

# Understanding PPP Forgiveness

October 16, 2020

# Purpose

The Paycheck Protection Program (PPP) offers financial assistance during these difficult times, and we are pleased to be here to support you and your business.

During this webinar we will walk through program updates and hypothetical examples in our forgiveness portal.

We will include the following:

- A review of the program requirements, including requirements specific to the Standard Form and the EZ Form
- Examples of entering application information into the portal based on specific situations

We will also provide information on any new guidance from the SBA and address answers to some frequently asked questions.

# Disclaimer

- As a Borrower under the Paycheck Protection Program, it is your sole legal responsibility to comply with all laws and regulations applicable to Borrowers under the Small Business Administration Paycheck Protection Program (SBA PPP).
- Rockland Trust urges SBA PPP Borrowers to closely review the latest SBA PPP law, regulations and guidelines (Guidelines). The Guidelines can be found on the Small Business Administration and the Department of Treasury websites: [www.SBA.gov](http://www.SBA.gov) and [www.Treasury.gov](http://www.Treasury.gov). Rockland Trust cautions you that the Guidelines are evolving. The Small Business Administration periodically updates the Guidelines. Some updates modify prior Guidelines, other updates provide further clarification.
- Rockland Trust does not provide legal, tax, or accounting advice. Individual facts and circumstances vary from Borrower to Borrower which will impact any answers regarding any interpretation of questions. You should consult with your legal, tax, and accounting advisors to obtain advice regarding your specific situation. Our education materials and communications should be considered in connection with, and are not intended to replace or serve as a substitute for, your close review of the Guidelines, and legal, tax or accounting advice you are urged to obtain from your tax, accounting and legal advisors
- Our communications are summaries or excerpts of the Guidelines, and may contain our opinions or interpretations of the Guidelines. There may be interpretations that are valid that differ from our interpretations and opinions. You are cautioned against placing undue reliance on our views and our educational materials.

# Housekeeping

- The webcast is being streamed through your computer, so there is no dial-in number
- If your slides are behind, pushing F5 on your keyboard will refresh the page
- Have questions? Enter them in the Q&A Tab at the bottom of your screen
- An **On Demand** version of the webcast will be available approximately one day after the webcast, and can be accessed using the same audience link that was emailed to you when you registered

# Welcome Comments



## **Robert Cozzone**

Chief Operating Officer and Executive Vice President of Consumer and Business Banking

Rockland Trust

Robert “Rob” Cozzone is the Executive Vice President and Chief Operating Officer for Rockland Trust and its parent bank holding company, Independent Bank Corp. He is responsible for consumer and business banking, which includes the retail bank, residential mortgage, consumer lending, and credit card and business banking sales. In addition, he continues to provide oversight of the finance division. Previously he was Chief Financial Officer of Rockland Trust and Independent Bank Corp., to which he was appointed in 2013.

Prior to serving as the Company’s CFO, Mr. Cozzone was Treasurer of both Independent Bank Corp. and Rockland Trust from April 2008 to September 2013. He joined Rockland Trust in October 1998 as a banking officer.

# Introducing Crowe LLP

Crowe LLP has a team of people focused on understanding the SBA Paycheck Protection Program, and the firm assists its clients with information and advice regarding their handling of PPP Loans.

This webinar presentation provides only a high-level overview of the SBA requirements and does not provide complete information sufficient for compliance with the SBA PPP requirements.

Crowe LLP is a public accounting, consulting and technology firm with offices around the world. Crowe uses its deep industry expertise to provide audit services to public and private entities. The firm and its subsidiaries also help clients make smart decisions that lead to lasting value with its tax, advisory and consulting services. Crowe is recognized by many organizations as one of the best places to work in the U.S. As an independent member of Crowe Global, one of the largest global accounting networks in the world, Crowe serves clients worldwide.

