

Paycheck Protection Program (PPP) Loan Forgiveness Checklist



Recommended Steps to Prepare for PPP Loan Forgiveness

1.

The first step in preparing your Loan Forgiveness Application is to determine your Covered Period, which 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.

Did you know...

- For many of the items that we'll be reviewing, we'll need to validate:
 - Eligible non-payroll expenses were in place prior to February 15, 2020
 - At least 60% of your requested loan forgiveness amount must come from payroll expenses
 - If your payroll expenses cover your requested loan forgiveness amount, you may not be required to submit non-payroll documentation
 - Eligible costs include those incurred or paid during the Covered Period

2.

Your next step is to understand if you will use the **simplified Loan Forgiveness Application (SBA Form 3508S)**, the **streamlined Loan Forgiveness Application (SBA Form 3508EZ)**, or the **standard Loan Forgiveness Application (SBA Form 3508)**:

Application Type	Instructions and Applications	Reminders
Simplified Loan Forgiveness	SBA Form 3508S	You must meet certain criteria to use this application. SBA Form 3508S requires fewer calculations and less documentation for eligible borrowers with loans of \$150,000 or less. The Form does not require borrowers to show the calculations used to determine their loan forgiveness amount. However, the SBA may request information and documents as part of its loan review or audit process.
Streamlined Loan Forgiveness	SBA Form 3508EZ	SBA Form 3508EZ is for loans that do not qualify for use of SBA Form 3508S. You must meet certain criteria to use this application.
Standard Loan Forgiveness	SBA Form 3508	If you do not qualify for use of SBA Form 3508S or SBA Form 3508EZ, you must use SBA Form 3508. Before completing your application, fill-out the Schedule A Worksheet, which is located on page 4. Note: While your Schedule A Worksheet does not need to be provided to M&T Bank, please retain a copy for your records.

Loan Forgiveness Document Checklist

3.

Please utilize the checklist below to assist with gathering the necessary information.

- Gather documents for expense types applicable to your application
- Documents address the span of the Covered Period (or when the money is spent); as such, several months of information might be needed
- The business name found on supporting documents must be the same as the borrowing entity
- If you are using SBA Form 3508S, supporting documentation must be retained, however, it is not required to be submitted
- All documentation must be uploaded as an image or PDF (not password protected)

GETTING
STARTED

Completion Status	Guidance	Supporting Information
<input type="checkbox"/>	<p>Identify your start and end date for the Covered Period:</p> <ol style="list-style-type: none"> 1. Your Covered Period begins on the date you received your PPP funds; enter your start date 2. Based on the Covered Period you selected, document your end date <p>Additional Information: Expenses eligible for forgiveness are those that incurred or paid over an 8 (56 days) to 24-week (168 days) period.</p>	<input type="checkbox"/> Start Date: <input type="checkbox"/> End Date:
<input type="checkbox"/>	<p>For the Covered Period, obtain proof of: Cash Compensation/Salary or Wages</p> <p>Additional Information: Independent Contractors, Self-Employed Individuals and Sole Proprietors can opt to use 2019 tax documentation (or 2020 if your loan was originated in 2021) to demonstrate net profit</p>	<input type="checkbox"/> Third party prepared payroll report (a summary of eligible salaries/wages from your payroll provider for the full Covered Period is acceptable); or <input type="checkbox"/> Quarterly federal or state payroll tax forms, and canceled checks or bank statements that clearly identify dates and amounts of eligible expenses
<input type="checkbox"/>	<p>For the Covered Period, obtain proof of: Employer Health Insurance Contributions</p>	<input type="checkbox"/> Canceled checks or provider account statements identifying employer contributions
<input type="checkbox"/>	<p>For the Covered Period, obtain proof of: Employer Retirement Contributions</p>	<input type="checkbox"/> Canceled checks or provider account statements identifying employer contributions
<input type="checkbox"/>	<p>For the Covered Period, obtain proof of: State and Local Taxes Assessed on Employee Compensation</p> <p>Additional Information: Federal taxes are excluded (FICA taxes)</p>	<input type="checkbox"/> Quarterly state payroll tax forms, and canceled checks or bank statements that clearly identify dates and amounts of eligible expenses
<input type="checkbox"/>	<p>For the Covered Period, obtain proof of: Compensation to Owners</p>	<input type="checkbox"/> Third party payroll service provider reports documenting the amount of cash compensation paid to employees; or <input type="checkbox"/> Quarterly federal or state payroll tax forms, and canceled checks or bank statements that clearly identify dates and amounts of eligible expenses; or <input type="checkbox"/> 2019 (or 2020 if your PPP loan was originated in 2021) IRS Form 1040, Schedule C, IRS Form 1065 K-1 or Schedule F, depending on your entity type, and canceled checks or bank statements clearly identifying dates and amounts or eligible expenses.

