



PPP Loan Forgiveness Portal Instruction for Form 3508EZ

You should use this form if you had a loan amount over \$150,000 and meet the requirements listed in the Form Eligibility Section. This instruction packet will walk you through how to fill out the portal, which will automatically create your Form 350EZ. This is the form that will ultimately be submitted to the SBA for their approval.

Forgiveness Process

Once you receive your email from us containing your forgiveness portal link, you will need to click on that link to be directed to your secure portal. You will need to fill in the required information as outlined in the following instruction packet. When that is done, you will need to submit your portal, which will then alert Vision Bank that your forgiveness portal is ready to be reviewed. The bank will have 60 days to review your portal link. If no corrections need to be made, then we will send you the finalized form to be signed electronically. When the signature process is complete, we will grant approval from Vision Bank and submit it to the SBA for their approval. The PPP legislation allows the SBA 90 days to make a decision about forgiveness. You will be notified by mail when your loan is forgiven.

If we come across issues with your application during our review, we will contact you to resolve those issues prior to making our forgiveness decision and prior to submitting your application to the SBA. Our goal is for you to get full forgiveness of your loan, so if we see something that will help you achieve this, we will contact you to provide you with additional information regarding the PPP loan guidelines, but please be aware that we are unable to complete your application for you.

Please note that if you have selected someone other than yourself to complete the portal for you, such as your CPA, you can forward the email to them, and they will then have access to your portal link.

Due Date

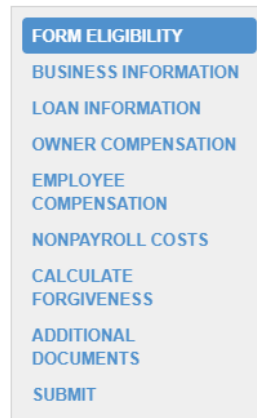
You must apply for forgiveness within 10 months of the last day of your Covered Period or your PPP loan will go into payments.

The Covered Period begins on the date the loan was originally disbursed. It ends on a date selected by you that is at least 8 weeks following the date of loan disbursement and not more than 24 weeks after the date of loan disbursement. For example, if your loan was disbursed on February 15, 2021, the last day of your covered period may be any time between April 11, 2021 and August 1, 2021.

Important Note for Self-employed individuals, sole proprietors, and independent contractors who file a Schedule C tax return and Farmers and Ranchers who file a Schedule F tax return: Your covered period **MUST** be at least 11 weeks. If it is not 11 weeks, you will NOT be eligible for full forgiveness based on the calculation provided in the Forgiveness legislation.

Forgiveness Portal Instructions:

Once you click on your portal link found in the email sent to you, you will be able to begin the completion of your forgiveness portal. These instructions will walk through each section of the form and provide details on what you need to do to complete the form. A navigation tool can be found on the left side of the portal. If you click on one of the section names, it will take you to that specific section in the forgiveness portal.



Form Eligibility Section

There are specific criteria that you must meet in order to be eligible to use the Form 3508EZ. If you do not meet the criteria, then you must use the Form 3508, which will require more information to be submitted to the SBA.

First, you will only need to use this form if your loan amount is above \$150,000. If your loan is less than \$150,000, you will want to use Form 3508S. Instructions can be found on the Vision Bank website on how to use that form.

If your loan amount makes you eligible to potentially use the Form 3508EZ, you will then need to certify that you did not have reductions above the allowed limits in the areas of compensation and hourly wages compared to a comparison time frame. The specific criteria are listed in the Form Eligibility section as shown in the following picture of the portal.

The Borrower did not reduce annual salary or hourly wages of any employee by more than 25 percent during the Covered Period compared to the most recent full quarter before the Covered Period. (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.

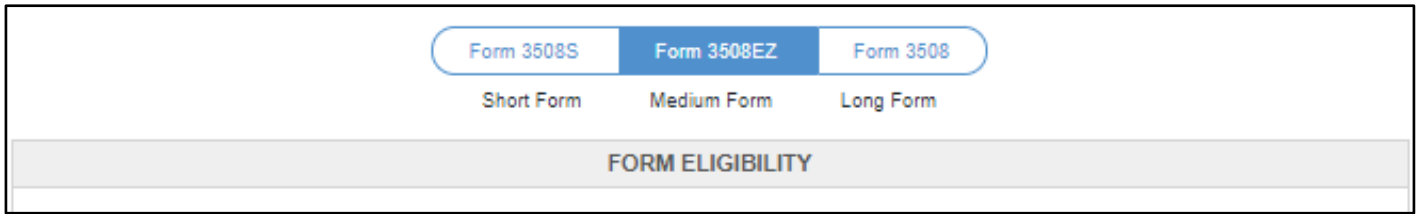
- Ignore reductions that arose from an inability to rehire individuals who were employees on February 15, 2020 if the Borrower was unable to hire similarly qualified employees for unfilled positions on or before December 31, 2020 (or, for a PPP loan made after December 27, 2020, the last day of the Covered Period.)
- Also ignore reductions in an employee's hours that the Borrower offered to restore and the employee refused. See [85 FR 33004](#), 33007 (June 1, 2020) for more details.