## With You Today:



**Tim Reimink**  
**Managing Director**  
[Timothy.Reimink@Crowe.com](mailto:Timothy.Reimink@Crowe.com)

# Topics

- ▶ Review of PPP Loan Forgiveness Requirements
- ▶ New Application for Loans under \$50,000
- ▶ PPP Loan Forgiveness Application Portal
- ▶ Hypothetical Examples
- ▶ Q&A

# Disclaimer

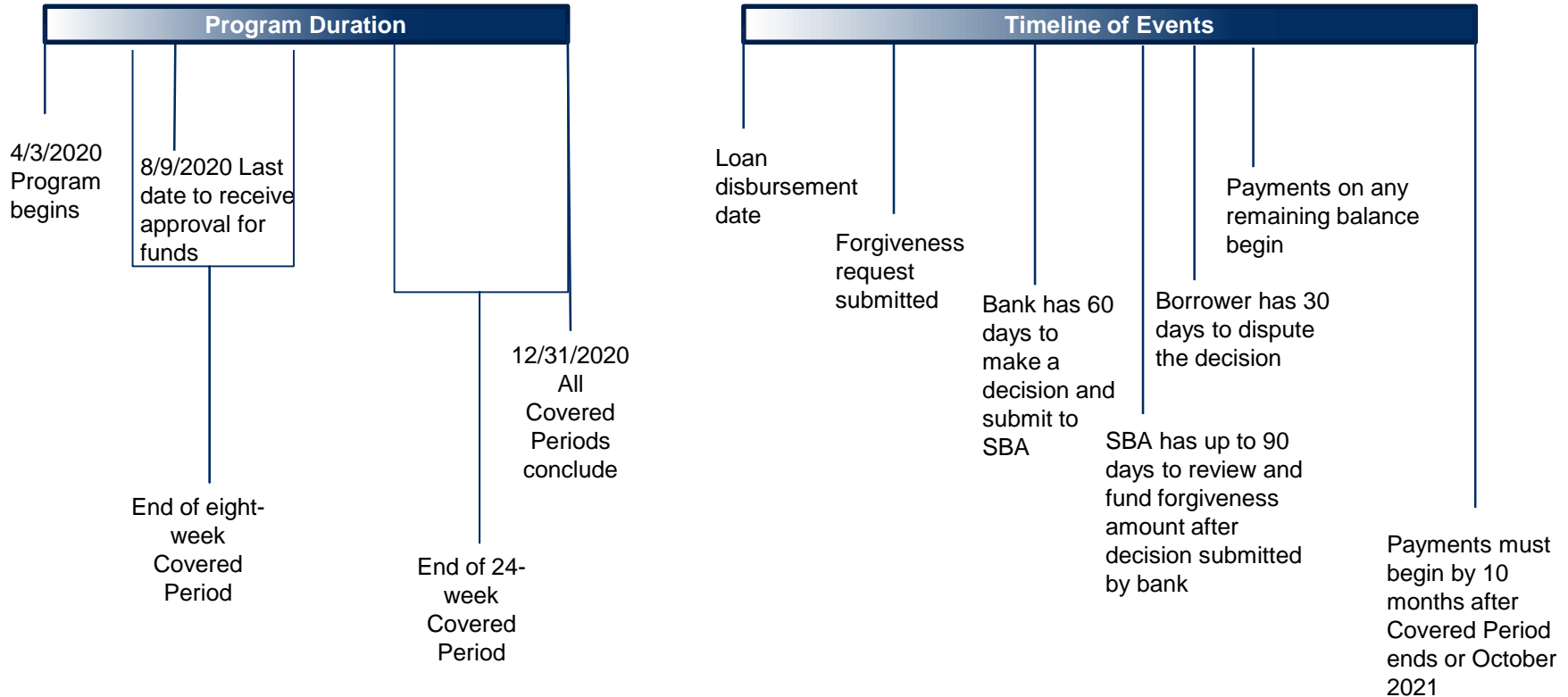
This webinar presentation does not provide complete information sufficient for compliance with the SBA Paycheck Protection Program (the “PPP”), and it does not constitute (and is not a replacement for) consultation with your counsel or other advisors to understand how the requirements of the PPP apply to your specific situation. Participants should seek advice from their own counsel or advisors before acting on information presented.

Neither the Small Business Administration nor the Department of Treasury have finalized guidance regarding requirements of the PPP. Additional information, revisions to the Interim Final Ruling, answers to frequently asked questions, and regulatory rulings continue to be published or revised. The information in this webinar presentation and any related documents is subject to change.

