

Before You Begin

- Determine which Forgiveness Application Form you will be using:
 - If your loan is greater than \$150,000 and you can check 1 of the 2 boxes below, you can file [3508EZ](#). You will need to provide the documentation in the attached checklist except as noted on page 4.
 - If your loan is greater than \$150,000 and you cannot check 1 of the 2 boxes below, you must file [3508](#) (Standard). You will need to provide the documentation in the attached checklist except as noted on page 4.

- The Borrower did not reduce the number of employees or the average paid hours of employees between January 1, 2020, and the end of the Covered Period (other than any reductions that arose from an inability to rehire individuals who were employees on February 15, 2020, if the Borrower was unable to hire similarly qualified employees for unfilled positions on or before December 31, 2020 [or, for a PPP loan made after December 27, 2020, before the last day of the Covered Period], and reductions in an employee's hours that a Borrower offered to restore were refused).

- OR-**
- The Borrower was unable to operate between February 15, 2020, and the end of the Covered Period at the same level of business activity as before February 15, 2020, due to compliance with requirements established or guidance issued between March 1, 2020, and December 31, 2020 (or, for a PPP loan made after December 27, 2020, requirements established or guidance issued between March 1, 2020, and the last day of the Covered Period) by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration, related to the maintenance of standards of sanitation, social distancing, or any other work or customer safety requirement related to COVID-19.

- Once you determine which application you are required to submit:
 - Review the application and instructions to ensure you are familiar with the details and requirements (see links below).
 - Within the instructions, ensure you understand the requirements laid out in the **Documents that Each Borrower Must Maintain but is Not Required to Submit** section of the SBA Form 3508 Standard or 3508EZ, as applicable.

SBA Resources (Note: Chrome browser is recommended for SBA links.)

- [Paycheck Protection Program \(sba.gov/ppp\)](#)
- [3508 Standard Application](#)
- [3508EZ Application](#)

Important Information

- You must apply for Forgiveness for your First Draw loan before you apply for Forgiveness for your Second Draw loan.
- Principal Reduction and Forgiveness Eligibility – If you made a principal reduction to the balance of your PPP loan, you are only eligible for Forgiveness up to the current balance of your loan.
- Covered Period/Alternative Covered Period – The SBA eliminated the use of the Alternative Covered Period with the new applications. Now, the Covered Period begins on the date the loan was originally disbursed. It ends on a date selected by the Borrower that is at least 8 weeks following the date of loan disbursement and not more than 24 weeks after the date of loan disbursement.
- Schedule C, Schedule F or Partnership (EZ and Standard only) – If you provided an IRS Form 1040 Schedule C or Schedule F or IRS Form 1065 K-1 with your original PPP application, but what you filed with the IRS was different, your Forgiveness amount is to be based on what you actually filed with the IRS.
- If the documentation we receive does not support the application you completed, we will contact you to discuss any discrepancies, and you will have an opportunity to make any corrections needed or upload any additional documentation.
- We will not be able to provide you guidance based on your specific scenario. Please contact your CPA or attorney for any specific guidance needed.
- Once you apply for Forgiveness, you will be contacted (via email) to see if 20% or more of your business is directly or indirectly held by a member of the Executive Branch. If it is, you'll be sent an additional form (3508D) to complete. Visit our [website](#) for more information.