The Borrower did not reduce annual salary or hourly wages of any employee by more than 25 percent during the Covered Period compared to the most recent full quarter before the Covered Period. (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 (or, for a PPP loan made after December 27, 2020, requirements established or guidance issued between March 1, 2020 and the last day of the Covered Period) 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.

Once you select one of the boxes, it will then allow you to choose the Form 3508EZ. If one of the boxes is NOT checked, then you will only have the option to complete the Form 3508. To access the Form 3508EZ, click on the form at the top of the portal and make sure it is highlighted in blue as shown in the below picture.

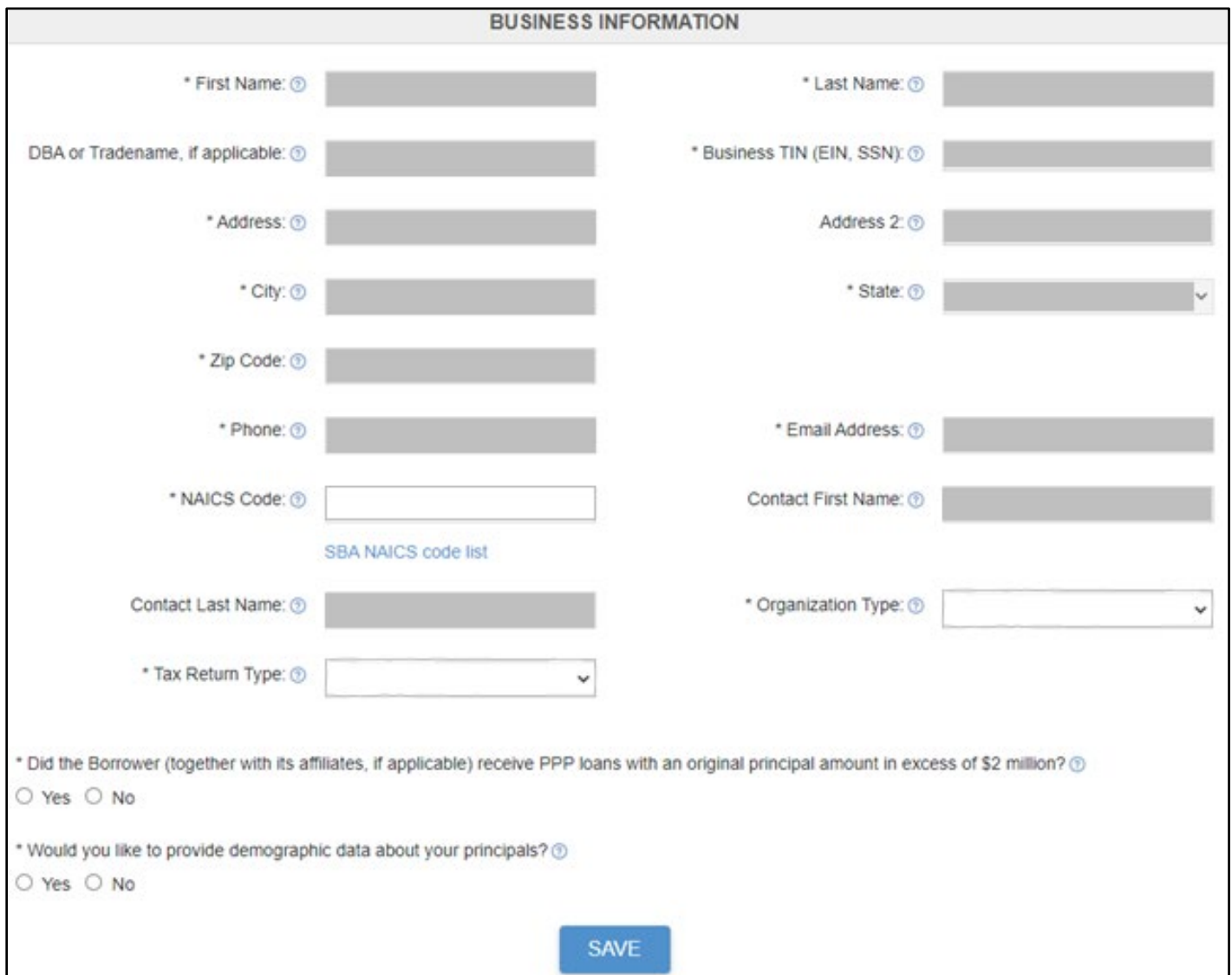


The screenshot shows a navigation bar with three buttons: 'Form 3508S', 'Form 3508EZ', and 'Form 3508'. Below these buttons are the labels 'Short Form', 'Medium Form', and 'Long Form' respectively. The 'Form 3508EZ' button is highlighted in blue. Below the navigation bar is a gray bar with the text 'FORM ELIGIBILITY'.

