



Paycheck Protection Program Loan Forgiveness Checklist (Greater Than \$50,000) November 2020

This document was developed specifically for First PREMIER Bank borrowers with Paycheck Protection Program (PPP) loans greater than \$50,000. To ensure your forgiveness application is reviewed and processed in a timely manner, please complete by checking the appropriate boxes. This checklist should be used as your forgiveness submission cover page. Please note, this checklist is based upon guidance from the Small Business Association (SBA) and the U.S. Department of Treasury. As such, it is subject to change.

Contact Person at your business or organization: _____

Telephone Number: _____

Email Address: _____

Required for All Paycheck Protection Program Loans Greater Than \$50,000

- First PREMIER Bank PPP Loan Forgiveness Checklist. Please include this completed checklist as the cover page for your PPP forgiveness application submission.

As a first step, please review the [Loan Forgiveness Application Form EZ Instructions](#) to determine if you qualify. Those who qualify to complete SBA Form 3508 EZ to apply for forgiveness, should [CLICK HERE](#).

Borrowers who do not qualify for the abbreviated application, should review the [Loan Forgiveness Application Instructions for SBA Form 3508](#) revised June 16, 2020. For SBA Form 3508, [CLICK HERE](#).

Loan Forgiveness Application Form

- SBA Form 3508EZ including Forgiveness Amount Calculation (page 1 of application).
- or
- SBA Form 3508 including Forgiveness Amount Calculation (pages 1) and PPP Schedule A (page 3-4).

Payroll Expense Verification

Provide calculation for total cash compensation to employees as reported on line 1. Supporting documents should be as follows:

- Third-party payroll reports showing payroll paid during the Covered Period or Alternative Payroll Covered Period, including employee-level detail as well as a summary.
- Reconciliation of line 1 to include supporting documentation for employees receiving wages in excess of \$100,000 annually, prorated to a maximum of \$15,385 for an eight-week Covered Period or \$46,154 for 24-week Covered Period.



- 2nd and/or 3rd Quarter IRS Form 941 (if completed at time of application).
- 2nd and/or 3rd Quarter State Unemployment reports.

Provide employer-paid health insurance, employer retirement contributions and state and local taxes.

- Third-party payroll reports that detail information noted above.
- Payment receipts, cancelled checks, account statements, 401k contribution summary, second-quarter state unemployment filings, etc. documenting the amount of any employer contributions to employee health insurance, retirement plans or state and local taxes.
- If necessary, segregate employer vs. employee contributions. Only employer contribution is eligible for forgiveness.

Non-Payroll Expense Verification

- Business Mortgage Interest Payments: receipts, loan payment history, bank statements, etc. providing evidence of business mortgage loan(s) originated prior to February 15, 2020. Borrowers should also include verification detailing the interest portion of the mortgage payments. Only the interest portion is eligible for forgiveness.
- Business Rent or Lease Payments: a copy of current lease agreement and receipts or cancelled checks verifying eligible payments during your Covered Period; or account statement from February 2020 and account statements verifying eligible payments during your Covered Period.
- Business Utility Payments: utilities may include electricity, gas, water, transportation, telephone or internet services. Supporting documentation should include:
 - Invoices from February 2020 verifying service prior to February 15, 2020.
 - Invoices and proof of payment (e.g., cancelled checks, bank statements) from Covered Period.
- Include calculation or spreadsheet detailing and totaling all eligible forgiveness expenses corresponding to invoices provided.

Required Only for Borrowers Completing SBA Form 3508

N/A
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FTE calculation performed by the Borrower

- At the election of the borrower, the average number of FTE employees on payroll per month between February 15, 2019, and June 30, 2019, or between January 1, 2020, and February 29, 2020.
- For seasonal employers, the average number of FTE employees on payroll per month between February 15, 2019, and June 30, 2019; between January 1, 2020 and February 29, 2020; or any consecutive twelve-week period between May 1, 2019, and September 15, 2019.
- The selected time period above must be the same period selected for purposes of completing PPP Schedule A, line 11.
- Documentation may include payroll tax files reported, or that will be reported, to the IRS (typically, Form 941). Documentation submitted may cover periods longer than the specified time period.

Payroll Expense Verification

Provide calculation for total cash compensation to employees as reported on lines 1, 4 and 9 of Schedule A. Supporting documents should be as follows:

- Reconciliation of lines 1, 4 and 9 on Schedule A to include supporting documentation for employees receiving wages in excess of \$100,000 annually, prorated to a maximum of \$15,385 for an eight-week Covered Period or \$46,154 for 24-week Covered Period.



Required Only for Loans to Businesses with Owners Receiving Compensation

■ N/A
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Support for the 2019 compensation levels of owner employees as well as partners. Also, support for cash compensation paid to employee owners during the Covered Period or Alternative Payroll Covered Period, which coincides with Schedule A (line 1 of SBA Form 3508EZ or line 9 of SBA Form 3508).

For a 24-week Covered Period, the eligible forgiveness amount is capped at \$20,833 (the 2.5-month equivalent of \$100,000 per year) for each individual or the 2.5-month equivalent of their applicable compensation in 2019, whichever is lower. For an 8-week Covered Period, the eligible forgiveness amount is capped at 8/52 of 2019 compensation (up to \$15,385).

- For owner employees who receive a W-2, provide the 2019 W-2. For cash compensation paid during the Covered Period this should be supported with previous payroll reports as requested above.
- For partners within a partnership who receive a K-1 and not a W-2, provide the 2019 schedule K-1 and supporting calculation based on the income in field 14a.
- If multiple owners or partners exist, provide calculation or schedule summarizing each owner's information and include amounts in line 1 (SBA Form 3508EZ) or 9 (SBA Form 3508) of Schedule A.

Items All Borrowers Must Maintain but are Not Required to Submit to Lender

These items are outlined in the PPP Forgiveness Instructions. Documents must be retained for six years after the date your loan is forgiven or paid in full.