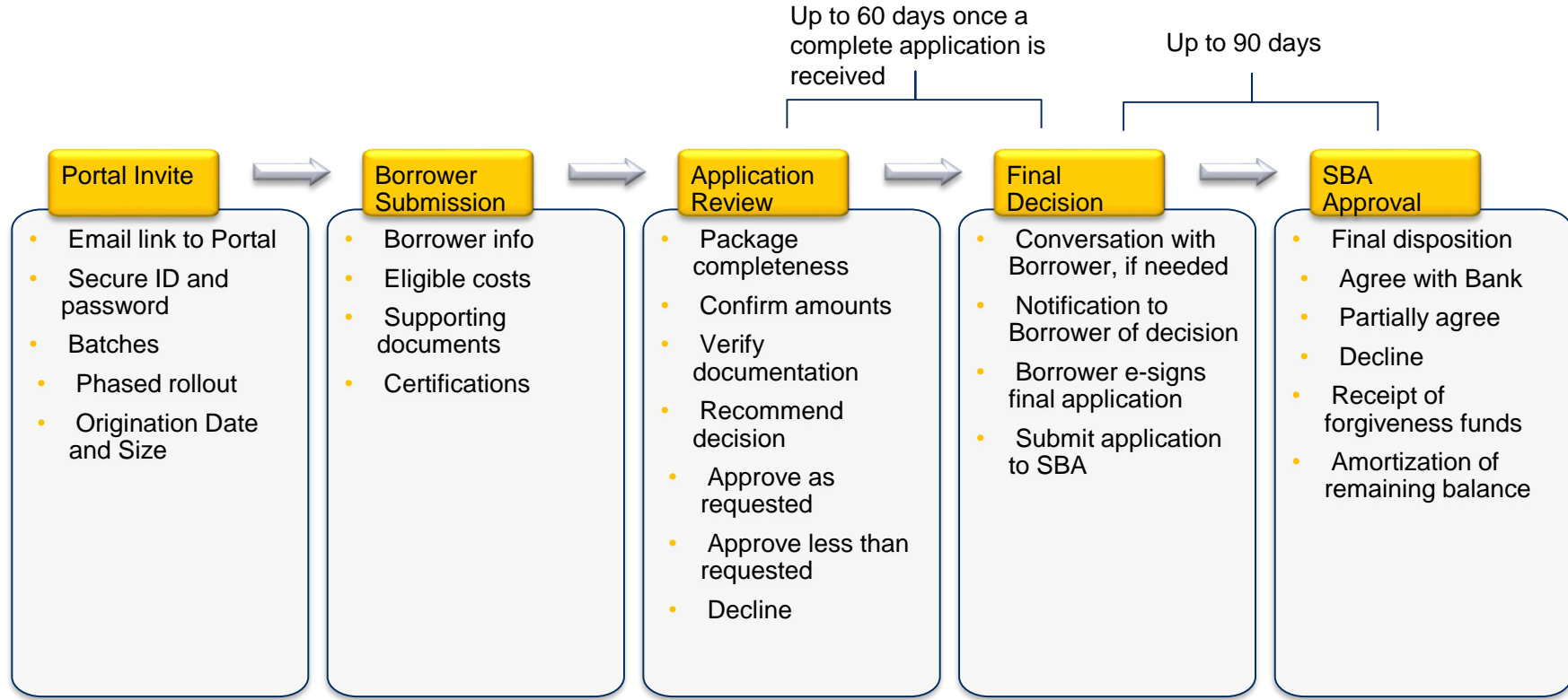
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# Timelines



# Rockland's PPP Process





# Loan Forgiveness Requirements

## Recent Noteworthy Changes

Program Requirement	
<b>New Application for loans up to \$50,000</b>	<ul style="list-style-type: none"><li>On October 8, the SBA issued a new application 3508S which may be used by Borrowers with loans of \$50,000 or less</li><li>The application requires the borrower to report the amount of forgiveness calculated and to provide certain documentation</li></ul>
<b>Applying before end of Covered Period</b>	If the Borrower has spent all of the PPP loan proceeds on eligible costs, the Borrower may apply for forgiveness prior to the end of the 24-week Covered Period
<b>Forgiveness Based on Payroll only</b>	Borrowers may support full forgiveness of their loan based only on eligible cash compensation costs, and forgo reporting any other payroll or non-payroll costs, given compliance with compensation, full-time equivalent (FTE) employees and documentation requirements
<b>Related Party Leases</b>	Rent and lease payments to businesses with any common ownership are eligible for loan forgiveness, but the amount of the loan forgiveness is limited to no more than the amount of mortgage interest paid on the property during the Covered Period that is attributable to the space being rented, and that the lease and the underlying mortgage were entered into prior to February 15, 2020

