



**PPP
Forgiveness
Required
Documents**

Customer Guidebook



Overview

This is a guideline for documentation requirements for PPP loan forgiveness that is based on the Small Business Administration's latest guidance. The guideline describes requirements based on the type of application form that the client will complete, either a Form 3508, 3508-EZ or 3508-S.

Although this is intended to help applicants prepare a PPP forgiveness application, the information contained in this guidebook may not be comprehensive. The SBA may issue additional requirements for documentation above and beyond the standard document requests that are included in this guidebook at their sole discretion.

Guidance on PPP forgiveness is subject to change. Check the latest information on [SBA.gov](https://www.sba.gov) to ensure you have referred to the latest rules and regulations before you start the application.

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Supporting Documentation for PPP Loan Forgiveness (Applies to First and Second Draw Loans)

- Understanding SBA 3508, 3508-EZ and 3508-S
 1. SBA Form 3508
 2. SBA Form 3508-EZ
 3. SBA Form 3508-S
 4. Special Information for Sole Proprietors

Loan Forgiveness Applications

There are now three different versions of the PPP forgiveness application. When applying for PPP forgiveness, be sure to choose the right application for your business using the conditions listed below as a guide.

Criteria for choosing correct form (examples below may not be comprehensive)

1. Self-employed without any employees
2. Did not reduce salary or wages by more than 25%
3. Experienced decrease in business activity as result of health directives and maintained salary / wages
4. Received a loan greater than \$150,000
5. Applying with safe harbor
6. Self-employed with employees
7. Received loan of \$150,000 or less and together with its affiliates, received loans totaling \$2 million or less

SBA 3508

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SBA 3508-EZ

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SBA 3508-S

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Note: For Biz2Credit clients, when you create your PPP forgiveness application the system will automatically guide you to select the correct application form.

SBA Form 3508 – Documentation List

Required (In All Cases)

- **Payroll Costs (choose one or more)**
 - Bank statements or third-party payroll service provider reports
 - IRS Form 941 and state quarterly tax filings
 - Payment receipts, cancelled checks, or account statements supporting employer contributions
- Documentation to support average number of FTE employees per week
 - From 2/15/19 – 6/30/19: IRS Form 941 or equivalent state tax filing
 - From 1/1/20 – 2/29/20: IRS Form 941 or equivalent state tax filing
 - Covering the entire covered period: IRS Form 941s or equivalent state tax filing(s)

Required If Borrower Had These Expenses / Optional for All Others

- **Non-payroll costs**
 - Mortgage Statement or Business Rent and Lease Payment Invoices / Statements
 - Business Utility Payment Statements
 - Receipts for Payments on Covered Operations Cost
 - Receipts or Invoices for Payments on Covered Property Damage Cost
 - Receipts or Invoices for Payments on Covered Supplier Costs
 - Receipts for Payments on Covered Worker Protection Expenditure

SBA Form 3508-EZ – Documentation List

Required (In All Cases)

- **Payroll Costs (choose one or more)**
 - Bank statements or third-party payroll service provider reports
 - IRS Form 941 and state quarterly tax filings
 - Payment receipts, cancelled checks, or account statements supporting employer contributions
- Covers 1/1/2020 and at the entire covered period: IRS Form 941 or equivalent state tax filing(s)

Required If Borrower Had These Expenses / Optional for All Others

- **Non-payroll costs**
 - Mortgage Statement or Business Rent and Lease Payment Invoices / Statements
 - Business Utility Payment Statements
 - Receipts for Payments on Covered Operations Cost
 - Receipts or Invoices for Payments on Covered Property Damage Cost
 - Receipts or Invoices for Payments on Covered Supplier Costs
 - Receipts for Payments on Covered Worker Protection Expenditure

SBA Form 3508-S – Documentation List

Required for Second Draw PPP Applicants Only

- If the proof of revenue reduction was not provided at the time of the application, the borrower is required to provide the following covering the periods used to calculate a revenue reduction:
 - Annual IRS Income Tax Filings (required for annual reduction)
 - Quarterly Financial Statements
 - Quarterly or Monthly Bank Statements
 - Accounting Software Summary Report
 - Credit Card Receipts
 - Sales Receipts

Optional for All Borrowers

- **Payroll Costs**
 - Bank statements or third-party payroll service provider reports
 - IRS Form 941 and state quarterly tax filings
 - Payment receipts, cancelled checks, or account statements supporting employer contributions
- **Non-payroll costs**
 - Mortgage or Rent Statements
 - Business Utility Payment Statements
 - Receipts for Payments on Covered Operations Cost
 - Receipts for Payments on Covered Property Damage Cost
 - Invoices for Payments on Covered Supplier Costs
 - Receipts for Payments on Covered Worker Protection Expenditure

SBA Form 3508-S – Sole Proprietors

Sole Proprietors who do not have employees on payroll are not required to provide documentation demonstrating the use of funds on 'payroll expenses.' Sole proprietors with employees should still demonstrate the use of funds for payments made to employees, but likewise do not need to provide documentation related to owner compensation or distributions taken by the owner.

Required

- For Second Draw Applicants Only – If the proof of revenue reduction was not provided at the time of the application, your client will be required to provide the following:
 - Annual IRS Income Tax Filings (required for annual reduction)
 - Quarterly Financial Statements
 - Quarterly or Monthly Bank Statements
 - Accounting Software Summary Report
 - Credit Card Receipts
 - Sales Receipts

Optional

- **Payroll Costs**
 - See list on 3508-S page
- **Non-payroll costs**
 - See list on 3508-S page



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