

CARES Act

Paycheck Protection Loan Forgiveness

Checklist and Required Documentation:

Step 1: Determine if you can apply for forgiveness of your PPP loan using the SBA Form 3508EZ (You are eligible to use the SBA Application Form 3508EZ if you can check at least one of the three boxes below:)

- ☐ The Borrower is a self-employed individual, independent contractor, or sole proprietor who had no employees at the time of the PPP loan application and did not include any employee salaries in the computation of average monthly payroll in the Borrower Application Form (SBA Form 2483)

- ☐ The Borrower did not reduce annual salary or hourly wages of any employee by more than 25 percent during the Covered Period or the Alternative Payroll Covered Period (as defined below) compared to the period between January 1, 2020 and March 31, 2020 (for purposes of this statement, "employees" means only those employees that did not receive, during any single period during 2019, wages or salary at an annualized rate of pay in an amount more than \$100,000);
AND
The Borrower did not reduce the number of employees or the average paid hours of employees between January 1, 2020 and the end of the Covered Period. (Ignore reductions that arose from an inability to rehire individuals who were employees on February 15, 2020 if the Borrower was unable to hire similarly qualified employees for unfilled positions on or before December 31, 2020. Also ignore reductions in an employee's hours that the Borrower offered to restore, and the employee refused.)

- ☐ The Borrower did not reduce annual salary or hourly wages of any employee by more than 25 percent during the Covered Period or the Alternative Payroll Covered Period (as defined below) compared to the period between January 1, 2020 and March 31, 2020 (for purposes of this statement, "employees" means only those employees that did not receive, during any single period during 2019, wages or salary at an annualized rate of pay in an amount more than \$100,000);
AND
The Borrower was unable to operate during the Covered Period at the same level of business activity as before February 15, 2020, due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020 by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration, related to the maintenance of standards of sanitation, social distancing, or any other work or customer safety requirement related to COVID-19.

If you were unable to check any of the boxes above, you are not eligible to use the EZ

Application and must proceed to Step 2.

Step 2: Determine your use of the "Covered Period" or the "Alternative Covered Period" for payroll expenses

The loan forgiveness is based on Payroll Expenses during the "Covered Period" or the "Alternative Covered Period" + the Nonpayroll Expenses for the "Covered Period"

- ☐ The "Covered Period" is either (1) the 24-week (168-day) period beginning on the PPP Loan Disbursement Date, or (2) if the Borrower received its PPP loan before June 5, 2020, the Borrower may elect to use an eight-week (56-day) Covered Period. For example, if the Borrower is using a 24-week Covered Period and received its PPP loan proceeds on Monday, April 20, the first day of the Covered Period is April 20 and the last day of the Covered Period is Sunday, October 4. In no event may the Covered Period extend beyond December 31, 2020.
- ☐ The "Alternative Covered Period" - Borrowers with a biweekly (or more frequent) payroll schedule may elect to calculate eligible payroll costs using the 24-week (168-day) period (or for loans received before June 5, 2020 at the election of the borrower, the eight-week (56-day) period) that begins on the first day of their first pay period following their PPP Loan Disbursement Date. For example, if the Borrower is using a 24-week Alternative Payroll Covered Period and received its PPP loan proceeds on Monday, April 20, and the first day of its first pay period following its PPP loan disbursement is Sunday, April 26, the first day of the Alternative Payroll Covered Period is April 26 and the last day of the Alternative Payroll Covered Period is Saturday, October 10.
- ☐ You must choose one Period for all payroll expenses used in the forgiveness calculation
- ☐ The best timeframe is the period that results in the most forgivable expenses

Step 3: Complete the BWB PPP Loan Forgiveness Calculator

You will need the following documentation in order to complete the Loan Forgiveness Calculator: (*Note: gather documents that are relative to your organization*)

Payroll Documentation Required: (*For the "Covered Period" chosen*)

- ☐ Bank account statements or third-party payroll 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:

- i. Payroll tax filings reported, or that will be reported, to the IRS (typically, Form 941); and
 - ii. 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, cancelled 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.

FTE Documentation Required:

- ☐ The average number of FTE employees on payroll per month employed by the Borrower between February 15, 2019 and June 30, 2019;
- ☐ The average number of FTE employees on payroll per month employed by the Borrower between January 1, 2020 and February 29, 2020; or
- ☐ In the case of a seasonal employer, the average number of FTE employees on payroll per month employed by the Borrower 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 must be the same time period as your chosen "Covered Period. 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.

Nonpayroll Documentation Required: *(verifying 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 cancelled 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 cancelled checks verifying eligible payments from the Covered Period, or lessor account statements from February 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, cancelled checks, or account statements verifying those eligible payments.

Documents Borrowers Must Maintain, But Are Not Required to Submit:

- Documentation supporting the listing of each individual employee in PPP Schedule A Worksheet Table 1, including the "Salary/Hourly Wage Reduction" calculation, if necessary.
- 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.
- Documentation regarding any employee job offers and refusals, firings for cause, voluntary resignations, and written requests for any employee for reduction in work schedule, and any inability to hire similarly qualified employees for unfilled positions on or before December 31, 2020.
- Documents supporting the PPP Schedule A Worksheet "FTE Reduction Safe Harbor 2."
- All records relating to the Borrower's PPP loan, including documentation submitted with its PPP loan application, documentation supporting the Borrowers certifications as to the necessity of the loan request and its eligibility for a PPP loan, documentation necessary to support the Borrower's loan forgiveness application, and documentation demonstrating the Borrower's material compliance with PPP requirements. **The Borrower must retain all such documentation of 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 the Office of Inspector General, to access such files upon request.**

Step 4: Email Completed BWB PPP Loan Forgiveness Calculator directly to your Loan officer for verification along with all support documentation. If a secure link is needed, please contact your loan officer to request a link.

Step 5: You will receive the PPP Loan Forgiveness application via DocuSign once the PPP Loan Forgiveness Calculator has been verified. Please complete, initial and sign the application. Your loan officer will be notified when completed and signed via DocuSign.