

# SBA PAYCHECK PROTECTION PROGRAM LOAN FORGIVENESS APPLICATION DOCUMENTATION CHECKLIST



Before you file your PPP loan forgiveness application, gather the documents outlined below to assist with the application process. Please note: this is not an exhaustive list. A glossary at the end of this checklist defines key terms and time periods.

## Documents You Must Submit as Part of Your Application

### EVIDENCE BUSINESS WAS IN OPERATION ON FEBRUARY 15, 2020

- Bank statement on or around February 15 showing business operations and activity as of that date

### PAYROLL COSTS

You must submit the following payroll documentation.

- PPP Schedule A Worksheet—You will complete the worksheet as part of our PPP Loan Forgiveness Application process. (Not required to submit with Form 3508EZ)

### Reference Period

- Documentation showing the average number of full-time equivalent employees (FTEs) on your business's payroll per month during your chosen reference period. This may include:
  - Payroll tax filings reported, or that will be reported, to the IRS (typically, Form 941)
  - State quarterly business and individual employee wage reporting
  - Unemployment insurance tax filings reported, or that will be reported, to the relevant state.

### Covered Period/Alternative Covered Period

You need documentation verifying eligible cash compensation and non-cash benefit payments during the Covered Period or Alternative Covered Period, including:

- Bank account statements or third-party payroll service provider reports documenting the amount of cash compensation paid to employees during the Covered Period/Alternative Covered Period. (High-income earners (>\$100,000 on an annualized basis) and 5%+ owners are subject to the program's maximum salary limitations.)
- Tax forms (or equivalent third-party payroll service provider reports) for the periods that overlap with the Covered Period/Alternative Covered Period, including:
  - Payroll tax filings reported, or that will be reported, to the IRS (typically, Form 941)
  - State quarterly business and individual employee wage reporting and unemployment insurance tax filings reported, or that will be reported, to the relevant state
- Payment receipts, cancelled checks, or account statements documenting the amount of any employer contributions to employee health insurance and retirement plans, including premiums paid, that you included in the forgiveness amount.
- Payroll records documenting paid sick, family, vacation and medical leaves during the covered period, except for payments to employees for leave covered under the Families First Coronavirus Response
- Payroll documentation of employer-paid disability insurance (certain states)

## PPP Loan Forgiveness Application Documentation Checklist

### NON-PAYROLL COSTS

If claiming non-payroll expenses as part of your forgiveness application, you must submit the following documents verifying the existence of your utility, rent, lease, and/or mortgage obligations prior to February 15, 2020 and proof of making eligible payments during your Covered Period.

#### **Business Utility Payments**

- Copies of invoices from February 2020 and those paid during the Covered Period showing agreements were in place prior to February 15, 2020 and documenting payments during the covered period.
- Receipts, canceled checks or account statements verifying eligible payments

#### **Business Interest Payments**

- Copy of lender amortization schedule and receipts or cancelled checks verifying eligible interest payments on secured loans during the Covered Period; OR
- Mortgage agreement or lender account statements from February 2020 and the months of the Covered Period through one month after the end of the Covered Period verifying existence of obligation prior to February 15, 2020 and interest amounts and eligible payments during the Covered Period

#### **Business Rent and Lease Payments**

- Copy of existing rent agreement documenting it was in place prior to February 15, 2020 and receipts or cancelled checks verifying eligible payments during the Covered Period
- Copy of existing lease agreement(s) documenting existence prior to February 15, 2020 and lessor account statements from February 2020 and from the Covered Period through one month after the end of the Covered Period verifying eligible payments.

Note: Regarding rent, any ownership in common between the business and the property owner is considered a related party for these purposes. The amount of loan forgiveness requested for rent or lease payments to a related party is no more than the amount of mortgage interest owed on the property during the Covered Period that is attributable to the space being rented by the business. The borrower must provide the Bank its mortgage interest documentation to substantiate these payments, and the lease must have been entered prior to February 15, 2020.

### **Documents You Must Maintain**

Although not required to submit, the following documents must be maintained for 6 years after your loan is forgiven or repaid in full for inspection upon SBA representatives' request.

#### **PPP Schedule A Worksheet Documentation**

- Documents supporting the listing of each individual employee on the PPP Schedule A Worksheet including the "Salary/Hourly Wage Reduction" calculation, if necessary, and regarding any employee who during any single pay period in 2019 compensation at an annualized rate of more than \$100,000

#### **Safe Harbor for FTE Reductions**

- Letters or Emails from employees rejecting offers to return to work, refusing job offers, firings for cause, resignations and requests for reduction in work hours

#### **PPP Loan Documents**

- Documents submitted with your PPP loan application
- Documents supporting your certifications of your need and eligibility for a PPP loan
- Documents supporting your loan forgiveness application
- Documents demonstrating your material compliance with PPP requirements

## Glossary of Terms

**Alternative Covered Period** — If you use a biweekly or more frequent (e.g., weekly) payroll cycle, you may choose to calculate eligible payroll costs using the 8-week or 24-week (if you received your loan before June 5, 2020) or the 24-week period (loans approved on or after June 5) that begins on the first day of the first payroll cycle following your PPP loan disbursement date.

**Covered Period** —Your covered period begins the day your loan was funded. If your loan was approved prior to June 5, 2020, you may choose to use an 8-week or a 24-week covered period. If your loan was approved on or after June 5, you have a 24-week covered period.

**Reference Period** — Choose one of the following for your reference period:

- February 15, 2019 to June 30, 2019
- January 1, 2020 to February 29, 2020
- In the case of a seasonal employer, either of the two above periods or any consecutive 12-week period between May 1, 2019 and September 15, 2019

**Utility Payments** — Eligible utilities include electricity, water, gas, sewer, telephone (land lines and mobile phones) and Internet.