## 3508S Form

- Borrowers can use the SBA Form 3508S as their forgiveness application if their PPP loan is \$50,000 or less
- If a borrower together with its affiliates received PPP loans totaling \$2 million or more, they are not eligible to use this form (faith-based organizations are exempt from the affiliation rules)
- The allows Borrowers with loans of \$50,000 or less to self-certify they used the money appropriately and receive complete forgiveness
- The Form eliminates the forgiveness adjustments related to reductions of full-time equivalent (FTE) employee or pay rates
- The 3508S Form still requires Borrowers to provide documentation, such as a payroll provider report, but limits the review of such documentation by the lender
  - Lenders are only required to verify the appropriate documents have been submitted
- Borrowers must still retain documentation to support all of their calculations for 6 years
- This 3508S Form impacts a significant number of Borrowers
  - According to the SBA, there are 3,570,000 outstanding PPP loans of \$50,000 or less out of the 5,200,000 PPP loans issued, with approximately 1,700,000 of those PPP loans of \$50,000 or less made to businesses reporting zero employees other than the owner, or one employee

## Rockland Trust Borrowers \$50,000 and under

**61%** Of PPP loans with Rockland Trust were \$50,000 or under...

**This new legislation will require an update the portal.** Those with loans of \$50,000 or less may experience a delay in receiving their portal invitation due to this change.

# 3508 EZ Form Requirements

Condition 1		AND Condition 2
Option 1	The Borrower is a <b>self-employed individual, independent contractor, or Sole Proprietor</b> ;	Had <b>no employees</b> at the time of the PPP loan application and did not include any employee salaries in the computation of average monthly payroll in the Borrower Application Form (SBA Form 2483)
Option 2	The Borrower <b>did not reduce annual salary or hourly wages</b> of any employee (who made \$100,000 or less in 2019) by <b>more than 25 percent</b> during the Covered Period or the Alternative Payroll Covered Period (as defined below) compared to the period between January 1, 2020 and March 31, 2020;	The Borrower <b>did not reduce the number of employees or the average paid hours</b> of employees between January 1, 2020 and the end of the Covered Period <i>(Subject to the Safe Harbor provisions for inability to rehire)</i>
Option 3	The Borrower <b>did not reduce annual salary or hourly wages</b> of any employee (who made \$100,000 or less in 2019) by <b>more than 25 percent</b> during the Covered Period or the Alternative Payroll Covered Period (as defined) compared to the period between January 1, 2020 and March 31, 2020	The Borrower was <b>unable to operate during the Covered Period at the same level of business activity</b> as before February 15, 2020, <b>due to compliance with requirements established or guidance issued</b> between March 1, 2020 and December 31, 2020 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

# Comparison of Forms 3508, 3508EZ and 3508S

	3508	3508EZ	3508S
<b>Qualification for Application</b>	All Borrowers may complete the standard form if they choose	Borrowers who meet one of three EZ form criteria	Borrowers who received loans less than or equal to \$50,000, and aggregate loans of related parties is less than \$2 million
<b>FTE and Pay Rate Reductions</b>	Forgiveness amount will be adjusted for reductions in full-time equivalent (FTE) employees and pay rates during the Covered Period, subject to Safe Harbor provisions	Borrowers must certify that they have made no FTE or pay rate reductions or comply with the Safe Harbor Provisions	No forgiveness adjustments for reductions in FTE and pay rates are applied
<b>Application</b>	Borrowers must complete the Application, Schedule A, and associated tables 1 & 2 with information for each eligible cost category, calculated forgiveness and requested forgiveness amount	Borrowers must complete the Application form with totals for each eligible cost category, calculated forgiveness and requested forgiveness amount	Borrowers must complete the Application form with the requested forgiveness amount
<b>Forgiveness Calculation Differences</b>		Adjustments to forgiveness amount for FTE reduction and pay rate reduction do not apply, due to qualifying for EZ form	Adjustments to forgiveness amount for FTE reduction and pay rate reduction are eliminated from calculation



