is working around the clock and is expecting to work through the weekend to review your completed packages. We will be in a position to submit the data efficiently and quickly once we have access. Again, we understand this is an anxious and frustrating time for all of you, but please know we are doing everything we possibly can to get these funds into the hands of our community's small businesses.

If you have any questions, please reach out to your Relationship Manager.

Kindest regards,

A handwritten signature in blue ink, appearing to read 'Geraud Smith'.

Geraud Smith  
President & CEO  
Valley Republic Bank