

# 3508EZ: LOAN FORGIVENESS CHECKLIST



**Borrower Name:** \_\_\_\_\_

**SBA Loan Number:** \_\_\_\_\_

**PLEASE READ CAREFULLY BEFORE SUBMITTING YOUR PPP FORGIVENESS APPLICATION**

## REQUIRED DOCUMENTATION

The following documents must be uploaded to the Bank’s loan forgiveness secure file portal as part of the forgiveness application. Please make note of the periods required for each set of documents.

- Many of these documents may not be available at the end of your 8-week or 24-week covered period. For example, statements demonstrating utility payments made during the covered period may not be available until the month after the covered period ends.
- You should use the same covered period length throughout the application and documentation.
  - SBA loan number issued on or after 6/5 = 24 weeks
  - SBA loan number issued before 6/5 = 24 weeks, although borrowers may select an 8-week covered period if they choose
- Those applying before the end of the covered period should treat the date of forgiveness application as the last day of the covered period.
- For many time periods, you may need to pull multiple months or pay periods to cover the entire time period. For example, if your covered period spans mid-April through mid-June, you may need to pull documentation for April, May and June to cover the full period.
- In the case of time periods that start after the first day of the month, quarter or pay period, or end before the last day of the month, quarter or pay period, your documentation may include the entire month, quarter or pay period.
- If you have a biweekly (or more frequent) payroll schedule, you may elect to calculate eligible payroll costs using a covered period that aligns with your payroll schedule. This alternative payroll covered period must begin the first day of the first pay period following the loan disbursement date and last exactly 8 or 24 weeks, depending on the duration of your covered period.

Note: The alternative payroll covered period does not apply to non-payroll expenses, such as mortgage interest, rent and utilities.

This list reflects the [required documentation](#) you must submit with your [PPP Loan Forgiveness Calculation Form 3508EZ](#).

## I. ELIGIBLE PAYROLL COSTS

Document category	Time period	Documents that may fulfill the requirement
Cash compensation paid to employees <ul style="list-style-type: none"> <li><input type="checkbox"/> Wages and salaries</li> <li><input type="checkbox"/> Tips</li> <li><input type="checkbox"/> Commissions</li> <li><input type="checkbox"/> Paid leave</li> <li><input type="checkbox"/> Allowance for separation or dismissal</li> </ul>	One of the following: <ul style="list-style-type: none"> <li><input type="checkbox"/> Covered period: Up to 24 weeks (or 8 weeks if the SBA loan number was issued before 6/5 and the borrower so elects) starting the day funds are disbursed to the account</li> <li><input type="checkbox"/> Alternative payroll covered period (if applicable; may not apply to all borrowers): Up to 24 weeks (or 8 weeks if the SBA loan number was issued before 6/5 and the borrower so elects) starting the day of the first pay period after loan disbursement</li> </ul>	Individual compensation: <ul style="list-style-type: none"> <li><input type="checkbox"/> Third-party payroll service provider or software reports (preferred)</li> <li><input type="checkbox"/> Bank account statements and tax forms:                             <ul style="list-style-type: none"> <li><input type="checkbox"/> Federal tax forms (filed or prepared but not yet filed), typically IRS Form 941</li> <li><input type="checkbox"/> State quarterly business and individual wage reporting and unemployment insurance filings</li> </ul> </li> </ul>

<p>Compensation to owner-employees, including self-employed borrowers, sole proprietors, independent contractors, and general partners</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Wages</li> <li><input type="checkbox"/> Commissions</li> <li><input type="checkbox"/> Income</li> <li><input type="checkbox"/> New earnings from self-employment</li> <li><input type="checkbox"/> Other similar compensation</li> </ul>	<p>One of the following:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Covered period: Up to 24 weeks (or 8 weeks if the SBA loan number was issued before 6/5 and the borrower so elects) starting the day funds are disbursed to the account</li> <li><input type="checkbox"/> Alternative payroll covered period (if applicable; may not apply to all borrowers): Up to 24 weeks (or 8 weeks if the SBA loan number was issued before 6/5 and the borrower so elects) starting the day of the first pay period after loan disbursement</li> </ul>	<p>Proof of 2020 compensation through covered period</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Third-party payroll service provider reports</li> </ul> <p>2019 tax forms/schedules, including:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> 2019 Form 1040 Schedule C f or self-employed/sole proprietor/Independent Contractor (Non-Farmer)</li> <li><input type="checkbox"/> 2019 Form 1040 Schedule F for self-employed/sole proprietor/independent contractor (Farmer)</li> <li><input type="checkbox"/> 2019 Form 1065 including K-1s (partnerships)</li> </ul>
<p>Additional payroll costs paid to employees</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Employer contributions to health plans</li> <li><input type="checkbox"/> Employer contributions to retirement plans</li> <li><input type="checkbox"/> Employer payments of state and local payroll taxes</li> </ul>	<p>One of the following, aligned with compensation documentation:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Covered period: Up to 24 weeks (or 8 weeks if the SBA loan number was issued before 6/5 and the borrower so elects) starting the day funds are disbursed to the account</li> <li><input type="checkbox"/> Alternative payroll covered period (if applicable; may not apply to all borrowers): Up 24 weeks (or 8 weeks if the SBA loan number was issued before 6/5 and the borrower so elects) starting the day of the first pay period after loan disbursement</li> </ul>	<p>Payments of state and local payroll taxes</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> State and local quarterly business and individual wage reporting and unemployment insurance filings and/or health and retirement contributions</li> <li><input type="checkbox"/> Account statements that reflect employer contributions/payment</li> <li><input type="checkbox"/> Payment receipts</li> <li><input type="checkbox"/> Cancelled checks</li> </ul>