# Comparison of Forms 3508, 3508EZ and 3508S

	3508	3508EZ	3508S
<b>Documentation to be Submitted</b>	<ul style="list-style-type: none"> <li>Borrowers must submit certain required payroll, full-time equivalent (FTE) employees and non-payroll documentation</li> <li>Lenders will review documentation to confirm it supports the amount of forgiveness requested</li> </ul>	<ul style="list-style-type: none"> <li>Borrowers must submit certain required payroll, FTE (<i>only if criteria 2 for the EZ form is selected</i>) and non-payroll documentation</li> <li>Lenders will review documentation to confirm it supports the amount of forgiveness requested</li> </ul>	<ul style="list-style-type: none"> <li>Borrowers must submit certain required payroll and non-payroll documentation</li> <li><i>Lenders will verify necessary documents have been submitted</i></li> </ul>
<b>Payroll Costs Documentation</b>	<p>Documentation verifying the eligible cash compensation and non-cash benefit payments from the Covered Period or the Alternative Payroll Covered Period consisting of each of the following:</p> <ol style="list-style-type: none"> <li>Bank account statements or third-party payroll service provider reports documenting the amount of cash compensation paid to employees</li> <li>Tax forms (or equivalent third-party payroll service provider reports) for the periods that overlap with the Covered Period or the Alternative Payroll Covered Period:             <ul style="list-style-type: none"> <li>Payroll tax filings reported, or that will be reported, to the IRS (typically, Form 941); and</li> <li>State quarterly business and individual employee wage reporting and unemployment insurance tax filings reported, or that will be reported, to the relevant state</li> </ul> </li> <li>Payment receipts, cancelled checks, or account statements documenting the amount of any employer contributions to employee health insurance and retirement plans that the Borrower included in the forgiveness amount</li> </ol>		

# Comparison of Forms 3508, 3508EZ and 3508S

	3508	3508EZ	3508S
<b>FTE Documentation</b>	<p>Documentation showing (at the election of the Borrower):</p> <ul style="list-style-type: none"> <li>a. the average number of full-time equivalent (FTE) employees on payroll per week employed by the Borrower between February 15, 2019 and June 30, 2019;</li> <li>b. the average number of FTE employees on payroll per week employed by the Borrower between January 1, 2020 and February 29, 2020; or</li> <li>c. in the case of a seasonal employer, the average number of FTE employees on payroll per week employed by the Borrower between February 15, 2019 and June 30, 2019; between January 1, 2020 and February 29, 2020; or any consecutive 12-week period between May 1, 2019 and September 15, 2019</li> </ul>	<ul style="list-style-type: none"> <li>d. If you checked only the Option 2 box on the checklist on page 1 of these instructions, the average number of FTE employees on payroll employed by the Borrower on January 1, 2020 and at the end of the Covered Period</li> </ul>	<p>No FTE documentation is required to be submitted</p>

## Comparison of Forms 3508, 3508EZ and 3508S

	3508	3508EZ	3508S
<b>Non-Payroll Costs Documentation</b>	<p>Documentation verifying existence of the obligations/services prior to February 15, 2020 and eligible payments from the Covered Period:</p> <ul style="list-style-type: none"><li><b>a. Business mortgage interest payments:</b> Copy of lender amortization schedule and receipts or cancelled checks verifying eligible payments from the Covered Period; <b>or</b> 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</li><li><b>b. Business rent or lease payments:</b> Copy of current lease agreement and receipts or cancelled checks verifying eligible payments from the Covered Period; <b>or</b> lessor account statements from February 2020 and from the Covered Period through one month after the end of the Covered Period verifying eligible payments</li><li><b>c. Business utility payments:</b> Copy of invoices from February 2020 and those paid during the Covered Period <b>and</b> receipts, cancelled checks, or account statements verifying those eligible payments</li></ul>		

# Comparison of Forms 3508, 3508EZ and 3508S

	3508	3508EZ	3508S
<b>Documentation to be Retained for 6 years</b>	<ul style="list-style-type: none"> <li>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 its eligibility for a PPP loan, documentation necessary to support the Borrower's loan forgiveness application, and documentation demonstrating the Borrower's material compliance with PPP requirements</li> <li>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</li> </ul>		
	Documentation supporting the Borrower's certifications as to the necessity of the loan request		
	<ul style="list-style-type: none"> <li>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 December 31, 2020</li> <li>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 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 his documentation must include copies of the applicable requirements for each borrower location and relevant borrower financial records</li> </ul>		

