



PAYCHECK PROTECTION PROGRAM (PPP) LOAN FORGIVENESS

Borrower Checklist

Preparing for Forgiveness

America First is providing access to the Small Business Administration's (SBA) Paycheck Protection Program portal, which assists members in preparing PPP loan forgiveness applications. The system guides you through process step by step, ensuring all the information and supporting documentation necessary for 100% loan forgiveness is included.

Please read this carefully, learn the specifics of Covered and Reference Periods, and gather all the information listed on pages 2 & 3. Once the necessary documentation is in place, we'll help submit your prepared application.

Please be aware that the SBA will only accept documents in the following specific file formats:

- PDF
- Excel (XLS, XLSX)
- CSV
- Word (DOC, DOCX)
- Image (JPG, JPEG, PNG)

You may use a phone or tablet to take pictures of documents, receipts, canceled checks, etc. However, please do not combine multiple documents into larger files.

What Are Covered & Reference Periods and Why Do They Matter?

Covered Period

This is the period during which you can use PPP funds and still remain eligible for forgiveness. You have some flexibility in choosing the Covered Period, but your selection may affect the amount forgiven. If you are unsure whether your chosen period will result in 100% forgiveness, contact us to review options. Also, please note that your PPP funds must be used for qualifying expenses during the Covered Period to be eligible for 100% forgiveness.

- The standard Covered Period is 24 weeks from the PPP loan disbursement date. For example, if the loan was disbursed on Monday, April 20, you are covered from Monday, April 20 to Sunday, October 4.
- If your loan was disbursed before June 5, 2020, you can choose an eight-week (56-day) period instead.
- If your payroll occurs at least every two weeks, you can shift the Covered Period to the first day of the first pay period following your PPP loan disbursement date. For example, if you have a standard 24-week Covered Period and a Monday, April 20 loan disbursement date—but the first day of the first pay period after your loan disbursement date is Sunday, April 26—you can select a Covered Period of Sunday, April 26 through Saturday, October 10.

Reference Period

This is used by the SBA to determine whether you have adequately maintained full-time equivalent employees and provided their wages. One hundred percent loan forgiveness requires demonstrating:

- (A) You retained your employees or made a good-faith effort to do so; and
- (B) You did not cut your employees' wages by more than 25%.

To determine whether you have complied, the SBA compares employment statuses, work hours and pay for the Covered Period with the same numbers during your Reference Period. The SBA requires payroll information for both the Reference & Covered Periods to verify you protected payroll without cutting hours, positions or wages.

For example, if you had 10 full-time equivalent employees during the Reference Period and this declined to eight during the Covered Period, your full-time employee percentage declined by 20%, so 80% of your loan would be eligible for forgiveness. Fortunately, the SBA offers flexibility in choosing a Reference Period:

- February 15, 2019 to June 30, 2019; or
- January 1, 2020 through February 29, 2020; or
- Seasonal employers can choose any consecutive 12 weeks between May 1, 2019 and September 15, 2019

If you are not sure which Reference Period will best help you achieve 100% forgiveness, please contact us. Also, be prepared to account for any money paid to and hours worked by each employee during both periods, and provide the necessary supporting documents—payroll reports; federal and state tax filings, including quarterly payroll taxes; bank statements; and canceled checks.

Necessary Business Information

- The Tax Identification (ID) number used for the loan
- America First online banking logins, if available—this is the easiest way to verify your loan information
- Other checking accounts used for qualifying expenses—we can import this information automatically
- PPP loan amount
- Loan disbursement date

Payroll:

- PPP loan payroll records report (specific forgiveness reports may be available from payroll providers).
- If your provider doesn't offer PPP forgiveness reports, you must create one that includes all employee information for the Covered and Reference Periods.
- The portal contains instructions for finding and exporting PPP forgiveness reports or other suitable reports from the following payroll systems:
 - ADP-RUN; WorkforceNow; Comprehensive Services; TotalSource

- Gusto
- OnPay
- Patriot
- QuickBooks - desktop & online payrolls
- Paychex - Flex; SurePayroll
- Square Payroll
- Wave Payroll
- Xero
- Zenefits
- And more coming soon
- Members without payroll providers can take advantage of our templates to record each employee's cash compensation and hours worked during the Covered and Reference Periods.
- List owner compensation separately, naming each owner and their 2019 pay. Loans based on Schedule C require the most recent available (2019 or 2018).
- You'll also need to deliver documents demonstrating how your PPP funds were expended (e.g., bank statements, canceled checks, payroll tax reports, etc.).

Other Payroll Related Information:

- Document summarizing healthcare expenses for the Covered Period, as well as proof of payment, if applicable.
- Document summarizing retirement expenses for the Covered Period, as well as proof of payment, if applicable.

Non-Payroll Information:

- Document each business property expense line item you claim. Each service additionally requires proof that the contract/service was in force as of February 15, 2020.
- The eligible expenses for business properties are:
 - Mortgage interest (include a lender schedule showing payment interest and proof of payment, such as bank statements or canceled checks).
 - Rent or lease payments (include records from your lessor/landlord and proof of payment, such as bank statements or canceled checks).
 - Utilities. (Please include provider account statements, along with copies of checks or payments made. For example, if your Covered Period is eight weeks and you're claiming expenses for one leased location with water, electricity, phone and Internet, all of which are billed separately and monthly, you should have three documents for five expense categories, or 15 in total.)
 - Electricity
 - Water
 - Gas
 - Phone
 - Internet



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