FAQ
CARES Act Payroll Protection Program

• What are the final details regarding the CARES Act program?
  o The details are included on more.umb.com/cares-act. You may also read the full report here, on the US Treasury’s website.

• How do I submit my application to UMB Bank? How is UMB Bank prioritizing applications?
  o If you are a UMB Bank client, please download and complete the application. We recommend using Adobe Acrobat (or similar solution). Once complete, email it to your UMB officer with required documentation.
  o If you do not have an officer, please email it to UMBCARESAct@UMB.com and we will contact you as soon as we can. Our financial relationship with you is very important to us and we will do all we can to assist you.
  o All complete applications with accurate supporting documentation are being processed on a first come, first served basis.

• What documentation is required when I submit the PPP application to UMB Bank?
  o Use of application with OMB Control No.: 3245-0407 in top right corner and needs to include payroll data for confirmation of eligible loan amount.
    ▪ The eligible loan amount based on average monthly payroll for 2019, or if the company was started in 2020 it’s what you can provide for that company in 2020.
    ▪ All owners over 20% and for a total of 90% ownership of the entity must compete and send us an application.
    ▪ NAICS code
    ▪ Entity start date
    ▪ Confirmation data may include one or more of the following:
      • Payroll tax filings
      • Payroll processor records
      • Form 1099-MISC
      • If this information is not available income and expense reports, bank records or other supporting documentation will be acceptable.

• If a company has not been in business a full year, how should payroll be calculated?
  o The company should use its average monthly payroll costs from the time it began operations.

• If there are multiple employer entities under common control is a single PPP application needed or separate applications for each entity?
  o Each entity should do their own PPP application with respect to their own payroll.
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• Does a business have to tap all lines of credit in order to be eligible for PPP?
  o No – the government is waiving the usual SBA requirement that you try to obtain some or all of the loan funds from other sources.

• Do we need to set up a new bank account?
  o Please contact your accountant for guidance. UMB Bank is not requiring a separate account to be opened for PPP loan funds.

• What utilities are qualified? Specifically, transportation expenses, self-rent, etc.
  o Please refer to the SBA website for guidance here.

• Tax implications of the loan
  o Please consult your accountant.

• Payroll Related Questions
  o How does sole proprietor document payroll?
    ▪ This would be documented through the sole proprietor’s income and expense statements.
  o Are tips, bonuses or commissions included in payroll?
    ▪ Yes, and for tips, it is based on company records of past tips, and in the absence of such records, a reasonable good faith estimate of such tips.
  o What about payments to contractors?
    ▪ Independent Contractor payments are not part of the payroll costs (independent contractors can apply for their own PPP loan).
  o How do 1099 employees fit into all of this?
    ▪ 1099 employees are independent contractors – see above

• Is the $100,000 salary cap INCLUSIVE of benefits?
  o While the legislation and the interim final rule are confusing, UMB is treating the $100,000 as a hard cap on all compensation inclusive of benefits.

• What is the deadline to apply for the PPP loan?
  o You will need to complete the Paycheck Protection Program loan application and submit the application with the required documentation by June 30, 2020 or until the appropriated funds run out. However, given the anticipated high demand for these loans, it’s expected that the money the government has allocated to fund them will be depleted quickly. Therefore, we recommend you apply as soon as possible.
    ▪ Starting April 3, 2020, small businesses and sole proprietorships can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.
    ▪ Starting April 10, 2020, independent contractors and self-employed individuals can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.
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• What’s the turnaround time for the loan?
  o UMB Bank has assembled a large team that is working around the clock to process applications. Once your completed application and supporting documentation is received, it will be reviewed by UMB and then transmitted to the SBA.
  o If you are not a current UMB Client, we will need to complete our customer identification and beneficial ownership verification procedures under the Bank Secrecy Act before proceeding and that will lengthen the process, potentially by several weeks.
  o Length of time until approval depends on the SBA, UMB is an intermediary submitting your application and final decision will depend on the SBA.
  o Upon receipt of approval from SBA, your Banker will be in contact with you.

• What if a company doesn’t end up needing the entire loan amount? Can it just be paid back?
  o Company may prepay without fee at any time.

• Does entire loan amount need to be spent by June 30?
  o No, but the forgiveness provisions are based on expenditures during the 8 weeks after funding.

• When do forgiveness applications need to be submitted?
  o Forgiveness applications are based on expenditures during the 8 weeks following funding.

• Who disburses loan, UMB Bank or the SBA?
  o UMB Bank will disburse the loan.

• Provisions for employees who quit or are let go for non-COVID related reasons? Risk of loan being forgiven?
  o Headcount reduction between February 15, 2020 and June 30, 202 may reduce forgiveness amount on a proportionate basis.