

PPP Forgiveness Borrower Checklist

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Preparing for PPP Forgiveness

Your Lender provides a portal for Borrowers like you to prepare an accurate forgiveness application. The portal will give you step-by-step guidance, especially for collecting the supporting documentation required for 100% forgiveness.

Before you start the forgiveness process, make sure you understand Covered Periods and Reference Periods as explained below.

If your loan is **OVER \$150,000**, please gather the documents and information listed on pages 3 and 4 of this document. If your loan is under that amount, please keep in mind that you should retain these documents during your review.

The SBA will accept support certain documentation files in common formats:

- PDF
- Excel (XLS, XLSX)
- CSV
- Word (DOC, DOCX)
- Image (JPG, JPEG, PNG)

Remember that you can also use your phone or iPad to take pictures of documents, receipts and canceled checks. Please don't combine documents into one big file as it makes it difficult to review.

What's a Covered Period, a Reference Period, and Why Does it Matter?

Covered Period

Your eligible expenses in the covered period are allowable for forgiveness. You have some flexibility in choosing your covered period. Your choice may increase the amount forgiven. So if your first choice doesn't result in 100% forgiveness, get professional advice.

Your covered period can be no shorter than 8 weeks but no longer than 24. The end date you choose must fall somewhere between this range.

Reference Period (Loans Over \$150,000 Non-EZ ONLY)

The government offered you loan forgiveness to protect employees' paychecks. So if you want forgiveness you have to show the SBA that

- (A) you retained employees when possible and
- (B) that you have not cut their wages more than 25%

To do that, you compare your employees' work hours and pay in the Covered Period against a Reference Period. The SBA gives you some flexibility in choosing a reference period:

- February 15, 2019 through June 30, 2019; OR
- January 1, 2020 and February 29, 2020; OR
- For seasonal employers only, any consecutive 12-week period between May 1, 2019 and September 15, 2019.

Again, your choice may increase the amount forgiven. So if your first choice doesn't result in 100% forgiveness, get professional advice.

The SBA requires you to provide payroll information for the Reference Period and the Covered Period to check that you have in fact protected payroll without cutting hours, positions or wages.

Be prepared to note money paid and hours worked for each employee in the Covered and Reference Periods, and provide supporting documents (payroll reports, federal and state tax filings including quarterly payroll taxes, bank statements and canceled checks).

Information You'll Need

About your business:

- Tax ID used for the PPP loan (SSN, EIN, or TIN!)
- Loan amount
- Loan **disbursement** date
- Amount of loan funds spent on payroll

Payroll Documentation Requirement (For Loans Above \$150,000*):

- A report on payroll records relevant to PPP.
 - A specific PPP Forgiveness report may be available from your payroll provider.
 - If you have a payroll provider but they don't offer a PPP Forgiveness report, create a report showing all employees for your covered period and your reference period.
 - The portal contains instructions on how to find and export either the PPP Forgiveness Report from the following payroll providers:
 - ADP - RUN; WorkforceNow; Comprehensive Services; TotalSource
 - Gusto
 - OnPay
 - Patriot
 - QuickBooks - Desktop Payroll; Online Payroll
 - Paychex - Flex; SurePayroll
 - Square Payroll
 - Wave Payroll
 - Xero
 - Zenefits
 - And others!
- If any owners received compensation, you'll need to show these separately, name each one, and show their 2019 compensation.
- If your loan was based on Schedule C, have the most recent Schedule C available (2019 or 2018).
- Documents to show that you paid out these funds (e.g. bank statements, canceled checks, payroll tax reports).

Other Payroll Related Information*:

- If you include Healthcare Expenses, please have a document with a summary of those Payments during the Covered Period and proof of payment
- If you list Retirement Expenses, please have a document with a summary of those Payments during the Covered Period and proof of payment

Non-Payroll*:

- The allowable expense categories for business properties are:
 - Mortgage interest
 - Rent or lease
 - Electricity
 - Water
 - Gas
 - Phone
 - Internet
- For mortgage interest, you'll need a schedule from the lender showing the interest portion of your payments, and evidence that these payments were made (e.g. bank statements or canceled checks)
- For lease/rent, you'll need account statements from your lessor/landlord, and evidence that these payments were made (e.g. bank statements or canceled checks)
- For utilities, you'll need account statements from your utility provider
- **You'll also need one document for each service showing that the contract/service was in force as of Feb 15, 2020**
- You'll need one document for ***each expense line item*** you claim.

So, if you have an 8-week covered period, and are claiming expenses for one leased location with water/electric/phone/internet, all of which are billed monthly by separate providers, you should have three documents for each of the five expense categories, or 15 in total.

***Borrowers \$150,000 and under should maintain any relevant records during the SBA's review, even if not required for submission.**