# Comparison of Forms 3508, 3508EZ and 3508S

	3508	3508EZ	3508S
<b>Documentation to be Retained for 6 years</b>	<p>PPP Schedule A Worksheet or its equivalent and the following:</p> <ul style="list-style-type: none"> <li>a. Documentation supporting the listing of each individual employee in PPP Schedule A Worksheet Table 1, including the “Salary/Hourly Wage Reduction” calculation, if necessary</li> <li>b. Documentation supporting the listing of each individual employee in PPP Schedule A Worksheet Table 2; specifically, that each listed employee received during any single pay period in 2019 compensation at an annualized rate of more than \$100,000</li> <li>e. Documentation supporting the PPP Schedule A Worksheet “FTE Reduction Safe Harbor 2”</li> </ul>	<ul style="list-style-type: none"> <li>• Documentation supporting the certification that annual salaries or hourly wages were not reduced by more than 25 percent during the Covered Period or the Alternative Payroll Covered Period relative to the period between January 1, 2020 and March 31, 2020. This documentation must include payroll records that separately list each employee and show the amounts paid to each employee during the period between January 1, 2020 and March 31, 2020, and the amounts paid to each employee during the Covered Period or Alternative Payroll Covered Period.</li> <li>• 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). 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.</li> </ul>	

# Common Program Requirements - Overview

## Time Period

- Expenses incurred during the Covered Period or Alternative Payroll Covered Period are eligible for forgiveness; the Covered Period includes up to 24 weeks from the date of the loan disbursement for Borrowers to use the funds for payroll and other eligible costs
- The SBA has indicated that for purposes of full-time equivalent (FTE) employees and expenses, **the Covered Period runs from the date of disbursement to the date of submitting the forgiveness application or the end of 24 weeks, whichever is sooner**

## Eligible Expenses

- Payroll Costs (see next slide)
- Utilities expenses associated with service agreements in place prior to February 15, 2020 for electricity, gas, water, transportation, fuel, phone and internet access
- Rent associated with leases that took effect prior to February 15, 2020
- Interest Expense
  - Mortgage loans existing prior to February 15, 2020
  - Debt on personal property existing prior to February 15, 2020
  - Loans refinancing an SBA Economic Injury Disaster Loan (EIDL)

## Forgiveness Limitations

- Payroll Costs must represent at least 60 percent of forgiveness amount requested
- No more than 40 percent of the forgiveness amount can be associated with non-payroll costs for utilities, rent and interest expense
- Safe Harbor provisions exist related to restoring pay or FTE level by December 31, 2020

# Common Program Requirements – Payroll Costs

## Payroll Costs

- Cash compensation, prior to taxes, paid to employees for wages, salary, bonuses, commissions, tips and other forms of cash compensation, including housing stipends
- Payments for medical, parental, family and sick leave payments
  - Excludes qualified sick and family leave wages for which a credit is allowed under Public Law 116–127
- Payments to employees for vacation time
- Payments for group health benefits costs and premiums
- Amounts paid into retirement plans by Borrower
- Payment of state and local payroll taxes by Borrower
- Payments of dismissal or separation allowances

## Payroll Cost Limitations

- Compensation paid to an employee in excess of an annual salary rate of \$100,000 must be excluded from the Payroll Costs amount
- Compensation paid to non-U.S. residents must be excluded from the Payroll Costs amount
- Payments to independent contractors are not includible in Payroll Costs

## Remaining PPP Loan Balances

- Any balance of a PPP loan not forgiven must be repaid by Borrower
- Repayment of the remaining balance is over up to 5 years from the date of first disbursement of the loan
- Interest rate is 1 percent
  - Interest accrues from date of disbursement
- Payments begin the month following when the forgiveness amount is remitted to the lender,
  - or no later than 10 months after the end of the Borrower's Covered Period
- Any loans received before the change in term made in the Paycheck Protection Flexibility Act may be amended from the current 2 year maturity to reflect the new 5 year maturity



## 3508 EZ Form Requirements – Sole Proprietors

- Sole Proprietors qualify for the EZ form under the first option
  - “The Borrower is a self-employed individual, independent contractor, or sole proprietor; **AND** had no employees at the time of the PPP loan application and did not include any employee salaries in the computation of average monthly payroll in the Borrower Application Form (SBA Form 2483)”
- The net profit of the Sole Proprietorship is used as a substitute for salary of the Sole Proprietor
  - *For Borrowers using a 24-week period, owner compensation is capped at \$20,833 or the 2.5-month equivalent of their applicable compensation in 2019, whichever is lower*
  - *This cap similarly applies to owner/employees and partners of businesses using any application form*
- Other employee payroll costs (health benefits, retirement, etc.) would not apply for Sole Proprietors without employees
- Amounts paid for other business-related expenses (utilities, rent, interest) incurred during the Covered Period would be forgivable up to 40 percent of the loan forgiveness amount
  - Sole Proprietors also must have claimed or be entitled to claim a deduction for such expenses on your 2019 Form 1040 Schedule C for them to be a permissible expenditure during the Covered Period following the disbursement of the loan

