

Please consult with your CPA and an attorney for guidance and assistance on how to complete the PPP loan forgiveness application and to ensure you are gathering the appropriate documentation to support your application. 1st Security Bank cannot act as an advisor for the forgiveness calculation. The following is intended as general advice to assist you in gathering the appropriate documents and information needed to support your Loan Forgiveness Application that will be submitted to the Small Business Administration. For the most current information, please visit <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

### For Borrowers with Employees, Borrower Type:

- C Corps, S-Corps, LLCs taxed as Corps, Nonprofits
- Sole Proprietorships/Self-Employed/Independent Contractors
- Partnerships

### Use Loan Forgiveness Application:

- SBA Form 3508-EZ (no FTE and Salary/Wage Reductions)  SBA Form 3508 (with FTE and Salary/Wage Reductions)
- SBA Form 3508S (loans \$150,000 and under, with/without Salary/Wage Reductions)

### Include/Upload Payroll Documentation – Covered Period (not required for loans \$150,000 and under)

- Check copies of internal payroll report and bank account statements **OR**  Third-party payroll service provider's reports  
**AND**
- Tax Forms 941  **OR**  Federal Return for the period that overlap with the covered period (or alternative covered period) **AND**
- State quarterly business and individual employee wage reporting and unemployment insurance tax filings reported, or that will be reported to the relevant State for the periods that overlap with the covered period (or alternative covered period)
- Employer Contributions health insurance/retirement plans** – Payment receipts, cancelled checks (front & back), account statements from provider (**if applicable**)  
Quarterly or annual financial statement from the same period of 2019 and 2020 showing at least 25% revenue reduction

### Include/Upload Historical Compensation paid to employees:

- C-Corp Owner Employees** – 2019 cash compensation from W3, employee contributions to health insurance retirement plan statements  
Include 2019 Schedule C (form 1040) Profit or Loss from Business  
Include 2019 Schedule K-1 Partners share of income, deductions, credits, etc.
- S-Corp Owner Employees** – 2019 Cash Compensation from W3, employer compensation to retirement plans (statements required)

### Include/Upload Non-Payroll Documentation:

- Business Mortgage Interest Payments** – copy of amortization schedule, receipts/checks verifying eligible payments, account statements -- from 02/2020 and from covered period
- Business rent/lease payments** – copy of current lease agreement and receipts/checks documenting payment OR lessor account statements reflecting payments
- Business Utility Payments** – copy of invoices from February 2020 and from the covered period and receipts/checks/account statement verifying eligible payments

**FTE – Form 3508 EZ** – documentation showing average FTEs employed by the Borrower on 01/01/2020 and at the end of the covered period (third party payroll records, 941 Quarterly Tax Return)

**FTE – Form 3508** – documentation showing average FTEs for the base period elected by borrower (form 941 Quarterly Tax Return, state unemployment insurance tax filings)

\*3508S – no additional documentation is required to be uploaded; however, borrower must retain documentation in the case of an audit

**For Borrowers without Employees, Borrower Type:**

- Sole Proprietor/Self-Employed/Independent Contractor       Partnership

No Payroll Documentation – N/A

**Include/Upload Owner Compensation:**

- 2019 or 2020 Schedule C       2019 or 2020 Schedule K-1 (Borrower's Choice)

**Non-Payroll Documentation:**

- Business Mortgage Interest Payments** – copy of amortization schedule, receipts/checks verifying eligible payments, account statements -- from 02/2020 and from covered period  
 **Business rent/lease payments** – copy of current lease agreement and receipts/checks documenting payment OR lessor account statements reflecting payments  
 **Business Utility Payments** – copy of invoices from February 2020 and from the covered period and receipts/checks/account statements verifying eligible payments

**FTE – N/A**

*Per the SBA there are additional documents that each applicant must maintain but is not required to submit as part of the application – these are fully described in OMB Control Number 3245-0407 of the SBA.*