



PPP Loan Forgiveness Documentation Requirements

What Documents and Information Should I Be Gathering?

No matter which PPP loan forgiveness application you use, you will need to follow these documentation requirements. You are only required to submit the documents that support how you used the funds for which you are requesting forgiveness. We strongly recommend gathering all your documentation now, before entering your forgiveness details into our online portal. Please note you will need to upload scanned documentation during the online application process.

General Information Needed for PPP Loan Forgiveness Application

ITEMS THAT WILL BE PRE-POPULATED IN THE SOFTWARE:

- Business Legal Name, Address, and Contact Information (Same as Borrower Application Form)
- Employee Identification Number (TIN or SSN)
- SBA PPP Loan Number (E-Tran number)
- SouthTrust Bank Loan Number
- PPP Loan Amount
- PPP Loan Disbursement Date (First date of PPP loan proceeds)
- Number of Employees at Time of Loan Application
- Organization Type

ITEMS YOU WILL NEED TO GATHER OR DETERMINE:

- Number of Employees at Time of Forgiveness
- EIDL Advance Amount and Application Number (if applicable)
- Payroll Schedule A
- Covered Period (Beginning on same date as the PPP Loan Disbursement Date)
- Alternative Payroll Covered Period (if applicable)

Cash Payroll Compensation

Provide documents verifying eligible* cash payroll compensation for all payroll periods that overlap with the Covered Period or Alternative Covered Period. These consist of the following:

OPTION 1

Third-party payroll service provider reports

OPTION 2 (must provide all three)

- Form 941 either reported or that will be reported
- Internal payroll reports
- Bank statements

You may need to upload multiple documents and/or multiple types of documents.

* Eligible cash payroll compensation can be the sum of gross salary, gross wages, gross commissions, or similar compensation; gross tips, bonuses and hazard pay or the equivalent payments for paid leave (vacation, parental, family, medical or sick leave) and allowances for separation or dismissal.

Non-Cash Payroll Compensation

Provide documents verifying the eligible employer contributions for employee health insurance, retirement plans, and/or employer paid state and local taxes for all payroll periods that overlap with the Covered Period or Alternative Covered Period. These consist of the following:

WITHIN TEXAS*

- Unemployment insurance tax filings reported or that will be reported
- Account statements
- Payment receipts or canceled checks

OUTSIDE OF TEXAS*

- State quarterly business and individual wage reporting, reported or that will be reported to the relevant state
- Unemployment insurance tax filings reported or that will be reported to the relevant state
- Account statements
- Payment receipts or canceled checks

*Owner-Employees must also provide documentation for any 2019 retirement contributions made on their behalf.

You may need to upload multiple documents and/or multiple types of documents.

Owner Compensation Documentation

In addition to the documents above, provide similar documents verifying the eligible cash compensation to any Owner-Employee or General Partner that overlap with the Covered Period or Alternative Covered Period. Additionally, all Owners must submit:

CHOOSE ANY OF THE FOLLOWING AS APPLICABLE*:

- 2019 Tax Form 1040 Schedule C
- 2019 Tax Form 1040 Schedule F
- 2019 Tax Form 1065 Schedule K-1
- 2019 1099-MISC forms
- 2019 W-2 form or payroll register for each Owner-Employee

* If you are using Form 3508 (Long Form) and payments were made to more than one owner-employee or general partner, you must also upload an owner-employees/partners table with the name and amount paid to each.

FTE Calculations

3508S Application

If you are using Form 3508S, you do not need to submit any FTE Calculation documentation.

3508 EZ Application

If you are using Form 3508EZ and you only checked Option 2 on the “PPP Loan Forgiveness Questionnaire,” you must upload one of the following documents showing the number of FTEs on January 1, 2020 and another one showing the number of FTEs at the end of your selected Covered Period.

OPTION 1

Form 941 reported or that will be reported

OPTION 2

State quarterly business and individual wage reporting, reported or that will be reported

OPTION 3

Unemployment insurance tax filings reported or that will be reported

3508 Application

If you are using the 3508 application, you must upload one of the following documents showing the average number of FTE employees on your payroll per week.

OPTION 1

Form 941 reported or that will be reported

OPTION 2

State quarterly business and individual wage reporting, reported or that will be reported

OPTION 3

Unemployment insurance tax filings reported or that will be reported

Your documents must cover one of the following data ranges. This must match the same Reference Period you chose for completing Schedule A, Line 11:

OPTION 1

February 15, 2019 and June 30, 2019

OPTION 2

January 1, 2020 and February 29, 2020

OPTION 3

If you are a seasonal employer, you can choose from the timeframes in options 1 and 2 or any consecutive 12-week period between May 1, 2019 and September 15, 2019

You may need to upload multiple documents and/or multiple types of documents.