# Standard Application Requirements

## The PPP Schedule A

- Borrowers are required to complete the Schedule A Form
- This form requires compensation and full-time equivalent (FTE) employee details as compared to the Borrower's selected reference period

## Compensation Reductions

- Forgiveness amounts may be reduced if the total salary or wages of any employee is reduced during the Covered Period more than 25 percent of the total salary or wages as compared to the period of January 1, 2020 through March 31, 2020
- Borrowers have until the earlier of the date in which they submit their application or 12/31/20 to reinstate all wages to pre-pandemic levels required for full forgiveness

## FTE

- Forgiveness amount may be adjusted if there is a reduction of FTE during the Covered Period
- Forgiveness is adjusted by the FTE Reduction Quotient, which is the ratio of Covered Period FTE compared to a base reference period FTE
- If the ratio is greater than one, borrower has maintained headcount and has met this requirement; If the ratio is less than one, forgiveness will be adjusted proportionally

# Standard Application Requirements

## Full-time Equivalent (FTE) Safe Harbor Provisions

- FTE reductions may be accepted without a reduction in forgiveness if the Borrower meets one of the following:
  - Safe Harbor 1 – Provides a Safe Harbor from reductions in forgiveness, based on reductions in full-time equivalent (FTE) employees for Borrowers that are unable to return to the same level of business activity prior to February 15, 2020 due to compliance requirements between March 1, 2020 and December 31, 2020
  - Safe Harbor 2 – If the borrower reduced its FTE employee levels in the period beginning February 15, 2020, and ending April 26, 2020 AND the Borrower then restored its FTE employee levels by no later than December 31, 2020 to its FTE employee levels in the pay period that included February 15, 2020

## FTE Reduction Exceptions

- Any FTE reductions in the following cases do not reduce the Borrower's loan forgiveness
  - The Borrower made a good-faith, written offer to rehire an employee, which has been rejected by the employee
  - Were fired for cause
  - Voluntarily resigned
  - Voluntarily requested and received a reduction for their hours
  - Borrower made good faith, written offer to restore any reduction in hours at the same salary or hourly wages, but the employee rejected
  - Borrower was unable to rehire similarly qualified employees for unfilled positions by December 31, 2020



# Hypothetical Examples

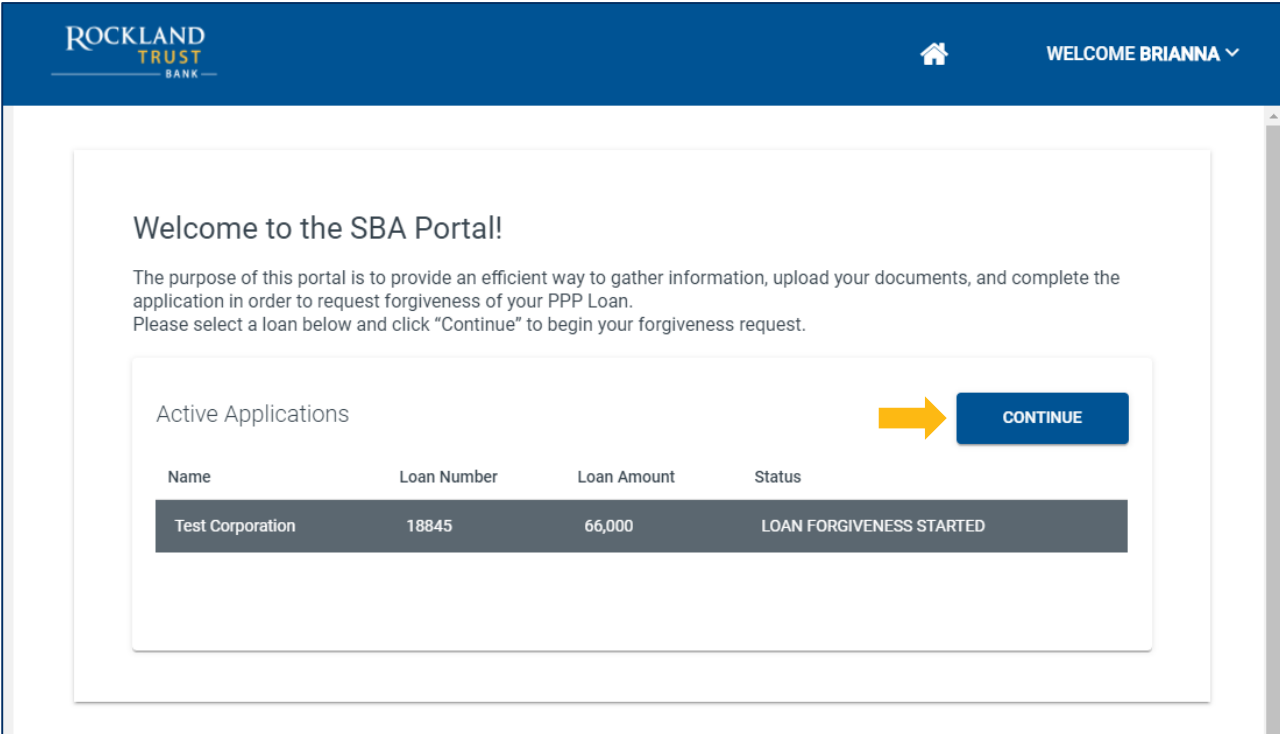
## Hypothetical Example #1 – Standard Application

