

PROSERVICE HAWAII CLIENT INSTRUCTIONS HOW TO APPLY FOR THE PAYCHECK PROTECTION PROGRAM (PPP)

Release Date: April 24, 2020

Important: The Small Business Administration has announced that they will resume accepting applications on Monday, April 27. If you have already submitted your PPP application, we recommend that you do not submit a new application to the same lender as this may cause you to lose your place in their submission queue. If you were not approved during the first round of PPP funding, check with your bank to see if they need any additional information from you.

If you are applying for the first time, note that some banks are not accepting new PPP applications. Please visit your bank's website to check.

Step 1: Use the government's [PPP application form](#). Speed and completeness of your application are critical. Government and bank policy will continue to evolve. The date of your initial submission is the one thing you can control; place yourself at the head of the line.

Make sure to provide all required information. The main reasons PPP applications get delayed or rejected are due to missing or incomplete information on the application form, especially the following:

- Owner physical address (not a PO Box)
- Owner name
- Owner EIN or SSN
- Business physical address (not a PO Box)
- Business legal name
- Business Tax Identification Number(TIN)
- Employer Identification Number (EIN) if available, otherwise Social Security Number (SSN) for Sole Proprietors
- Listing each owner with 20% or more equity
- Initialing required certifications
- Signature of authorized representative of applicant

Step 2: Use the Loan Amount, 941 Equivalent Form, and PEO affidavit that ProService provided to you.

The amount submitted on the form is an estimate. This was an intentional decision by the Treasury/SBA to speed processing. Loan forgiveness will be calculated based on actual payroll information processed during the 8-weeks following the funding of your loan.

- SUTA and 401K matches are not included in the numbers we provided. On average they account for 2-4% of the numbers provided. Given these are estimates, and that speed is the MOST important point, we would strongly encourage you to submit the form as is.
- What we provided to you is the average number of paid employees in our system. You may adjust this to reflect as you see necessary to include owners or others that are not accounted for in our system.

Step 3: Check with your lender on their PPP application process. Here's a list of the seven SBA-approved lenders in Hawaii:

- **American Savings Bank:** Visit their [PPP landing page](#) and follow the instructions regarding their application process.
- **Central Pacific Bank:** www.cpb.bank
- **Hawaii National Bank:** www.hawaiinationalbank.bank
- **Ohana Pacific Bank:** www.ohanapacificbank.com
- **Territorial Savings Bank:** www.territorialsavings.net
- **Bank of Hawaii:** www.boh.com
- **First Hawaiian Bank:** www.fhb.com

For more information:

Read the list of FAQs on the next pages for more information. Or for additional support, contact our Help Hotline: covid19@proservice.com or (808) 564-5555.

FAQs:

PAYCHECK PROTECTION PROGRAM (PPP) APPLICATION INFORMATION

Please review these FAQs to help you understand the calculation of the data and what to include in your bank application.

What are the reasons PPP applications get delayed or rejected?

The main reasons for PPP applications being delayed or rejected are due to missing or incomplete information on the application form or missing documentation. Please make sure all fields are completed including:

- Owner physical address (not a PO Box)
- Owner name
- Owner EIN or SSN
- Business physical address (not a PO Box)
- Business legal name
- Business Tax Identification Number(TIN)
- Employer Identification Number (EIN) if available, otherwise Social Security Number (SSN) for Sole Proprietors
- Listing each owner with 20% or more equity
- Initialing required certifications
- Signature of authorized representative of applicant

What does my data include?

Data included is the data that is in our ProService system and includes

- salary, wages, commissions or similar compensation;
- payment of cash tips;
- payment for vacation, parental, family, medical or sick leave;
- allowance for dismissal or separation;
- payment required for the provisions of group health care benefits, including health insurance premiums.

What is not included?

Federal taxes are not allowed to be included - this includes payroll and income taxes. Premiums for insurances that are wage related such as workers' compensation, temporary disability insurance and employment practices liability insurance are not included. 1099 and independent contractors were also not included. Employer retirement contributions are not included. SUTA taxes were not included as guidance on including it had been unclear. SUTA is a very small part of the total and the data provided is meant to be an estimate. This will not prevent your loan from being approved based on the data submitted, nor will it limit your ability to cover your payroll costs. Remember, the loan amount is payroll costs for 8 weeks plus an "extra" amount equal to 25%.

If I don't think my data is perfect, can I still get the loan?

With varying methodologies, there isn't any one perfect method. We have agreed on a method with American Savings Bank, First Hawaiian Bank, Bank of Hawaii, and Central Pacific Bank. Everything you need to apply is in your packet. Please send all packet documents.

Is this acceptable to the banks?

The data included is correct and the methodology was validated by the four largest Hawaii banks. Please include all of the items in your packet when you submit to your bank.

Have things changed?

The 2.5 times the monthly average was created for a reason, to smooth out data bumps and account for various methodologies. This is why the loan is for 2.5 times a month's worth of payroll yet is to be used over 8 weeks. Guidance on the PPP loans and application has been changing constantly. For example, the interest rate was 4%, then .5%, and on the afternoon of 4/2/2019 it changed to 1%. The data we provided to you was validated and agreed upon regardless of any additional changes to the loan process.

What else do I need to apply?

Everything that you need to apply is in the packet that ProService created. Please send all of the documents to your lender. In the event the lender requires additional information they will contact you.

My job count is incorrect?

You may make edits to the job count. This is the job count in our system and you may adjust as you see necessary to include owners or others that are not accounted for in our system.

What if I want to include items that were not included?

Please feel free to make edits to the data. This is the data that is from our system. The banks advised that 1099 contractors were not to be included, however there is some information out there that says they can be. If you wish to include them, you may add that information to the data set that we provided. Our system also does not include owners or others that receive draws or disbursements from the company. If you wish to include them, you may add their information to the data.

How is the Employee Count calculated?

Employee count is full-time employee equivalent. It includes employees on payroll and full-time is based on a 30 hour work week. 1 full time equals 30 hours per week. 2 fifteen hour per week employees equal 1 full time employee.