



Disaster Business Loan Application

Schedule of Liabilities

Quick Notes

This review of the Disaster Business Loan Application – Schedule of Liabilities - will allow your business to better understand how this application should be completed for maximum efficiency.

The Schedule of Liabilities should reflect the monthly obligations that your business will be required to pay in order to remain fully operational, or partially operational or even just maintain a shell organization during this economic crisis. It will be the owner’s decision on what level of business operation will maintain and the level of financial support the business will require through this economic disaster.

While some businesses have not faced a major interruption in their ongoing revenue stream, others have been partially or completely shut off. The Schedule of Liabilities should be completed based on the financial needs of the business operation during the economic crisis and going forward through the next twelve months.

Please complete the Schedule of Liabilities document in the following manner:

Each line item identified on the paper application or the online application will be asking for the name of the business Creditor associated with each monthly obligation. When all monthly obligations are entered onto the paper application or online application it will give the SBA processor an idea of the loan amount needed to cover said monthly obligations over the next twelve months and subsequently the amount of the disaster loan offered by the agency.

The business should identify its monthly obligations in the following three groupings:

Group One:

**Loans
Notes
Leases**

Rents

The business will be required to provide the following information regarding the specific business expenses identified above (this information will be required on both the paper or online application):



What is the original amount, the original date and the current balance due for any “Loan” or “Note”; is the Loan or Note in a “Current” or “Delinquent” status; maturity date; what is the payment amount per Month for the Loan or Note; how is it secured?

Name of Creditor	Original amount	Original date	Current balance	Current or Delinquent?	Maturity date	Payment amount (Month-Year)	How secured
Loan or Note	\$ Amount	Date	\$ Amount	C or D	Date	\$ Amount	See schedule

What is the business “Lease” or “Rent” obligation per month; current balance should equal monthly payment amount unless your rent or lease is in arrears; is the obligation in a “Current” or “Delinquent” status; what is the payment amount per Month for the Lease or Rent?

Name of Creditor	Original amount	Original date	Current balance	Current or Delinquent?	Maturity date	Payment amount (Month-Year)	How secured
Lease or Rent			\$ Amount	C or D		\$ Amount	See schedule

Group Two:

Payroll, Taxes and Benefits

The business will be required to provide the following information regarding the payroll and associated expenses if they decide to maintain a workforce during the economic crisis (this information will be required on both the paper or online application):

The business should provide a lump sum amount per month for Payroll, Taxes and Benefits based on the monthly needs of the business operation.

Name of Creditor	Original amount	Original date	Current balance	Current or Delinquent?	Maturity date	Payment amount (Month-Year)	How secured
Payroll, Taxes and Benefits			\$12,543.75	C		\$12,543.75	See attached schedule

The business should provide an associated schedule for payroll that they can upload upon request to support the lump sum calculation provided on the Schedule of Liabilities. The associated schedule should reflect payroll compensation for each employee plus any compensation taken by the owner of the business. It is advisable for the business to determine a reasonable level of compensation based on the status of the business during the economic crisis. If the business is acting as a shell organization and



barely operational during the economic crisis the payroll compensation should be identified as minimal at best. If the business is partially operational or fully operational during the economic crisis the payroll compensation should reflect a reasonable assessment of the use of disaster loan proceeds commensurate with the business' ability to generate revenue. The business should provide a list of Key Staff plus the Owner(s); the Original Amount of Annual Pay; the Adjusted Annual Pay during the economic crisis; and the Adjusted Monthly Pay during the economic crisis. This detailed schedule or a reasonable facsimile should be sufficient to satisfy any questions posed by the SBA during their review process.

Position	Original Annual Pay	Adjusted Annual Pay	Adjusted Monthly Pay
<u>Key Business Staff</u>			
Employee One	100,000.00	25,000.00	2,083.33
Employee Two	50,000.00	25,000.00	2,083.33
Employee Three	35,000.00	20,000.00	1,666.67
Employee Four	25,000.00	15,000.00	1,250.00
Employee Five	25,000.00	15,000.00	1,250.00
Sub Total to Key Staff	235,000.00	100,000.00	8,333.33
<u>Compensation to Owners/Officers</u>			
Principal 1	250,000.00	35,000.00	2,916.67
Principal 2	-	-	-
Sub Total to Owners	250,000.00	35,000.00	2,916.67
	\$485,000.00	\$135,000.00	\$11,250.00
Payroll Taxes & Fringe Benefits			
11.5% of Total Salaries & Wages	\$55,775.00	\$15,525.00	\$1,293.75
	\$55,775.00	\$15,525.00	\$1,293.75
Monthly Payroll Obligations			\$12,543.75

Group Three:

Key Operating Expenses

The business will be required to provide the following information regarding all key operating expenses during the economic crisis (this information will be required on both the paper or online application):



The line items associated with this group are many and can vary dependent on the type of business applicant. Some of these line items can include: Insurance, Office Supplies, Advertising, Repairs and Maintenance, Telephone, Travel, Postage, Software Licensing, Professional Fees, and any other key expense that is vital to keeping the business operational during the economic crisis.

What is the business “**Key Operating Expense**” obligation per month listed as each individual line item/creditor; current balance should equal monthly payment amount unless your obligation is in arrears; is the obligation in a “Current” or “Delinquent” status; what is the payment amount per Month for the Lease or Rent?

Name of Creditor	Original amount	Original date	Current balance	Current or Delinquent?	Maturity date	Payment amount (Month-Year)	How secured
Key Operating Expense			\$ Amount	C or D		\$ Amount	See schedule

When each line item for all three groups above are identified on the SBA Disaster Loan paper application or the online application for Schedule of Liabilities the business will give the SBA processor an idea of the loan amount needed to cover said monthly obligations over the next twelve months and subsequently the amount of the disaster loan offered by the agency.