Business Information Section

After the Form Eligibility section, you will find the Business Information section. The top portion will have your name and related information that has been pulled from our system. Your Taxpayer Identification Number will be hidden for security reasons. This information will be in gray boxes and cannot be changed by you. If you see an issue with any information in this section, please contact the Vision Bank PPP Team at sbaloans@visionbank.bank.

Through the whole application, fields with asterisks (*) are required. The blue question marks (?) following each field can be clicked for more information.



The screenshot shows the 'BUSINESS INFORMATION' section of the application form. It contains the following fields:

- * First Name: (?) [Grayed out text box]
- * Last Name: (?) [Grayed out text box]
- DBA or Tradename, if applicable: (?) [Grayed out text box]
- * Business TIN (EIN, SSN): (?) [Grayed out text box]
- * Address: (?) [Grayed out text box]
- Address 2: (?) [Grayed out text box]
- * City: (?) [Grayed out text box]
- * State: (?) [Dropdown menu]
- * Zip Code: (?) [Grayed out text box]
- * Phone: (?) [Grayed out text box]
- * Email Address: (?) [Grayed out text box]
- * NAICS Code: (?) [Text box]
- Contact First Name: (?) [Grayed out text box]
- [SBA NAICS code list](#)
- Contact Last Name: (?) [Grayed out text box]
- * Organization Type: (?) [Dropdown menu]
- * Tax Return Type: (?) [Dropdown menu]

At the bottom of the form, there are two questions with radio button options:

- * Did the Borrower (together with its affiliates, if applicable) receive PPP loans with an original principal amount in excess of \$2 million? (?)
 Yes No
- * Would you like to provide demographic data about your principals? (?)
 Yes No

A blue 'SAVE' button is located at the bottom center of the form.


NAICS Code: This field may already be filled in for you; however, if it is blank, enter the same information as on your Borrower Application Form. If NAICS Code was not on the Borrower Application Form, match the business activity code provided on IRS income tax filings, if applicable.

Organization Type: Select the business type that best reflects the legal organization structure of your business.

Tax Return Type: Select the type of tax return you file for your business using the drop down.

If Borrower (together with its affiliates, if applicable) received PPP Loans in excess of \$2 million: This will not apply to most applicants. Select “Yes” if you, along with any affiliates, have received PPP Loans in the combined amount of \$2 million or more.



Demographic Data (Optional): If you choose to provide demographic data about your principals, you will be asked to provide the name, position, veteran status, gender, race, and ethnicity of each owner that owns 20% or more of the business.

* Would you like to provide demographic data about your principals? 

Yes No

BORROWER DEMOGRAPHIC INFORMATION FORM

Disclosure of this information is voluntary and will have no bearing on your loan forgiveness decision.

Principal Name	Position	Veteran Status	Gender	Race	Ethnicity	Export to PDF
	<input type="text"/>	<input type="text"/>	<input type="text"/>	Select options	<input type="text"/>	

[+ Add a Principal](#)

The owners' names may be auto filled, and in this case, you will just have to select the appropriate answers to the questions. For the position field, type in the Principal's position. For example, you can designate the owner as self-employed individual; independent contractor; sole proprietor; general partner; owner; officer; director; member; or key employee.

If a principal is not listed, you can select Add a Principal. Once the pop up appears, click on Create a New Person and add the owner's First name and Last Name. Then you will be able to type in the position and select the other information.

IMPORTANT: After you complete a section or at any time you make a change or add information, be sure to hit the **save button**. You will be able to stop working in the portal and come back to it later, as long as you have saved your information along the way.

Employment Information Section

The screenshot shows a form titled "EMPLOYMENT INFORMATION". It contains two input fields for the number of employees at the time of the Loan Application and Forgiveness Application, each with a help icon. Below these is a question about compensating owners during the covered period, with radio buttons for "Yes" and "No". A blue "SAVE" button is centered at the bottom.

Number of Employees at Time of Loan Application: Enter the total number of employees at the time of the PPP loan application. This will generally be filled in for you, but if it is blank, you will need to include the number you provided on your original PPP loan application.

Number of Employees at Time of Forgiveness Application: Enter the total number of employees you currently employ.

Owner compensation during the covered period: Owners include owner-employees, self-employed individuals, or general partners. If you select "Yes" here, be sure to fill out the Owner Compensation section. If "No" is selected, the Owner Compensation section is not required.