PAYROLL EXPENSES

Loan Forgiveness Document Checklist

NON-PAYROLL EXPENSES

Completion Status	Guidance	Supporting Information
<input type="checkbox"/>	<p>For the Covered Period, obtain proof of: Business Mortgage Obligation Interest Expense</p> <p>Additional Information: “Eligible expense” is the interest portion of payment on a business mortgage obligation on real or personal property SBA has indicated that “real property” is real estate and “personal property” is business equipment</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Copy of lender amortization schedule and receipts; or <input type="checkbox"/> Canceled checks prior to February 15, 2020 and those verifying eligible payments from the Covered Period; or <input type="checkbox"/> Lender account statements from February 15, 2020, the Covered Period, and the month following the last payment included for review (interest must be clearly identified; principal payments are not eligible)
<input type="checkbox"/>	<p>For the Covered Period, obtain proof of: Business Lease Payments</p> <p>Additional Information: “Rental/Lease property” or “lease payments” may include personal property, rent/leases on furniture, fixtures, tools, vehicles, and machinery and equipment used for business purposes Documentation must verify the existence of the obligations/services prior to February 15, 2020 and eligible payments from the Covered Period</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Executed copy of current lease agreement with a start date prior to February 15, 2020, including signed extension notices, and canceled checks or bank statements that clearly identify dates and amounts of eligible expenses; or <input type="checkbox"/> Lessor account statements from February 15, 2020, the Covered Period, and the month following the last payment included for review
<input type="checkbox"/>	<p>For the Covered Period, obtain proof of: Business Utility Payments</p> <p>Additional Information: This includes payments made for electricity, gas, water, transportation, telephone or internet access for which service began before February 15, 2020</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Copy of utility invoices/statements from February 15, 2020 and those from the Covered Period; and <input type="checkbox"/> Payment receipts, canceled checks or bank statements that clearly identify dates and amounts of eligible expenses
<input type="checkbox"/>	<p>For the Covered Period, obtain proof of: Covered Operations Expenditures</p> <p>Additional information: 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</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Copies of invoices/orders; or <input type="checkbox"/> Purchase orders plus receipts; or <input type="checkbox"/> Canceled checks; or <input type="checkbox"/> Biller account statements
<input type="checkbox"/>	<p>For the Covered Period, obtain proof of: Covered Property Damage Costs</p> <p>Additional Information: 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</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Copies of invoices, orders, or purchase orders from the Covered Period; and <input type="checkbox"/> Receipts, canceled checks or bank statements that clearly identify the dates and amounts of eligible expenses; and <input type="checkbox"/> Documentation that the costs were related to property damage and vandalism or looting due to public disturbances that occurred during 2020; and <input type="checkbox"/> Documentation that such costs were not covered by insurance or other compensation