APPLICATION DOCUMENT SUBMISSION CHECKLIST

3508EZ & 3508 Standard – 1st and 2nd Draw Applications

Type	Details	Examples & Clarification
Payroll	<p><i>Documentation verifying the eligible cash compensation and non-cash benefit payments from the Covered Period consisting of each of the following:</i></p>	<p><i>The following examples & clarifications may not apply to every scenario and/or Borrower. It is recommended Borrowers speak with their CPA or attorney regarding the required documents.</i></p>
	<p>Cash Compensation Documentation (Required if you pay wages to employees or yourself – Upload to Cash Compensation for Employees)</p> <p>Borrower <u>must</u> provide documentation of the amount of cash compensation paid to employees and owners (if applicable). At least one of the following must be submitted for the duration of the Covered Period:</p> <p><input type="checkbox"/> Third-party payroll service provider reports. If multiple documents are needed to satisfy this requirement, please also provide a summary document.</p> <p>-OR-</p> <p><input type="checkbox"/> Bank account statements clearly identifying payroll debits.</p> <p>If filing 3508 Standard (not EZ) and owner compensation is included in payroll total and there is more than one owner, provide:</p> <p><input type="checkbox"/> List of each additional owner with names and payments to each capped at the allowable maximum for the chosen Covered Period.</p>	<ul style="list-style-type: none"> • Cash compensation is gross salary, gross wages, gross tips, gross commissions, paid leave (vacation, family, medical or sick leave, not including leave covered by the Families First Coronavirus Response Act), and allowances for dismissal or separation paid or incurred during the Covered Period. For each individual employee, the total amount of cash compensation eligible for Forgiveness may not exceed an annual salary of \$100,000, as prorated for the Covered Period. For an eight-week Covered Period, that total is \$15,385. For a 24-week Covered Period, that total is \$46,154. For owners, the maximum for an eight-week period is \$15,385 or \$20,833 for a 24-week period. • If utilizing third-party payroll service provider reports, they must be from a Professional Employer Organization (PEO) such as ADP, Intuit/QuickBooks, Paychex, Square, etc., or other payroll service provider that does the tax reporting/filing on behalf of Borrowers. If the tax reporting does not clearly identify one of these eligible sources, bank statements must be provided instead. • Bank statements must clearly identify payroll debits using highlights, underlines, asterisks or the like.
	<p>Payroll Tax Filing Documentation (Required – Upload to Tax Forms)</p> <p><input type="checkbox"/> Tax forms for the periods that overlap with the Covered Period: Payroll tax filings reported, or that will be reported, to the IRS (typically, Form 941). If you are self-employed and filed taxes on Form 1040 Schedule C or Schedule F, please provide:</p> <p><input type="checkbox"/> 2019 or 2020 IRS Form 1040 Schedule C or Schedule F</p> <p>If you are a General Partnership and filed taxes on Form 1065, please provide:</p> <p><input type="checkbox"/> 2019 or 2020 IRS Form 1065 K-1</p>	<ul style="list-style-type: none"> • Use IRS Form 941 or equivalent for any quarter during your Covered Period. If your Covered Period includes a quarter where you have not yet filed your payroll taxes, you may provide a partial IRS Form 941 with the relevant information that has not yet been filed or third-party payroll service provider reports can be provided from a Professional Employer Organization (PEO) such as ADP, Intuit/QuickBooks, Paychex, Square, etc., or another payroll service provider that does the tax reporting/filing on behalf of Borrowers. For example, if your Covered Period ends on October 5, 2020, and you apply for Forgiveness any time before December 31, 2020, you will need to provide a partial Q4 tax form if you do not provide acceptable third-party payroll service provider reports. • If you provided an IRS Form 1040 Schedule C or Schedule F or IRS Form 1065 K-1 with your original PPP application but what you filed with the IRS was different, your Forgiveness amount is to be based on what you actually filed with the IRS.
	<p>State Quarterly Wage Documentation (Required – Upload to Tax Forms)</p> <p><input type="checkbox"/> State quarterly business and individual employee wage reporting and unemployment insurance tax filings reported, or that will be reported, to the relevant state.</p> <p>If you are including employer-paid state and local taxes (e.g.: unemployment insurance tax) as part of your payroll costs, please clearly identify that on these documents.</p>	<ul style="list-style-type: none"> • Provide supporting documentation that you filed within each state where you operate. This documentation should include each employee’s name, their wages and unemployment insurance tax filings. • Clearly identify any employer-paid taxes you are including in your payroll costs. • If you do not pay yourself or your employees’ wages, state quarterly wage documentation is not required.
<p>Employer Contributions to Health Insurance and Retirement Plan Documentation (If Applicable – Upload to Health Insurance and Retirement Contributions)</p> <p><input type="checkbox"/> Payment receipts, cancelled checks or account statements documenting the amount of any employer contributions to employee health, life, disability, vision or dental insurance and retirement plans that the Borrower included in the Forgiveness amount.</p>	<ul style="list-style-type: none"> • Provide a breakdown between employer-paid and employee-paid. • If you are not using health insurance or retirement plan expenses to justify your Forgiveness balance, there is no need to provide any documentation. 	