Payroll Information Section

The payroll information section is where you will provide the date for your covered period. As previously mentioned, your covered period begins the date the loan was disbursed to you. That date will be included in the gray box and you will not be able to change it.

The screenshot shows a form titled "PAYROLL INFORMATION". It features a date selection interface with a gray box for the start date and a text input for the end date. A yellow tooltip above the start date box says "Start date will automatically be included here." Below the date fields is a blue "SAVE" button.

You will need to include the date of the last day of your covered period.

End date for your covered period: You will select a date that is **at least 8 weeks** following the date of loan disbursement and **not more than 24 weeks** after the date of loan disbursement. For example, if you received your PPP loan proceeds on Monday, April 20, 2020, the first day of the Covered Period is Monday, April 20, 2020, and the final day of the Covered Period is any date selected by the Borrower between Sunday, June 14, 2020, and Sunday, October 4, 2020.

For Schedule C or Schedule F Filers (Sole Proprietors, Independent Contractors, Self-Employed Individuals, and Farming and Ranching Businesses): In order to qualify for full forgiveness, you must choose an end date that is **at least 11 weeks** following the date of loan disbursement and **not more than 24 weeks** after the date of loan disbursement. If your covered period is not at least 11 weeks, you will NOT be eligible for full forgiveness.

Loan Information Section

This section provides details regarding your PPP loan. The top portion will be automatically filled with details regarding your loan (shown in gray in the below picture).

LOAN INFORMATION

* SBA PPP Loan Number: ⓘ

* PPP Loan Amount: ⓘ

* First Draw PPP Loan ⓘ * Second Draw PPP Loan ⓘ

* Lender PPP Loan Number: ⓘ

* PPP Loan Disbursement Date: ⓘ

Choose the option that describes the PPP loan that this forgiveness application is for. If you only have one PPP loan, select First Draw PPP Loan.

Owner Compensation Section

In this section, you will provide amounts and documentation for total amounts paid to owners of the company for payroll costs.

OWNER COMPENSATION

How much compensation can my business claim for forgiveness?

Add any owner-employees, self-employed individuals, or general partners, and enter their ownership percentage in the business.

Next, enter how much compensation the owner received in 2019 or 2020 (whichever year you used to calculate the loan amount). Finally, enter the total amount paid to the owner during the covered period.

The table will then calculate how much of that amount is forgivable based on their ownership percentage, the 2019 or 2020 compensation, and length of the covered period.

Required Documents ⓘ

Owner Name ⓘ	Step 1: Ownership Percentage ⓘ	Step 2: 2019 or 2020 Compensation ⓘ	Step 3: Amount Paid During Covered Period ⓘ	Forgivable Amount ⓘ	Supporting Documents
+ Add an Owner					

Total Forgivable Amount: \$

To upload documents, add at least one owner above.

The owners of the company may be listed, but if they are not, you can click on the [+Add an Owner](#) and add any additional individuals to the section.

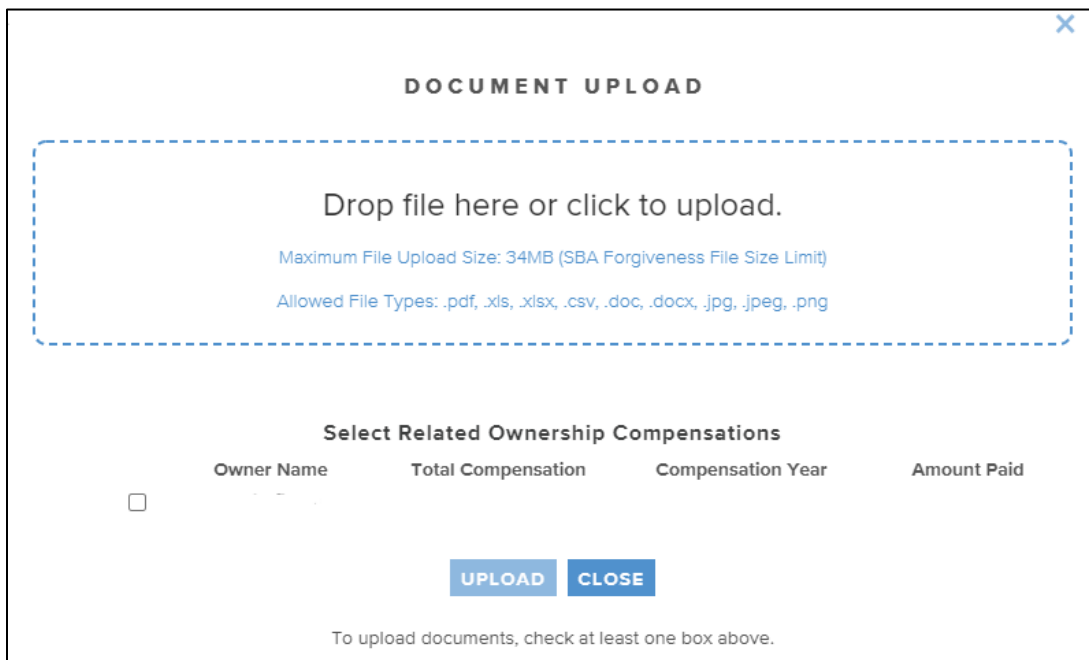
Step 1: Provide the owner percentage for each individual.