Loan Forgiveness Document Checklist

NON-PAYROLL EXPENSES

Completion Status	Guidance	Supporting Information
<input type="checkbox"/>	<p>For the Covered Period, obtain proof of: Covered Supplier Costs</p> <p>Additional Information: 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)</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Copies of contracts, orders, or purchase orders in effect at any time before the Covered Period (except for perishable goods); and <input type="checkbox"/> Copy of invoices, orders or purchase orders from the Covered Period; and <input type="checkbox"/> Receipts, canceled checks or bank statements that clearly identify the dates and amounts of eligible expenses
<input type="checkbox"/>	<p>For the Covered Period, obtain proof of: Covered Worker Protection Expenditures</p> <p>Additional information: 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</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Copies of invoices, orders, or purchase orders from the Covered Period; and <input type="checkbox"/> Receipts, canceled checks or bank statements that clearly identify dates and amounts of eligible expenses; and <input type="checkbox"/> Documentation that the expenditures were used by the borrower to comply with applicable COVID-19 guidance during the Covered Period
<input type="checkbox"/>	<p>For the Covered Period, obtain proof of: Full-Time Equivalent (FTE) Documentation</p> <p>Additional Information: If you are using SBA Form 3508 and the “No Employee Reduction” or “Safe Harbor” boxes are not selected on the application, use ONE of the reference period dates noted to the right.</p> <ul style="list-style-type: none"> • Selected reference period must be displayed in the documentation that is provided • Documentation may include an extended period, but may never be less than the selected reference period • Documents may include third party payroll reports, payroll tax filings (reported or that will be reported to the IRS), or internally prepared FTE reporting <p>Note: If you are using SBA Form 3508EZ, FTE documentation may still be required</p>	<p>Select ONE reference period, and provide documentation that includes the selected reference period:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Period 1: Average number of FTE on payroll per week employed between February 15, 2019 and June 30, 2019 <input type="checkbox"/> Period 2: Average number of FTE on payroll per week between January 1, 2020 and February 29, 2020 <input type="checkbox"/> Period 3: In the case of seasonal employers, any 12-week period between February 15, 2019 and February 15, 2020
<input type="checkbox"/>	<p>Optional: Demographic Information on Owners</p> <p>Additional Information: As part of the application, the SBA is seeking to collect veteran/gender/race/ethnicity data for program reporting purposes only. Providing this information is optional.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Principal Name <input type="checkbox"/> Position <input type="checkbox"/> Veteran Status <input type="checkbox"/> Gender <input type="checkbox"/> Race <input type="checkbox"/> Ethnicity

MISCELLANEOUS INFORMATION

When You'll Hear From us After Applying for Loan Forgiveness

After you have gathered your documentation and submitted your loan forgiveness application, you can anticipate the following e-mails from us:

- Once your submission is complete
- Once the review of your application is complete including our decision
- Once the SBA completes its review
- From CustomerCARES@mtb.com if any additional information is needed

Loan Forgiveness Document Checklist

Second Draw Loans - Revenue Reduction Documentation: Before or at the time of application you must provide documentation that you experienced minimally a 25% reduction in revenue. Below is the acceptable documentation, please submit ONE of the following for the time periods you selected:

- **Quarterly financial statements for the entity.** If the financial statements are not audited, you must sign and date each un-audited financial statement, attesting to their accuracy. If the financial statements do not specifically identify the line item(s) that constitute gross receipts, you must annotate which line item(s) constitute gross receipts.
- **Quarterly or monthly bank statements for the entity showing deposits from the relevant quarters.** You must annotate, if it is not clear, which deposits listed on the bank statement constitute gross receipts (e.g., payments for purchases of goods and services) and which do not (e.g., capital infusions).
- **Annual IRS income tax filings of the entity** (required if using an annual reference period). If the entity has not yet filed a tax return for 2020, you must fill out the return forms, compute the relevant gross receipts value and sign and date the return, attesting that the values that enter into the gross receipts computation are the same values that will be filed on the entity's tax return.

Glossary:

- **Expenses Incurred** - An incurred expense is a cost that your business owes when receiving goods or services. Incurred expenses typically refer to costs incurred that have not yet been paid.
- **Expenses Paid** - Paid expenses are incurred expenses that you have paid for. For example, the payment of a telephone bill after it's received. Please note that expenses paid prior to the start date of your Covered Period are not eligible for loan forgiveness.
- **Average FTE** - This calculates the average full-time equivalency (FTE) during the reference period. For each employee, enter the average number of hours paid per week, divide by 40, and round the total to the nearest tenth. The maximum for each employee is capped at 1.0. A simplified method that assigns a 1.0 for employees who work 40 hours or more per week and 0.5 for employees who work fewer hours may be used at the election of the Borrower