Type	Details	Examples & Clarification
Non-Payroll	<p><i>This documentation is only needed to support your loan amount. If you can reach Forgiveness with payroll costs documentation, do not provide any non-payroll documentation. Eligible non-payroll costs cannot exceed 40% of the Forgiveness amount.</i></p>	<p><i>The following examples & clarifications may not apply to every scenario and/or Borrower. It is recommended Borrowers speak with their CPA or attorney regarding the required documents.</i></p>
	<p>Business Mortgage Interest Payment Documentation (If Applicable – Upload to Business Mortgage Insurance Payments)</p> <p>If your Forgiveness amount includes payments for mortgage interest, provide at least one of the following for the duration of the Covered Period:</p> <p><input type="checkbox"/> Copy of lender amortization schedule showing debt was in effect prior to February 15, 2020, and receipts or cancelled checks verifying eligible payments from the Covered Period.</p> <p>-OR-</p> <p><input type="checkbox"/> Lender account statements from February 2020 and the months of the Covered Period through one month after the end of the Covered Period verifying interest amounts and eligible payments.</p>	<ul style="list-style-type: none"> • This can be on interest payments on any business mortgage obligation on real or personal property that was incurred before February 15, 2020 (but not any prepayment or payment of principal). • This cannot include payments on unsecured debt. • This cannot include payments to any related parties. • Eligible non-payroll costs must be paid during the covered period or incurred during the covered period AND paid on or before the next regular billing date, even if the billing date is after the covered period.
	<p>Business Rent or Lease Payments Documentation (if applicable – Upload to Business Rent or Lease Payments)</p> <p>If your Forgiveness amount includes payments for rent or lease payments, provide at least one of the following for the duration of the Covered Period:</p> <p><input type="checkbox"/> Copy of current lease agreement showing lease was in effect prior to February 15, 2020, and payment receipts or cancelled checks verifying eligible payments.</p> <p>-OR-</p> <p><input type="checkbox"/> Lessor account statements from February 2020 and from the Covered Period through one month after the end of the Covered Period verifying eligible payments.</p> <p>IF Rent Paid to Related Party</p> <p><input type="checkbox"/> If rent is paid to related party, provide copy of lender amortization schedule, mortgage statements or other evidence of the amount of mortgage interest the related party paid on the real or personal property being leased.</p>	<ul style="list-style-type: none"> • This can be on payments for business rent obligations on real or personal property under a lease agreement in force before February 15, 2020. • Rent to related parties is eligible as long as the amount is no more than the amount of mortgage interest owed. Evidence of the amount of the mortgage interest paid by the related party is required to prove this. Make sure that the amount requested for Forgiveness is capped at the mortgage interest amount paid by the related party. • Eligible non-payroll costs must be paid during the covered period or incurred during the covered period AND paid on or before the next regular billing date, even if the billing date is after the covered period.
	<p>Business Utility Payment Documentation (If applicable – Upload to Business Utility Payments)</p> <p>If your Forgiveness amount includes payments for utilities, provide all of the following:</p> <p><input type="checkbox"/> Copy of invoices from February 2020 verifying existence of the service prior to February 15, 2020.</p> <p><input type="checkbox"/> Copy of invoices paid during the Covered Period.</p> <p><input type="checkbox"/> Receipts, cancelled checks or account statements verifying those eligible payments.</p>	<ul style="list-style-type: none"> • Examples of eligible utilities are electricity, gas, water, transportation, telephone or internet access. • Provide required documentation for each utility type being included. • Eligible non-payroll costs must be paid during the Covered Period or incurred during the Covered Period AND paid on or before the next regular billing date, even if the billing date is after the Covered Period.
	<p>Covered Operations Expenditures (If applicable – Upload to Other Documents)</p> <p><input type="checkbox"/> Copy of invoices, orders or purchase orders paid during the Covered Period.</p> <p><input type="checkbox"/> Receipts, cancelled checks or account statements verifying those eligible payments.</p>	<ul style="list-style-type: none"> • This can be payment for any business software or cloud computing service that facilitates business operations, product or service delivery, the processing, payment, or tracking of payroll expenses, human resources, sales and billing functions, or accounting or tracking of supplies, inventory, records and expenses.

