



Paycheck Protection Program – Forgiveness Support Checklist

Always verify with your bank what they will require regarding forgiveness, including terms of content, format and method of delivery.

Loan forgiveness is an integral component of the Small Business Administration’s (SBA) Paycheck Protection Program (PPP) as outlined within the CARES Act passed earlier this year. We await guidance from the SBA and banks regarding forgiveness; however, based on current interpretation and professional guidance, we have compiled this checklist to help make the process of requesting forgiveness as simple as possible.

Allowed Use and Timing of PPP Loan Proceeds: After funds have been received, you have 8 weeks (the “covered period”) to utilize the proceeds on “qualifying expenses” in order to qualify for potential forgiveness. If these rules are not met, any remaining balance becomes a bona fide loan, payable over 2 years with an interest rate of 1%. Payments do not begin for 6 months. Remember, EIDL advances reduce forgiveness dollar for dollar.

For each type of qualifying expenses, retain the following supporting documents to provide to your bank at the conclusion of the 8-week period, utilizing this document as a checklist and coversheet to return to your bank:

- Payroll costs (per current guidance, payroll costs must be **at least 75%** of total qualified expenses):
 - Payroll summary for the covered period.
 - Payroll summary for January 1, 2020 up to the start of the covered period.
 - Copies of invoices or cleared checks for group health care benefits (insurance premiums).
 - Copies of cleared checks or electronic payment confirmations for State employment taxes.
- Payments of interest on mortgage obligations (excluding prepayment and principal payments) incurred before February 15, 2020:
 - Copies of cleared checks or electronic payment confirmations.
 - Proof that mortgage existed prior to February 15, 2020.
- Payments of rent under a lease agreement in-force before February 15, 2020:
 - Copies of cleared checks or electronic payment confirmations.
 - Proof that lease existed prior to February 15, 2020.
- Utility payments, including payments for the distribution of electricity, gas, water, transportation, telephone, or internet access for which service began before February 15, 2020:
 - Copies of invoices.
 - Copies of cleared checks or electronic payment confirmations.
 - Proof that utilities were in-service prior to February 15, 2020.

DISCLAIMER: There are still questions yet-to-be-answered by the U.S. Department of the Treasury, SBA and individual lenders. As such, any future rules, regulations and guidance may or may not modify any portion of the preceding.