Business Mortgage Interest Payments

Documentation must verify the existence of the mortgage prior to February 15, 2020 and eligible payments (paid or incurred) during the Covered Period. If choosing option “a,” you will also need to provide a lender account statement for one month after the Covered Period ends.

CHOOSE ONE OF THE FOLLOWING:

- a. Lender account statements showing the amounts owed and paid
- b. Lender account statements showing the amount owed AND payment receipts or cancelled checks
- c. Lender amortization schedule AND payment receipts or cancelled checks

You may need to upload multiple documents and/or multiple types of documents.

Business Rent or Lease Payments

Documentation must verify the existence of the rent or lease agreement prior to February 15, 2020 and eligible payments (paid or incurred) during the Covered Period. If choosing Option “a,” you will also need to provide a lender account statement for one month after the Covered Period ends.

CHOOSE ONE OF THE FOLLOWING:

- a. Account statements or invoices showing the amounts owed and paid
- b. Account statements showing the amount owed AND payment receipts or cancelled checks
- c. Copy of the entire rent or lease agreement AND payment receipts or canceled checks

You may need to upload multiple documents and/or multiple types of documents.

Business Utility Payments

Documentation must verify the existence of the utility to be in service prior to February 15, 2020 and eligible payments (paid or incurred) during the Covered Period.

CHOOSE ONE OF THE FOLLOWING:

- a. Account statements or invoices showing the amounts owed and paid
- b. Account statements showing the amount owed AND payment receipts or cancelled checks
- c. Invoices showing the amount owed AND payment receipts or cancelled checks

You may need to upload multiple documents and/or multiple types of documents.

Documents You Must Maintain but Are Not Required to Submit

Once you have submitted your loan forgiveness application, you will need to retain the following items to support your forgiveness application for six years after the date the loan is forgiven or repaid in full. You also need to be prepared to share all documentation with an authorized representative of the SBA, including the Office of the Inspector General upon request.

If you are using Form 3508S, you will need to retain the following:

1. All records relating to your PPP loan, including the documentation submitted with your PPP loan application.
2. Documentation supporting your certifications as to the necessity of your loan request and your eligibility for a PPP loan.
3. Documentation necessary to support your loan forgiveness application along with documentation demonstrating your material compliance with PPP requirements.

If you are using Form 3508EZ, you will need to retain the following:

1. Documentation supporting the certification that annual salaries or hourly wages were not reduced by more than 25 percent during the Covered Period or the Alternative Payroll Covered Period relative to the period between January 1, 2020 and March 31, 2020. This documentation must include payroll records that separately list each employee and show the amounts paid to each employee during the period between January 1, 2020 and March 31, 2020, and the amounts paid to each employee during the Covered Period or Alternative Payroll Covered Period.
2. Documentation regarding any employee job offers and refusals, refusals to accept restoration of reductions in hours, firings for cause, voluntary resignations, written requests by any employee for reductions in work schedule, and any inability to hire similarly qualified employees for unfilled positions on or before December 31, 2020.

3. Documentation supporting the certification, if applicable, that you 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 you were unable to hire similarly qualified employees for unfilled positions on or before December 31, 2020). This documentation must include payroll records that separately list each employee and show the amounts paid to each employee between January 1, 2020 and the end of the Covered Period.
4. Documentation supporting the certification, if applicable, that you were 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 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. This documentation must include copies of the applicable requirements for each borrower location and relevant borrower financial records.
5. All documentation noted under Form 3508S above.

If you are using the Form 3508, you will need to retain your Schedule A Worksheet or its equivalent and the following:

1. Documentation supporting the listing of each individual employee in your PPP Schedule A Worksheet Table 1, including the "Salary/Hourly Wage Reduction" calculation, if necessary.
2. Documentation supporting the listing of each individual employee in your PPP Schedule A Worksheet Table 2; specifically, that each listed employee received during any single pay period in 2019 compensation at an annualized rate of more than \$100,000.
3. Documentation regarding any employee job offers and refusals, refusals to accept restoration of reductions in hours, firings for cause, voluntary resignations, written requests by any employee for reductions in work schedule, and any inability to hire similarly qualified employees for unfilled positions on or before December 31, 2020.
4. Documentation supporting the certification, if applicable, that you were 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 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. This documentation must include copies of the applicable requirements for each borrower location and relevant borrower financial records.
5. Documentation supporting the PPP Schedule A Worksheet "FTE Reduction Safe Harbor."
6. All documentation noted under Form 3508S above.