Step 2: Include either the 2019 or 2020 amount of compensation for the individual. Attach a copy of the W-2 of the owner employee, a Schedule C or Schedule F for self-employed individuals and a K-1 for a general partner. If the owner is a general partner, the compensation is based on net earnings from self-employment that is subject to self-employment tax. Therefore, for general partners, box 14a of the K-1 must be multiplied by 0.9235 before entering the amount in this box.

Step 3: Provide the amount paid during the covered period for each owner. Documents verifying this amount in the form a payroll journal, quarterly payroll tax forms, and/or bank statements with cancelled checks must be uploaded to support the amounts.

The forgivable amount will automatically be calculated based on the information entered.

To upload your documentation after entering your amounts, click on save and then click on the upload documents button. The following screen will pop up.



DOCUMENT UPLOAD

Drop file here or click to upload.

Maximum File Upload Size: 34MB (SBA Forgiveness File Size Limit)

Allowed File Types: .pdf, .xls, .xlsx, .csv, .doc, .docx, .jpg, .jpeg, .png

Select Related Ownership Compensations

Owner Name	Total Compensation	Compensation Year	Amount Paid
<input type="checkbox"/>			

UPLOAD **CLOSE**

To upload documents, check at least one box above.

You can either drag and drop files from your computer to the blue box, or you can click in the box and then search to find your saved document. Be sure to select which owner it applies to prior to uploading. If it applies to multiple owners, check the box by all of their names.

Employee Compensation Section

In this section, you will provide amounts and documentation for total amounts paid for employee cash compensation, employer contributions for health insurance, employer contributions for retirement, and state unemployment taxes. Enter the total amount for the covered period in the boxes provided for each separate category.

EMPLOYEE COMPENSATION

How much compensation can my business claim for forgiveness?

Use this section to enter compensation costs for your employees that were incurred or paid during the Covered Period.

Required Documents [?](#)

Line 1. Total amount paid by Borrower for employee cash compensation: ?	<input type="text" value="\$"/>	No documents uploaded
Line 2. Total amount paid by the Borrower for group health (including vision and dental), disability, and life insurance: ?	<input type="text" value="\$"/>	No documents uploaded
Line 3. Total amount paid by Borrower for employer contributions to employee retirement plans: ?	<input type="text" value="\$"/>	No documents uploaded
Line 4. Total amount paid by Borrower for employer state and local taxes assessed on employee compensation: ?	<input type="text" value="\$"/>	No documents uploaded

SAVE

UPLOAD DOCUMENTS

You must upload documentation to verify each of the amounts entered. Click on the blue “Required Documents” link for guidelines from the SBA on what will be accepted as documentation or reference the documentation requirements from the SBA at the end of this document. You will follow the same instructions as shared in the owner compensation section to upload your documents.

Nonpayroll Costs Section

Included in the PPP loan legislation is the option to use the funds for additional, specific costs besides payroll costs. The Nonpayroll Cost Section is where you will enter those payments. Please note that you can include costs paid and incurred during your covered period, as long as the incurred costs are paid at the next billing cycle. Eligible costs are listed in the below pictures. To enter a cost, you will add a date that the expense was paid or incurred. The category has a drop down that will allow you to specify which of the three eligible cost categories the cost falls under. Then enter the amount along with a description. For each line item you add, you must provide documentation to support the cost. Click on the blue “Required Documents” link for guidelines from the SBA on what will be accepted as documentation or reference the documentation requirements from the SBA at the end of this document.

NONPAYROLL COSTS

Eligible nonpayroll costs cannot exceed 40% of the total forgiveness amount. An eligible nonpayroll cost either must be paid during the Covered Period or incurred during the Covered Period and paid on or before the next regular billing date, even if the billing date is after the Covered Period. Count nonpayroll costs that were both paid and incurred only once.

