

Paycheck Protection Program (PPP) Loan Forgiveness Checklist

This Checklist is intended to be used in conjunction with the Organizer to assist you in gathering the necessary documents for your PPP Loan Forgiveness Application. We recommend reviewing the Organizer prior to gathering the necessary documents.

We encourage you to begin gathering the required documentation and filling out [SBA Form 3508](#) or [Form 3508S](#) or [Form 3508EZ](#) prior to entering the Portal. Forms are available on watrust.com/caresact.

DOCUMENTS TO SUBMIT/UPLOAD	3508 Line	3508 Sch A Line	3508 EZ Line	Covered Period	Alt Covered Period	Documentation Notes (see pg. 2)	3508 S	WTB Portal - Docs to Submit	
								Subcategory (Dropdown)	Uploaded to Portal
Payroll Costs									
Payroll		1, 4	1	X	X	A, J	A, J	Cash Comp	<input type="checkbox"/>
Health Insurance		6	1	X	X	C	C	Health Insurance	<input type="checkbox"/>
Retirement		7	1	X	X	C	C	Retirement	<input type="checkbox"/>
State and Local Taxes		8	1	X	X	B	B	State/Local Taxes	<input type="checkbox"/>
Owner Compensation		9	1	X	X	D	D	Comp to Owners	<input type="checkbox"/>
Average FTE		2, 5		X	X	B	B	Cash Comp	<input type="checkbox"/>
Non-payroll									
Business Mortgage Interest	2		2	X		E	E	Mortgage Interest	<input type="checkbox"/>
Rent/Lease Payments	3		3	X		F	F	Rent/Lease	<input type="checkbox"/>
Utility Payments	4		4	X		G	G	Utilities	<input type="checkbox"/>
FTE Calculation (Reference Period - if applicable)		11				H		Reference Period	<input type="checkbox"/>
(1) 02.15.19 - 06.30.19									
(2) 01.01.20 - 02.20.20									
(3) Seasonal									
(a) 02.15.19 - 06.30.19									
(b) 01.01.20 - 02.20.20									
(c) Consecutive 12-week period between 05.01.19 and 09.15.19									
3508EZ Criteria 2 (if applicable)						I		Reference Period	<input type="checkbox"/>

It is highly recommended that payroll and non-pay roll expenses be uploaded by subcategories listed above. When organizing files, a coverage itemizing all expenses within each subcategory should be included with supporting documents that are submitted to Washington Trust Bank.

DOCUMENTATION NOTES:

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- A-D Payroll Costs (Line 1 of Form 3508EZ, Lines 1 through 9 of Form 3508, Schedule A):** Documentation verifying the eligible cash compensation and non-cash benefit payments from the Covered Period or the Alternative Payroll Covered Period consisting of each of the following:
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- A Payroll/Cash Compensation:** Bank account statements or third-party payroll service provider reports documenting the amount of cash compensation paid to employees.
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- B FTE:** 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:
- i. Payroll tax filings reported, or that will be reported, to the IRS (typically Forms 941/943).
 - ii. State quarterly business and individual employee wage reporting and unemployment insurance tax filings reported, or that will be reported, to the relevant state.
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- C Health Insurance/Retirement:** Payment receipts, cancelled checks, or account statements documenting the amount that the Borrower included in the forgiveness amount.
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- D Owner Compensation:** If there is more than one individual included, upload a separate table that lists the names and payments to each owner.
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- E-G DOCUMENTS FOR THE MONTH OF FEBRUARY 2020 ARE REQUIRED IF FORGIVENESS IS BEING REQUESTED FOR INTEREST, RENT/LEASE, OR UTILITY PAYMENTS.**
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- E Mortgage Interest Payments:**
- i. Copy of lender amortization schedule and receipts or cancelled checks verifying eligible payments from the Covered Period; or
 - ii. 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.
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- F Rent/Lease Payments:**
- i. Copy of current lease agreement and receipts or cancelled checks verifying eligible payments from the Covered Period; or
 - ii. Lessor account statements from February 2020 and from the Covered Period through one month after the end of the Covered Period verifying eligible payments.
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- G Utility Payments:** Copy of invoices from February 2020 and those paid during the Covered Period and receipts, cancelled checks, or account statements verifying those eligible payments.
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- H NOT APPLICABLE IF ONE OF THE THREE BOXES FROM FORM 3508, PPP SCHEDULE A, FTE REDUCTION CALCULATION IS CHECKED.**
Reference Period: At the election of the Borrower, documentation for 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 specific time period.
- a. The average number of FTE employees on payroll per week employed by the Borrower between February 15, 2019, and June 30, 2019;
 - b. The average number of FTE employees on payroll per week employed by the Borrower between January 1, 2020, and February 29, 2020; or
 - c. 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.
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- I 3508EZ (Criteria 2):** If ONLY the second box is checked, documents verifying the average number of full-time equivalent employees on payroll employed by the Borrower on January 1, 2020, and at the end of the Covered Period need to be submitted. See Notes A, B, and C for additional information.
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- J Self-employed Schedule C (or Schedule F) Filers:** 2019 IRS Form 1040 Schedule C (or F) must be submitted with the application.
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MAINTAIN (DO NOT SUBMIT):

NOTE K Payroll Costs:

Documentation supporting the listing of each individual employee in PPP Schedule A Worksheet, Table 1, including the Salary/Hourly Wage Reduction calculation, if necessary. Refer to Notes A , B and C regarding information that needs to be maintained.

Documentation supporting the listing of each individual employee in 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. Refer to Notes A, B and C regarding information that needs to be maintained.

NOTE L Salary/Hourly Wage Reduction: Borrower must complete the calculation only for employees whose salaries or hourly wages were reduced by more than 25% during the Covered Period or the Alternative Payroll Covered Period as compared to the period of January 1, 2020, through March 31, 2020. Refer to Note A regarding information that needs to be maintained.

NOTE M FTE Reduction Exceptions (Schedule A Worksheet): 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.

NOTE N No reduction in employees or average paid hours: Documentation verifying no reduction in the the number of employees or the average paid hours of your employees between January 1, 2020, and the end of the Covered Period. Refer to Notes A, B and C regarding information that needs to be maintained.

NOTE O FTE Reduction Safe Harbor 1: Financial statements verifying 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. This documentation must include copies of the applicable requirements for each borrower location and relevant borrower financial records.

NOTE P FTE Reduction Safe Harbor 2: Documentation showing (a) reduction in FTE employee levels in the period beginning February 15, 2020, and ending April 26, 2020; and (b) the Borrower then restored its FTE employee levels by not later than December 31, 2020, to its FTE employee levels in the Borrower's pay period that included February 15, 2020. Refer to Notes A, B and C regarding information that needs to be maintained.

NOTE Q 3508EZ Form Selection Checklist, Criteria 2: Refer to Notes L AND N.

NOTE R 3508EZ Form Selection Checklist, Criteria 3: Refer to Note L. Additionally, financial statements verifying that you were unable to operate at the same level of business through the Covered Period at the same level of business activity as before February 15, 2020, must also be **maintained (not submitted)**. This documentation must include copies of the applicable requirements for each borrower location and relevant borrower financial records.