## II. ELIGIBLE NON-PAYROLL COSTS

Document category	Time period	Documents that may fulfill the requirement
<p>Non-payroll: Business mortgage interest paid or incurred during the covered period, if requesting forgiveness</p>	<p>Covered period: Up to 24 weeks (or 8 weeks if the SBA loan number was issued before 6/5 and the borrower so elects) starting the day funds are disbursed to the account</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Proof of obligation prior to Feb. 15, 2020</li> </ul>	<p>Mortgage account statements:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> All statements that reflect payments paid to the lender during the covered period (i.e., the statement for the month following the payment)</li> <li><input type="checkbox"/> Statement that reflects payment for interest incurred during the covered period but paid after (must be the statement that reflects payment, not just the bill), and</li> <li><input type="checkbox"/> Mortgage lender account statement inclusive of Feb. 15, 2020 (e.g., from Jan 20 – Feb 20)</li> </ul> <p>or other proof of payment and obligation:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Cancelled checks to lenders or receipts for payments made during the covered period</li> <li><input type="checkbox"/> Cancelled checks or receipts for mortgage interest incurred during the covered period and paid after, and</li> <li><input type="checkbox"/> Original closing documents with copy of the lender amortization (payment) schedule</li> </ul>

<p>Non-payroll: Business rent or lease paid or incurred during the covered period, if requesting forgiveness</p>	<p>Covered period: Up to 24 weeks (or 8 weeks if the SBA loan number was issued before 6/5 and the borrower so elects) starting the day funds are disbursed to the account</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Proof of obligation prior to Feb. 15, 2020</li> </ul>	<p>Lease account statements:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> All statements that reflect payments paid to the lessor during the covered period (i.e., the statement for the month following the payment)</li> <li><input type="checkbox"/> Statement that reflects payment for rent incurred during the covered period but paid after (must be the statement that reflects payment, not just the bill), and</li> <li><input type="checkbox"/> Lease account statement inclusive of Feb. 15, 2020 (e.g., from Jan 20 – Feb 20)</li> </ul> <p>or other proof of payment and obligation:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Cancelled checks to lessors or receipts for payments made during the covered period</li> <li><input type="checkbox"/> Cancelled checks or receipts for rent incurred during the covered period and paid after, and</li> <li><input type="checkbox"/> Lease agreement and lease extensions, signed prior to Feb. 15, 2020</li> </ul>
<p>Non-payroll: Business utility expenses paid or incurred during the covered period, if requesting forgiveness</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Electricity</li> <li><input type="checkbox"/> Gas</li> <li><input type="checkbox"/> Water</li> <li><input type="checkbox"/> Transportation</li> <li><input type="checkbox"/> Telephone</li> <li><input type="checkbox"/> Internet access</li> </ul>	<p>Covered period: Up to 24 weeks (or 8 weeks if the SBA loan number was issued before 6/5 and the borrower so elects) starting the day funds are disbursed to the account</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Proof of obligation prior to Feb. 15, 2020</li> </ul>	<p>Utility account statements</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> All statements that reflect payments paid to the utility during the covered period (i.e., the statement for the month following the payment)</li> <li><input type="checkbox"/> Statement that reflects payment for utility incurred during the covered period but paid after (must be the statement that reflects payment, not just the bill), and</li> <li><input type="checkbox"/> Utility account statement inclusive of Feb. 15, 2020 (e.g., from Jan 20 – Feb 20)</li> </ul> <p>and other proof of payment</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Cancelled checks, receipts or account statements for payments made to utility company during the covered period</li> <li><input type="checkbox"/> Cancelled checks, receipts or accounts statements for utility incurred during the covered period and paid to the utility company one month after the covered period ends.</li> </ul>

### III. FULL-TIME EQUIVALENT (FTE) EMPLOYEE

Document category	Time period	Documents that may fulfill the requirement
<p>Full-time equivalent (FTE) employee levels</p> <p>Note: Applies to borrowers who selected only Box 2 in the Form 3508EZ Checklist– no reductions to FTEs</p>	<p>Both of the following:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Pay period inclusive of January 1, 2020</li> <li><input type="checkbox"/> Pay period inclusive of the end of the covered period</li> </ul>	<p>Tax documents:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Federal tax forms (filed or prepared and not yet filed), typically IRS Form 941</li> <li><input type="checkbox"/> State quarterly business and individual wage reporting and unemployment insurance filings</li> </ul>

#### **IV. SUPPORTING DOCUMENTATION**

In addition, each borrower is required to retain (but not deliver) a number of supporting documents as part of the loan forgiveness process for six years. Please refer to pages 4 of the Form 3508EZ Instructions for a listing of such documents.

Subject to approval and program guidelines. SBA loans are subject to SBA eligibility guidelines. Refinances of existing SBA loans are excluded. American First National Bank and its representatives do not provide tax advice. Consult an advisor regarding a particular financial situation.