

Small Business Administration's Paycheck Protection Program

The Bank of Akron is proud to participate in the Small Business Administration's ("SBA") Paycheck Protection Program ("PPP"). In order to better facilitate the process, the Bank of Akron will accept PPP applications and review the application documents to ensure that a complete loan package has been submitted. The complete loan package will then be distributed to BankonBuffalo to process the loans through the SBA and fund the loans once approval of the loan is received from the SBA. Bank of Akron has agreed to merge and become part of BankonBuffalo pending regulatory approval. We expect the merger to consummate in July 2020.

By signing this document, the applicant acknowledges and agrees to the process described above.

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Name **Date**

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Name **Date**

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Name **Date**

SBA Paycheck Protection Program Loan
Underwriting/ Processing/ Closing Checklist

1. SBA Form 2483 (Borrower Application, separate for each borrowing entity), complete and fully executed
    a. Affiliation Addendum A, if applicable
    b. EIDL Addendum B, if applicable
2. Citizenship Certification
3. Beneficial Ownership Form, complete and fully executed
4. Paycheck Protection Loan Amount Calculator
    a. Payroll expense consists of:
        i. Compensation to employees in the form of salary, wages, commissions or similar compensation;
        ii. Cash tips or the equivalent (based upon employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips);
        iii. Payment for vacation, parental, family, medical or sick leave;
        iv. Allowance for separation or dismissal;
        v. Payment for the provision of employee benefits consisting of group health care coverage, including insurance premiums, and retirement;
        vi. Payment of state and local taxes assessed on compensation of employees;
        vii. **For an independent contractor or sole proprietor**, wage, commissions, income, or net earnings from self- employment or similar compensation.
    b. Excluded payroll expense includes:
        i. Any compensation of an employee whose principal place of residence is outside of the United States;
        ii. The compensation of an individual employee in excess of an annual salary of $100,000, prorated as necessary;
        iii. Federal employment taxes imposed or withheld between February 15, 2020 and June 30, 2020, including the employee's and employer's share of FICA (Federal Insurance Contributions Act) and Railroad Retirement Act taxes, and income taxes required to be withheld from employees
        iv. Qualified sick and family leave wages for which a credit is allowed under sections 7001 and 7003 of the Families First Coronavirus Response Act (Public Law 116–127).
5. 2019 IRS quarterly payroll tax reports (i.e. Form 941)
    a. IRS Form 940 / 941
6. Payroll reports for the prior **14 months** (January 2019 through February 2020). These should include detail on gross wages and all withholdings for each employee. Seasonal businesses should provide the information for 2/15/2019 thru 6/30/2019. New businesses should provide the information for 1/1/2020 and 2/29/2020.

    a. Independent Contractors / Sole Proprietors to provide payroll processor records, payroll tax filings, Form 1099-Misc or other income and expense records from a Sole P. In lieu of these documents bank records or other sufficient documentation must be provided to support qualifying payroll amount
7. Verification that State and local unemployment taxes are paid
8. 2019 W-2's for all employees
9. Documentation showing the following paid for each employee:
    a. Vacation, sick leave, family leave,
    b. Retirement benefits, not to include employee contributions,
    c. Healthcare benefits.
10. Trailing 12-month profit & loss statement
11. Copy of the front and back of Driver's License
12. Organizational Documents, if not already on file at the bank
    a. By-Laws
    b. Articles of Inc./Org.
    c. Corporate Resolution
    d. SS-4s

Please sign and date each document.