Nonpayroll costs eligible for forgiveness consist of:

- Covered mortgage obligations: payments of mortgage interest (not including any prepayment or payment of principal) on any business mortgage obligation on real or personal property incurred before February 15, 2020 (“business mortgage interest payments”).
- Covered rent obligations: business rent or lease payments pursuant to lease agreements for real or personal property in force before February 15, 2020 (“business rent or lease payments”).
- Covered utility payments: business payments for a service for the distribution of electricity, gas, water, telephone, transportation, or internet access for which service began before February 15, 2020 (“business utility payments”).
- Covered operations expenditures: payments for any business software or cloud computing service that facilitates business operations, product or service delivery, the processing, payment, or tracking of payroll expenses, human resources, sales and billing functions, or accounting of tracking of supplies, inventory, records, and expenses.

e. Covered property damage costs: costs related to property damage and vandalism or looting due to public disturbances that occurred during 2020 that were not covered by insurance or other compensation.

f. Covered supplier costs: expenditures made to a supplier of goods for the supply of goods that are essential to the operations of the Borrower at the time at which the expenditure is made, and made pursuant to a contract, order, or purchase order in effect prior to the beginning of the Covered Period (for perishable goods, the contract, order, or purchase order may have been in effect before or at any time during the Covered Period).

g. Covered worker protection expenditures: operating or capital expenditures that facilitate the adaptation of the business activities of an entity to comply with the requirements established or guidance issued by the Department of Health and Human Services, the Centers for Disease Control, or the Occupational Safety and Health Administration, or any equivalent requirements established or guidance issued by a State or local government, during the period starting March 1, 2020 and ending on the date on which the national emergency declared by the President with respect to the Coronavirus Disease 2019 (COVID-19) expires related to maintenance standards for sanitation, social distancing, or any other worker or customer safety requirement related to COVID-19, but does not include residential real property or intangible property.

Required Documents ⓘ

Date ⓘ	Category ⓘ	Amount ⓘ	Description ⓘ	Supporting Documents
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	No Document Uploaded
+ Add another expense				

SAVE

UPLOAD DOCUMENTS

To upload documents, save at least one nonpayroll cost above.

Calculate Forgiveness

In this section, you will not have to enter any information. The program will automatically use the information you provided to calculate your forgiveness amount, which will be shown on line 11.

CALCULATE FORGIVENESS	
This calculator provides you an estimate of the forgiveness amount you may be eligible for, based on the data you have provided above.	
PAYROLL AND NONPAYROLL COSTS	
Line 1. Payroll Costs (sum of amounts entered in the Employee and Owner Compensation sections): ⓘ	\$ 0.00
Line 2. Business Mortgage Interest Payments: ⓘ	\$ 0.00
Line 3. Business Rent or Lease Payments: ⓘ	\$ 0.00
Line 4. Business Utility Payments: ⓘ	\$ 0.00
Line 5. Covered Operations Expenditures: ⓘ	\$ 0.00
Line 6. Covered Property Damage Costs: ⓘ	\$ 0.00
Line 7. Covered Supplier Costs: ⓘ	\$ 0.00
Line 8. Covered Worker Protection Expenditures: ⓘ	\$ 0.00
POTENTIAL FORGIVENESS AMOUNTS	
Line 9. Sum of the amounts on lines 1 through 8: ⓘ	\$ 0.00
Line 10. PPP Loan Amount: ⓘ	\$ [REDACTED]
Line 11. Payroll Cost 60% Requirement (Line 1 divided by 0.60): ⓘ	\$ 0.00
FORGIVENESS AMOUNT	
Line 12. Forgiveness Amount (the smallest of Lines 9, 10, and 11): ⓘ	\$ 0.00

Additional Documents Section

If you have any additional documents you would like to provide, you can upload it in this section.

ADDITIONAL DOCUMENTS

If you need to upload additional documents that don't apply to any of the sections above, you can upload them here.

UPLOAD ADDITIONAL DOCUMENTS

No documents uploaded

Please note that if you checked only the second box on the eligibility checklist, you must provide 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 per SBA guidelines. That should be uploaded in this section.

Submit Section

Once you have entered all of the required information, you will finish your forgiveness application by selecting an authorized representative and then submitting your application. When you click on Select a Person, you may select one of the people designated as an owner from the "People on this Form" tab, or you may create a new person and add another individual. The person selected as the authorized representative must be allowed to sign the finalized Forgiveness Application on behalf of the business.

SUBMIT

Before you submit this request, select an authorized representative that can sign the application on the borrower's behalf.

Authorized Representative of Borrower: ⓘ

SELECT A PERSON

SAVE

SUBMIT

Please make sure the email address provided is correct. This is where we will send the request for an electronic signature before we submit the application to the SBA.

Once that step is complete, click submit. That will send a notification to the bank that you are ready for your forgiveness application to be evaluated for approval by Vision Bank before it is sent on to the SBA for final approval. The bank will have 60 days to make its determination, and once that is complete, a link will be sent to you so that you can sign your Loan Forgiveness Application. The bank will then submit your application to the SBA, and the SBA will have 90 days to make their determination. Your payments will remain deferred until a final determination is made by the SBA.

If you have questions while filling out your forgiveness application or using the portal, you may reach out to your loan officer or you may email sbaloans@visionbank.bank for assistance.

