

Documentation Required to be Submitted with SBA Form 3508EZ Forgiveness Application

(updated December 2, 2020)

Please note that in addition to the documentation described below that must be submitted with your forgiveness application, SBA requires you to keep all documentation related to your PPP loan and forgiveness request for 6 years from the date your loan is forgiven or repaid in full. For additional details on eligible costs, please review our [Forgiveness FAQ](#).

PAYROLL COSTS DOCUMENTATION:

Employee cash compensation: You must submit documents that meet all requirements for either Option 1 or Option 2.

OPTION 1: Third-party payroll service provider report that:

- ✓ shows the amount of cash compensation paid; and
- ✓ provides equivalent information as on your IRS Form 941s reported (or to be reported) to the IRS; and
- ✓ provides equivalent information as on your State quarterly business & individual employee wage reporting & unemployment insurance tax filings reported (or to be reported) to the State; and
- ✓ clearly shows the report is from a recognized third-party payroll service provider (e.g., ADP, Gusto, Paychex, etc.).

TIP: Check with your payroll provider to see if they provide a report meeting these requirements.

OR

OPTION 2: If you do not work with a recognized third-party payroll service provider, or if your third-party payroll report does not meet ALL of the requirements in Option 1:

- ✓ Third-party payroll service provider report or bank account statements that show the amount of cash compensation paid; and
- ✓ IRS Form 941s reported (or to be reported) to the IRS; and
- ✓ State quarterly business & individual employee wage reporting & unemployment insurance tax filings reported (or to be reported) to the State.

Employee benefits:

Employer contributions to employee health & retirement plans that are included in the forgiveness request must be shown on a third-party payroll report that meets the requirements in Option 1 above or must be documented by payment receipts, cancelled checks, or account statements showing the amount paid.

Owner-employees: Locate your tax filing form below for a list of documents you must submit to support owner-employee payroll costs included in your forgiveness request.

Tax Filing	Owner-Employee Payroll Costs Documentation
IRS 1040 Schedule C	• Copy of filed 2019 IRS 1040 Schedule C
IRS 1040 Schedule F	• Copy of filed 2019 IRS 1040 Schedule F
IRS 1065	• Copy of filed 2019 IRS 1065 Schedule K-1
1120S	<ul style="list-style-type: none"> • Document owner-employee compensation using the same guidelines as for non-owner employees • Employer contributions to owner-employee health plans may <u>not</u> be included • Employer contributions to owner-employee retirement plans may be included up to 2.5/12 of the 2019 employer retirement contribution
1120	<ul style="list-style-type: none"> • Document owner-employee compensation using the same guidelines as for non-owner employees • Employer contributions for owner-employee health insurance may be included • Employer contributions for owner-employee retirement plans may be included up to 2.5/12 of the 2019 contribution
990	N/A

NONPAYROLL COSTS DOCUMENTATION:

- If your eligible payroll costs are equal to or exceed your forgiveness request, you do not need to submit documentation of nonpayroll costs.
- If you include nonpayroll costs in your forgiveness request, you must submit the documentation listed below:
 - Business mortgage (secured debt) interest payments:
 - Copy of lender amortization schedule and receipts or cancelled checks; or
 - Copies of lender account statements for February 2020 and the months payments were made.
 - Business rent or lease payments:
 - Copy of current lease agreement, combined with receipts or cancelled checks; or
 - Copies of lessor account statements for February 2020 and the months payments were made.
 - Business utility payments:
 - Copy of invoices for February 2020 and the months payments were made, combined with copies of receipts, cancelled checks or account statements.

FTE DOCUMENTATION:

- If you are a self-employed individual, an independent contractor, or a sole proprietor who had no employees (other than yourself) at the time of your PPP loan application, and are not including any employee compensation (other than your own) in your forgiveness application, you do not need to submit FTE documentation.
- If you were unable to operate during your covered period at the same level of business activity as before February 15, 2020 due to compliance with federal, State or local COVID-19 restrictions or guidance, you do not need to submit FTE documentation.
- All other borrowers using Form 3508EZ must submit documentation of the number of employees on January 1, 2020 and the end of your covered period (or alternative payroll covered period, if applicable), such as:
 - Third-party payroll service provider reports;
 - IRS Form 941s reported (or to be reported); or
 - State quarterly business & individual employee wage reporting & unemployment insurance tax filings reported (or to be reported) to the State.

OTHER DOCUMENTATION:

- PPP Borrower Demographic Information Form: this form is optional, but provides valuable information about who is able to access SBA programs, and can help to improve access to SBA programs in the future.
- Self-Help may request other documentation if needed to support your request.
- SBA may require additional documentation as part of its review of any PPP loan.