

PPP DOCUMENTATION CHECKLIST – FORGIVENESS

Required Forms and Schedules

- PPP Loan Forgiveness Application
 - PPP Loan Forgiveness Calculation Form
 - PPP Schedule A; **OR**
- Form 3508EZ
- Representation and certification from an authorized representative of the Borrower that the documentation provided by the business is accurate and in good faith (included in the Loan Forgiveness Application)

Payroll Costs

- Documentation verifying the eligible cash compensation and non-cash benefit payments from the Covered Period of the Alternative Payroll Covered Period consisting of each of the following:
 - Bank account statements or third-party payroll service provider reports documenting the amount of cash compensation paid to employees
 - Tax forms (or equivalent third-party payroll service provider reports) for the periods that overlap with the Covered Period or the Alternative Payroll Covered Period including:
 - Payroll tax filings reported, or that will be reported, to the IRS (typically, Form 941)
 - State quarterly business and individual employee wage reporting and unemployment insurance tax filings reported, or that will be reported, to the relevant state
 - Payment receipts, canceled checks, or account statements documenting the amount of any employer contributions to employee health insurance and retirement plans that the Borrower included in the forgiveness amount (PPP Schedule A, lines (6) and (7)).

Verification of Full-Time Equivalent Employees

- Documentation showing (at the election of the Borrower):
 - The average number of FTE employees on payroll per week employed by the Borrower between February 15, 2019, and June 30, 2019
 - The average number of FTE employees on payroll per week employed by the Borrower between January 1, 2020, and February 29, 2020
 - In the case of a seasonal employer, the average number of FTE employees on payroll per week employed by the Borrower between February 15, 2019, and June 30, 2019; between January 1, 2020, and February 29, 2020; or any consecutive 12 week period between May 1, 2019, and September 15, 2019
- The selected time period must be the same time period selected for purposes of completing PPP Schedule A, line 11. Documents may include payroll tax filings reported, or that will be reported, to the IRS (typically, 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.

Permitted Non-Payroll Costs

- Documentation verifying the existence of the obligations/services prior to February 15, 2020, and eligible payments from the Covered Period
 - Business mortgage interest payments: copy of lender amortization schedule and receipts or canceled checks verifying eligible payments from the Covered Period; or 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.
 - Business rent or lease payments: copy of current lease agreement and receipts or canceled checks verifying eligible payments from the Covered Period or lessor account statements from February

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- 2020 and from the Covered Period through one month after the end of the Covered Period verifying eligible payments.
- Business Utility Payments: copy of invoices from February 2020 and those paid during the Covered Period and receipts, canceled checks, or account statements verifying those eligible payments for the following utilities:
 - Electricity
 - Gas
 - Water
 - Transportation
 - Fuel
 - Phone and internet access

Independent Contractors and Sole Proprietors without Employees

- Substitute the Schedule C from 2019 IRS tax filings for payroll documents to verify eight weeks or 24 weeks of 2019 net profit
- Other documentation to support mortgage interest, rent and utility payments will be the same documentation listed above

Documents Borrowers Must Maintain but are Not Required to Submit

- PPP Schedule A Worksheet or its equivalent and the following documentation supporting:
 - The listing of each individual employee in PPP Schedule A Worksheet:
 - Table 1, including the “Salary/Hourly Wage Reduction” calculation, if necessary
 - 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
 - Any employee job offers and refusals, firings for cause, voluntary resignations, and written requests by any employee for reductions in work schedule
 - The business’ reduction in FTE due to compliance with COVID-19 restrictions
 - PPP Schedule A Worksheet “FTE Reduction Safe Harbor”
 - All records relating to the Borrower’s PPP loan, including documentation:
 - Submitted with the PPP loan application
 - Supporting the Borrower’s certifications as to the necessity of the loan request and its eligibility for a PPP loan
 - Necessary to support the Borrower’s loan forgiveness application
 - Demonstrating the Borrower’s material compliance with PPP requirements.
 - The Borrower must retain all such documentation in its files for six years after the date the loan is forgiven or repaid in full, and permit authorized representatives of SBA, including representatives of its Office of Inspector General, to access such files upon request

Optional Documentation

- PPP Borrower Demographic Information Form

Please note that the list of required documentation is subject to change based on further guidance published about the SBA’s requirements. We will be regularly updating our checklists as needed to reflect current SBA requirements.