The information on the following three pages has been provided by the SBA. It contains details about eligible payroll costs and non-payroll costs, forgiveness calculation information, and a list of documentation that you must maintain. SBA.



Paycheck Protection Program
PPP Loan Forgiveness Application Form 3508EZ Revised January 19, 2021

OMB Control No.: 3245-0407
Expiration Date: 7/31/2021

Summary of Costs Eligible for Forgiveness:

Borrowers are eligible for loan forgiveness for the following costs:

1. **Eligible payroll costs.** Borrowers are generally eligible for forgiveness for the payroll costs paid and payroll costs incurred during the Covered Period (“payroll costs”). Payroll costs are considered paid on the day that paychecks are distributed or the Borrower originates an ACH credit transaction. Payroll costs are considered incurred on the day that the employee’s pay is earned. Payroll costs incurred but not paid during the Borrower’s last pay period of the Covered Period are eligible for forgiveness if paid on or before the next regular payroll date. Otherwise, payroll costs must be paid during the Covered Period. For each individual employee, the total amount of cash compensation eligible for forgiveness may not exceed an annual salary of \$100,000, as prorated for the Covered Period. Count payroll costs that were both paid and incurred only once. Include only payroll costs for employees whose principal place of residence is in the United States. For information on what qualifies as payroll costs, see SBA’s interim final rule posted on January 6, 2021 (86 FR 3692).

That can be calculated as follows:

Cash Compensation: The sum of gross salary, gross wages, gross tips, gross commissions, paid leave (vacation, family, medical or sick leave, not including leave covered by the Families First Coronavirus Response Act), and allowances for dismissal or separation paid or incurred during the Covered Period. Do not include qualified wages taken into account in determining the Employer Retention Credit. For each individual employee, the total amount of cash compensation eligible for forgiveness may not exceed an annual salary of \$100,000, as prorated for the Covered Period. For example, for an 8-week Covered Period, the maximum is \$15,385, for a 24-week Covered Period, the maximum is \$46,154. You can only include compensation of employees who were employed by the Borrower at any point during the Covered Period and whose principal place of residence is in the United States.

Employee Benefits: The total amount paid by the Borrower for:

1. Employer contributions for employee group health, life, disability, vision, or dental insurance, including employer contributions to a self-insured, employer-sponsored group health plan, but excluding any pre-tax or after-tax contributions by employees. Do not add contributions for these benefits made on behalf of a self-employed individual, general partners, or owner-employees of an S-corporation, because such payments are already included in their compensation.
2. Employer contributions to employee retirement plans, excluding any pre-tax or after-tax contributions by employees. Do not add employer retirement contributions made on behalf of a self-employed individual or general partners, because such payments are already included in their compensation.
3. Employer state and local taxes paid by the borrower and assessed on employee compensation (e.g., state unemployment insurance tax), excluding any taxes withheld from employee earnings.

Owner Compensation: Any amounts paid to owners (owner-employees (with an ownership stake of 5% or more), a self-employed individual, or general partners). For each individual owner in total across all businesses, this amount is capped at (a) \$20,833 (the 2.5-month equivalent of \$100,000 per year), or (b) the 2.5-month equivalent of the individual’s applicable compensation in the year that was used to calculate the loan amount (2019 or 2020), whichever is lower.

2. **Eligible nonpayroll costs.** Nonpayroll costs eligible for forgiveness consist of:
 - (a) covered mortgage obligations: payments of mortgage interest (not including any prepayment or payment of principal) on any business mortgage obligation on real or personal property incurred before February 15, 2020 (“business mortgage interest payments”);
 - (b) covered rent obligations: business rent or lease payments pursuant to lease agreements for real or personal property in force before February 15, 2020 (“business rent or lease payments”);
 - (c) covered utility payments: business payments for a service for the distribution of electricity, gas, water, telephone, transportation, or internet access for which service began before February 15, 2020 (“business utility payments”);
 - (d) covered operations expenditures: payments for any business software or cloud computing service that facilitates business operations, product or service delivery, the processing, payment, or tracking of payroll expenses, human resources, sales and billing functions, or accounting of tracking of supplies, inventory, records, and expenses;
 - (e) covered property damage costs: costs related to property damage and vandalism or looting due to public disturbances that occurred during 2020 that were not covered by insurance or other compensation;
 - (f) covered supplier costs: expenditures made to a supplier of goods for the supply of goods that are essential to the operations of the Borrower at the time at which the expenditure is made, and made pursuant to a contract, order, or purchase order in effect prior to the beginning of the Covered Period (for perishable goods, the contract, order, or purchase order may have been in effect before or at any time during the Covered Period); and
 - (g) covered worker protection expenditures: operating or capital expenditures that facilitate the adaptation of the business



Paycheck Protection Program
PPP Loan Forgiveness Application Form 3508EZ Revised January 19, 2021

OMB Control No.: 3245-0407
Expiration Date: 7/31/2021

activities of an entity to comply with the requirements established or guidance issued by the Department of Health and Human Services, the Centers for Disease Control, or the Occupational Safety and Health Administration, or any equivalent requirements established or guidance issued by a State or local government, during the period starting March 1, 2020 and ending on the date on which the national emergency declared by the President with respect to the Coronavirus Disease 2019 (COVID-19) expires related to maintenance standards for sanitation, social distancing, or any other worker or customer safety requirement related to COVID-19, but does not include residential real property or intangible property.