Type	Details	Examples & Clarification
Non-Payroll (cont'd)	<i>This documentation is only needed to support your loan amount. If you can reach Forgiveness with payroll costs documentation, do not provide any non-payroll documentation. Eligible non-payroll costs cannot exceed 40% of the Forgiveness amount.</i>	<i>The following examples & clarifications may not apply to every scenario and/or Borrower. It is recommended Borrowers speak with their CPA or attorney regarding the required documents.</i>
	<p>Covered Property Damage Costs (If applicable – Upload to Other Documents)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Copy of invoices, orders or purchase orders paid during the Covered Period <input type="checkbox"/> Receipts, cancelled checks or account statements verifying those eligible payments <input type="checkbox"/> Documentation that the costs were related to property damage and vandalism or looting due to public disturbances that occurred during 2020 and that such costs were not covered by insurance or other compensation 	<ul style="list-style-type: none"> • This can be a cost related to property damage and vandalism or looting due to public disturbances that occurred during 2020 that was not covered by insurance or other compensation.
	<p>Covered Supplier Costs (If applicable – Upload to Other Documents)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Copy of contracts, orders or purchase orders in effect at any time before the Covered Period (except for perishable goods) <input type="checkbox"/> Copy of invoices, orders or purchase orders paid during the Covered Period <input type="checkbox"/> Receipts, cancelled checks or account statements verifying those eligible payments 	<ul style="list-style-type: none"> • This can be an expenditure made by a Borrower to a supplier of goods for the supply of goods that a) are essential to the operations of the Borrower at the time at which the expenditure was made; and b) is made pursuant to a contract, order or purchase order – i) in effect at any time before the covered period with respect to the applicable covered loan; or ii) with respect to perishable goods, in effect before or at any time during the covered period with respect to the applicable covered loan.
	<p>Covered Worker Protection Expenditures (If applicable – Upload to Other Documents)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Copy of invoices, orders or purchase orders paid during the Covered Period <input type="checkbox"/> Receipts, cancelled checks or account statements verifying those eligible payments <input type="checkbox"/> Documentation that the expenditures were used by the Borrower to comply with applicable COVID-19 guidance during the Covered Period 	<p>This can mean -</p> <ul style="list-style-type: none"> • Operating or a capital expenditure to facilitate the adaptation of the business activities of an entity to comply with requirements established or guidance issued by the Department of Health and Human Services, the Centers for Disease Control, or the Occupational Safety and Health Administration, or any equivalent requirements established or guidance issued by a state or local government related to the maintenance of standards for sanitation, social distancing, or any other worker or customer safety requirement related to COVID-19, during the period beginning on March 1, 2020, and ending the date on which the national emergency declared by the President under the National Emergencies Act (50 U.S.C. 1601 et seq.) with respect to the Coronavirus Disease 2019 (COVID-19) expires: • May include the purchase, maintenance or renovation of assets that create or expand <ul style="list-style-type: none"> (I) a drive-through window facility; (II) an indoor, outdoor, or combined air or air pressure ventilation or filtration system; (III) a physical barrier such as a sneeze guard; (IV) an expansion of additional indoor, outdoor or combined business space; (V) an onsite or offsite health screening capability; (VI) other assets relating to the compliance with the requirements or guidance described in subsection (A), as determined by the Administrator in consultation with the Secretary of Health and Human Services and the Secretary of Labor; and • May include the purchase of <ul style="list-style-type: none"> (I) covered materials described in § 328.103(a) of title 44, Code of Federal Regulations, or any successor regulation; (II) particulate filtering face piece respirators approved by the National Institute for Occupational Safety and Health, including those approved only for emergency use authorization; (III) other kinds of personal protective equipment, as determined by the Administrator in consultation with the Secretary of Health and Human Services and the Secretary of Labor; and • Does <u>not</u> include residential real property or intangible property.

Type	Details	Examples & Clarification
FTE		<p><i>The following examples & clarifications may not apply to every scenario and/or Borrower. It is recommended Borrowers speak with their CPA or attorney regarding the required documents.</i></p>
For 3508 Standard Only	<p>FTE Documentation for 3508 Standard Applications Only (Required – Upload to Average Number of FTE)</p> <p>Documentation showing the average number of FTE employees on payroll per week employed by the Borrower between:</p> <p><input type="checkbox"/> February 15, 2019, and June 30, 2019 -OR- <input type="checkbox"/> January 1, 2020, and February 29, 2020; -OR- <input type="checkbox"/> In the case of a seasonal employer, between February 15, 2019, and June 30, 2019; between January 1, 2020, and February 29, 2020; or any consecutive 12-week period between February 15, 2019, and February 15, 2020.</p>	<ul style="list-style-type: none"> • Documentation may include payroll tax filings reported, or that will be reported, to the IRS (typically IRS Form 941) and state quarterly business and individual employee wage reporting and unemployment insurance tax filings reported, or that will be reported, to the relevant state. Documents submitted may cover periods longer than the specified time period. • Whatever documentation you provide must show evidence of the average FTE employees in the given time frame.
3508EZ Only	<p>FTE Documentation for 3508EZ Applications Only (Required - Upload to Average Number of FTE)</p> <p>If you checked only the second box on the checklist on page 1 of SBA Form 3508EZ, provide:</p> <p><input type="checkbox"/> The number of full-time equivalent employees on payroll employed by the Borrower on January 1, 2020, and at the end of the Covered Period.</p>	<ul style="list-style-type: none"> • Documentation may include payroll tax filings reported, or that will be reported, to the IRS (typically IRS Form 941) and state quarterly business and individual employee wage reporting and unemployment insurance tax filings reported, or that will be reported, to the relevant state. Documents submitted may cover periods longer than the specified time period. • Whatever documentation you provide must show evidence of the number of FTE employees for the two dates (January 1, 2020, and the end of the Covered Period).
Type	Details	Examples & Clarification
Optional	<p>Additional Demographic Information (Optional – Upload to Optional – Additional Demographic Information)</p> <p>If you choose to provide demographic information beyond the one questionnaire available in the PPP Forgiveness portal, please provide additional PPP Borrower Demographic Information Form(s) for additional Principal(s).</p>	<ul style="list-style-type: none"> • Demographic disclosure is VOLUNTARY and will have no bearing on the loan Forgiveness decision. Veteran/gender/race/ethnicity data is collected for program reporting purposes only. See the final page of either application type for this form.