

PPP FORGIVENESS CHECKLIST



TODAY'S BANK

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Two main parts of the Paycheck Protection Program loan forgiveness:

1. Using PPP funds on eligible costs
2. Tracking and proving PPP funds were spent on eligible costs

PART I

PPP Funds Eligible Costs

Spend at least 60% of funds on payroll costs	Spend remaining 40% of funds on approved expenses
<input type="checkbox"/> Salaries <input type="checkbox"/> Wages <input type="checkbox"/> Vacation Pay <input type="checkbox"/> Parental and family leave <input type="checkbox"/> Employer medical or other group benefits <input type="checkbox"/> Sick leave <input type="checkbox"/> Employer retirement benefits <input type="checkbox"/> Bonuses, commissions, or hazard pay	<input type="checkbox"/> Mortgage Interest Payments <input type="checkbox"/> Rent or Lease Payments <input type="checkbox"/> Utility Payments <i>Provide documentation that verifies the existence of the expenses above prior to February 15, 2020</i>

PART II

Tracking and Documentation of Expenses

Helpful steps to track and document PPP expenses for forgiveness:

- Record the PPP loan as a deposit
- Over the next 8 or 24 weeks (depending on your selected covered period), complete bookkeeping on all financial transactions
 - Track expense amount
 - Track vendor/payee
 - Track category of the expense (Payroll, rent, utilities, etc.)
 - Track date of transaction
 - Track purpose of transaction
 - File receipt or official record (such as payroll records)
- At the end of 8 or 24 weeks, add total amount spent on forgivable categories
- Complete forgiveness application following SBA instructions

The SBA Form 3508S can be used only if the total PPP loan amount was \$50,000 or less. However, a borrower that, together with its affiliates (see 85 FR 20817 (April 15, 2020) regarding application of SBA's affiliation rules and the exemption of otherwise qualified faith-based organizations from SBA's affiliation rules), received PPP loans totaling \$2 million or more cannot use this form. If you are not eligible to use this form, you must apply for forgiveness of your PPP loan using SBA Form 3508 or 3508EZ.

The PPP forgiveness EZ form is designed for businesses that meet at least one of the following criteria:

- Are self-employed and have no employees; OR
- Did not reduce the salaries or wages of their employees by more than 25%, and did not reduce the number or hours of their employees; OR
- Experienced reductions in business activity as a result of health directives related to COVID-19, and did not reduce the salaries or wages of their employees by more than 25%.

If you can't complete the EZ form, you can complete the full Loan Forgiveness Application.