Eligible nonpayroll costs cannot exceed 40% of the total forgiveness amount. An eligible nonpayroll cost either must be paid during the Covered Period or incurred during the Covered Period and paid on or before the next regular billing date, even if the billing date is after the Covered Period. Count nonpayroll costs that were both paid and incurred only once.

Documents that Each Borrower Must Submit with its PPP Loan Forgiveness Application Form 3508EZ

PPP Loan Forgiveness Calculation Form 3508EZ

Payroll: Documentation verifying the eligible cash compensation and non-cash benefit payments from the Covered Period consisting of each of the following:

- a. Bank account statements or third-party payroll service provider reports documenting the amount of cash compensation paid to employees.
- b. Tax forms (or equivalent third-party payroll service provider reports) for the periods that overlap with the 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.
- c. Payment receipts, cancelled checks, or account statements documenting the amount of any employer contributions to employee group health, life, disability, vision or dental insurance and retirement plans that the Borrower included in the forgiveness amount.
- d. If you checked only the second box on the checklist on page 1 of these instructions, 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.

Nonpayroll: For categories a-c, documentation verifying existence of the obligations/services prior to February 15, 2020 and, for all categories, eligible payments from the Covered Period.

- a. 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.
- b. 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.
- c. 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.
- d. Covered operations expenditures: Copy of invoices, orders, or purchase orders paid during the Covered Period and receipts, cancelled checks, or account statements verifying those eligible payments.
- e. Covered property damage costs: Copy of invoices, orders, or purchase orders paid during the Covered Period and receipts, cancelled checks, or account statements verifying those eligible payments, and documentation that the costs were related to property damage and vandalism or looting due to public disturbances that occurred during 2020 and such costs were not covered by insurance or other compensation.
- f. Covered supplier costs: Copy of contracts, orders, or purchase orders in effect at any time before the Covered Period (except for perishable goods), copy of invoices, orders, or purchase orders paid during the Covered Period and receipts, cancelled checks, or account statements verifying those eligible payments.
- g. Covered worker protection expenditures: Copy of invoices, orders, or purchase orders paid during the Covered Period and receipts, cancelled checks, or account statements verifying those eligible payments, and documentation that the expenditures were used by the Borrower to comply with applicable COVID-19 guidance during the Covered Period.

Documents that Each Borrower Must Maintain but is Not Required to Submit

Documentation supporting the certification that annual salaries or hourly wages were not reduced by more than 25 percent during the Covered Period relative to the most recent full quarter before the Covered Period. This documentation must include payroll records that separately list each employee and show the amounts paid to each employee during the most recent full quarter before the Covered Period, and the amounts paid to each employee during the Covered Period.

Documentation regarding any employee job offers and refusals, refusals to accept restoration of reductions in hours, firings for cause, SBA Form 3508EZ (01/21)



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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 (or, for a PPP loan made after December 27, 2020, the last day of the Covered Period).

Documentation supporting the certification, if applicable, that 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, other than any 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 (or, for a PPP loan made after December 27, 2020, the last day of the Covered Period). This documentation must include payroll records that separately list each employee and show the amounts paid to each employee between January 1, 2020 and the end of the Covered Period.

Documentation supporting the certification, if applicable, that the Borrower was 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 due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020 (or, for a PPP loan made after December 27, 2020, requirements established or guidance issued between March 1, 2020 the last day of the Covered Period) 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. This documentation must include copies of the applicable requirements for each borrower location and relevant borrower financial records.

All records relating to the Borrower's PPP loan, including documentation submitted with its PPP loan application, documentation supporting the Borrower's certifications as to the necessity of the loan request and its eligibility for a PPP loan (including the Borrower's gross receipt reduction certification for a Second Draw PPP Loan, if applicable), documentation necessary to support the Borrower's loan forgiveness application, and documentation demonstrating the Borrower's material compliance with PPP requirements.

Records Retention Requirement: The Borrower must retain all such documentation in 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 its Office of Inspector General, to access such files upon request. The Borrower must provide documentation independently to a lender to satisfy relevant Federal, State, local or other statutory or regulatory requirements or in connection with an SBA loan review or audit.