

Checklist to Complete EZ PPP Loan Forgiveness Application



Determine if the EZ PPP Loan Forgiveness Application is the right application for you:

- [CLICK HERE](#) to answer a few simple questions; or
- Visit www.PentucketBank.com/federal-stimulus and click the “Which App Should I Use” button.

Once you confirm that the EZ Application is right for you please proceed with this checklist. Be sure to read each section carefully, including the Important Notes on page 3.

Below is a summary of the information you will need in order to complete an “EZ” PPP loan forgiveness application (Form 3508EZ) and to maintain the proper documentation on file should the SBA seek to further review your submission. At its discretion, the SBA reserves the right to review all aspects of your PPP loan at any time.

- [Click for EZ Application](#)

Once you have assembled the required information and completed the application, you may submit your package through our website. Note that you may not need to submit all of the documentation that you used to complete the application. Again, you should maintain these items should they be requested in the future.

For security reasons we ask that you do not email your items directly to the bank or your loan officer. We will review applications in the order they are received through the online portal. Due to the specific documentation requirements, tax implications, and the need for accuracy, we recommend that you seek assistance from your accountant or financial advisor. You may refer to our FAQs for more information.

EZ PPP Loan Forgiveness Application Checklist

Required Supporting Documentation (as applicable):

For self-employed sole-proprietors, independent contractors, and partnerships

- 2019 or 2020 Form 1040 Schedule C or Form 1065 Schedule K-1

For Borrowers seeking forgiveness of eligible payroll costs:

- Bank account statements or payroll service provider reports showing amount of eligible cash compensation paid to employees during the covered period.

EZ PPP Loan Forgiveness Application Checklist Cont'd

- 3rd party payroll registers (e.g. ADP, Paychex, etc.) by employee covering each pay period during the Covered Period; alternatively, detailed internal reports for the Covered Period combined with quarterly Federal and State tax filings.
 - Form 941; and
 - State quarterly business and individual employee wage reporting and unemployment insurance filings
- Payroll Registers/Reports documenting the amount of cash compensation paid to any owner-employees (ownership stake of 5% or more) in 2019 or 2020 (the same year used to calculate your loan amount).
- If you qualified for the EZ application by checking the 2nd box on the checklist on page 1 of the instructions you must provide documentation for the number of full time equivalent employees on January 1, 2020 and the end of the covered period.
- If you are seeking forgiveness for state payroll taxes and state tax filings or other third party reports are not being provided above:
 - State quarterly business and individual employee wage reporting and unemployment insurance filings
- Health Insurance Company and Retirement Plan Administrator account statements (if seeking forgiveness for these expenses) showing employer contributions during the covered period. Payment receipts or canceled checks can also be used.

For Borrowers seeking forgiveness for any non-payroll costs listed below:

- Business mortgage Interest:
 - Lender account statement from a Financial Institution showing transaction history for the period from February 2020 to 1 month after the covered period; or
 - Loan amortization schedule and copies of cancelled checks or payment receipts for payments made during the covered period.
- Business rent or lease payments:
 - Lessor account statement from a leasing company showing transaction history for the period from February 2020 to 1 month after the covered period; or
 - Lease agreement and copies of cancelled checks or payment receipts for payments made during the covered period.
- Business Utility payments:
 - Copies of invoices from February 2020 and those paid during the covered period along with payment receipts, cancelled checks or account statements.
- Covered operations expenditures, property damage costs, supplier costs or worker protection expenditures:
 - Copies of invoices, orders, or purchase orders paid during the covered period and receipts, cancelled checks, or account statements verifying payments;
 - Additionally, for property damage costs, documentation showing costs were related to vandalism or looting due to public disturbances in 2020 and such costs were not covered by insurance or other compensation;

Contact your loan officer or email: ppp@pentucketbank.com with any questions.

This information is for the use of Paycheck Protection Program (PPP) customers of Pentucket Bank. Non-Pentucket Bank customers, please consult your financial institution for guidance.

EZ PPP Loan Forgiveness Application Checklist Cont'd

- Additionally, for worker protection expenditures, documentation showing expenditures were used to comply with applicable COVID-19 guidance during the covered period;
- Additionally, for supplier costs, copies of invoices contracts, orders, or purchase orders in effect at any time before the covered period (except for perishable goods).

The following items are not required to be submitted to the Bank but are required to be maintained by the Borrower:

- Documentation to support the certification that annual salaries and hourly wages were not reduced by more than 25% during the covered period relative to the most recent full quarter before the covered period. Documentation must include payroll records that list each employee separately.
- Documentation to support the certification, if applicable, that the borrower did not reduce the # of employees or the average paid hours of employees between 1/1/20 and the end of the covered period, other than those that arose from an inability to rehire individuals that were employed on 2/15/20, if the borrower was unable to hire similarly qualified employees on or before 12/31/20 (PPP loans made before 12/27/20) or the last day of the covered period. Documentation must include payroll records that list each employee separately.
- 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 12/31/20 (PPP loans made before 12/27/20) or the last day of the covered period.
- Documentation to support the certification, if applicable, that the Borrower was unable to operate between 2/15/20 and the end of the Covered Period at the same level as before 2/15/20 due to compliance with requirements established or guidance issued between 3/1/20 and 12/31/20 (or, for PPP loans made after 12/27/20, requirements established or guidance issued between 3/1/20 and the end of the covered period. This must include copies of the applicable requirements (per CDC, OSHA, HHS, etc.) and relevant borrower financial records.

Per the SBA you must maintain all other records relating to your PPP loan, including documentation submitted with your PPP loan application, documentation supporting your certifications as to your eligibility for a PPP loan, documentation necessary to support your loan forgiveness application, and documentation demonstrating your material compliance with PPP requirements. You must retain all such documentation for six years after the loan is forgiven or paid in full.

IMPORTANT NOTES

Your SBA PPP loan number can be found at the top of your SBA Promissory Note and your Lender PPP loan number can be found at the top of the Disbursement Request. Both documents were part of your original loan closing package.

“Covered Period” begins on the date your PPP loan was disbursed. It ends on the day you select that is at least 8 weeks following the date of disbursement and not more than 24 weeks after disbursement.

Contact your loan officer or email: ppp@pentucketbank.com with any questions.

This information is for the use of Paycheck Protection Program (PPP) customers of Pentucket Bank.
Non-Pentucket Bank customers, please consult your financial institution for guidance.

EZ PPP Loan Forgiveness Application Checklist Cont'd

Given that the Covered Period was extended up to a maximum of 24 weeks, a borrower may decide to take advantage of the longer period in order to utilize all of their PPP loan funds for wage expenses only. In so doing, the application is further simplified since there will be fewer documentation requirements (i.e. you would not need to justify any non-wage expenses since full forgiveness can be granted solely based on wages paid). However, given the complex tax implications (related to the Employer Retention Credit), it is recommended that you seek advice from your accountant or financial advisor before utilizing this approach.



Member FDIC.
Member DIF.
NMLS#1630813



Contact your loan officer or email: ppp@pentucketbank.com with any questions.

This information is for the use of Paycheck Protection Program (PPP) customers of Pentucket Bank.
Non-Pentucket Bank customers, please consult your financial institution for guidance.