### Situation

A business has three U.S. resident employees, each of whom had an annual salary of \$52,000 and one owner who had an annual salary of \$110,000. Related benefit costs included in payroll costs amount to \$10,647 for the employees for an eight week Covered Period. The business received a PPP Loan of \$66,000.

No changes in FTE or employee compensation have occurred since the beginning of the year.

# Welcome to the SBA Portal



The screenshot shows the SBA Portal interface. At the top, there is a blue header with the Rockland Trust Bank logo on the left, a home icon in the center, and the text "WELCOME BRIANNA" with a dropdown arrow on the right. Below the header, the main content area has a white background. It starts with the heading "Welcome to the SBA Portal!" followed by a paragraph explaining the portal's purpose: "The purpose of this portal is to provide an efficient way to gather information, upload your documents, and complete the application in order to request forgiveness of your PPP Loan. Please select a loan below and click 'Continue' to begin your forgiveness request." Below this text is a section titled "Active Applications" which contains a table. To the right of the table is a yellow arrow pointing to a blue "CONTINUE" button.

Name	Loan Number	Loan Amount	Status
Test Corporation	18845	66,000	LOAN FORGIVENESS STARTED

# Select Form Type

Please note you will have to contact your Lender to change forms after you click "Continue".

You (the Borrower) can apply for forgiveness of your Paycheck Protection Program (PPP) loan using the SBA Form 3508EZ if you can check at least one of the three boxes below.

☐ The Borrower is a self-employed individual, independent contractor, or sole proprietor who had no employees at the time of the PPP loan application and did not include any employee salaries in the computation of average monthly payroll in the Borrower Application Form (SBA Form 2483).

☐ The Borrower did not reduce annual salary or hourly wages of any employee by more than 25 percent during the Covered Period or the Alternative Payroll Covered Period (as defined below) compared to the period between January 1, 2020 and March 31, 2020 (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. 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 or the Alternative Payroll Covered Period (as defined below) compared to the period between January 1, 2020 and March 31, 2020 (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 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.

If none of these are applicable and/or you choose to use the standard SBA Loan Forgiveness Application Form 3508, click the checkbox below.

☐ None of the above are applicable and I choose to use standard SBA Loan Forgiveness Application Form 3508.

CONTINUE

# Form Selected

Please note you will have to contact your Lender to change forms after you click "Continue".

You (the Borrower) can apply for forgiveness of your Paycheck Protection Program (PPP) loan using the SBA Form 3508EZ if you can check at least one of the three boxes below.

☐ The Borrower is a self-employed individual, independent contractor, or sole proprietor who had no employees at the time of the PPP loan application and did not include any employee salaries in the computation of average monthly payroll in the Borrower Application Form (SBA Form 2483).

☐ The Borrower did not reduce annual salary or hourly wages of any employee by more than 25 percent during the Covered Period or the Alternative Payroll Covered Period (as defined below) compared to the period between January 1, 2020 and March 31, 2020 (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. 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 or the Alternative Payroll Covered Period (as defined below) compared to the period between January 1, 2020 and March 31, 2020 (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 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.

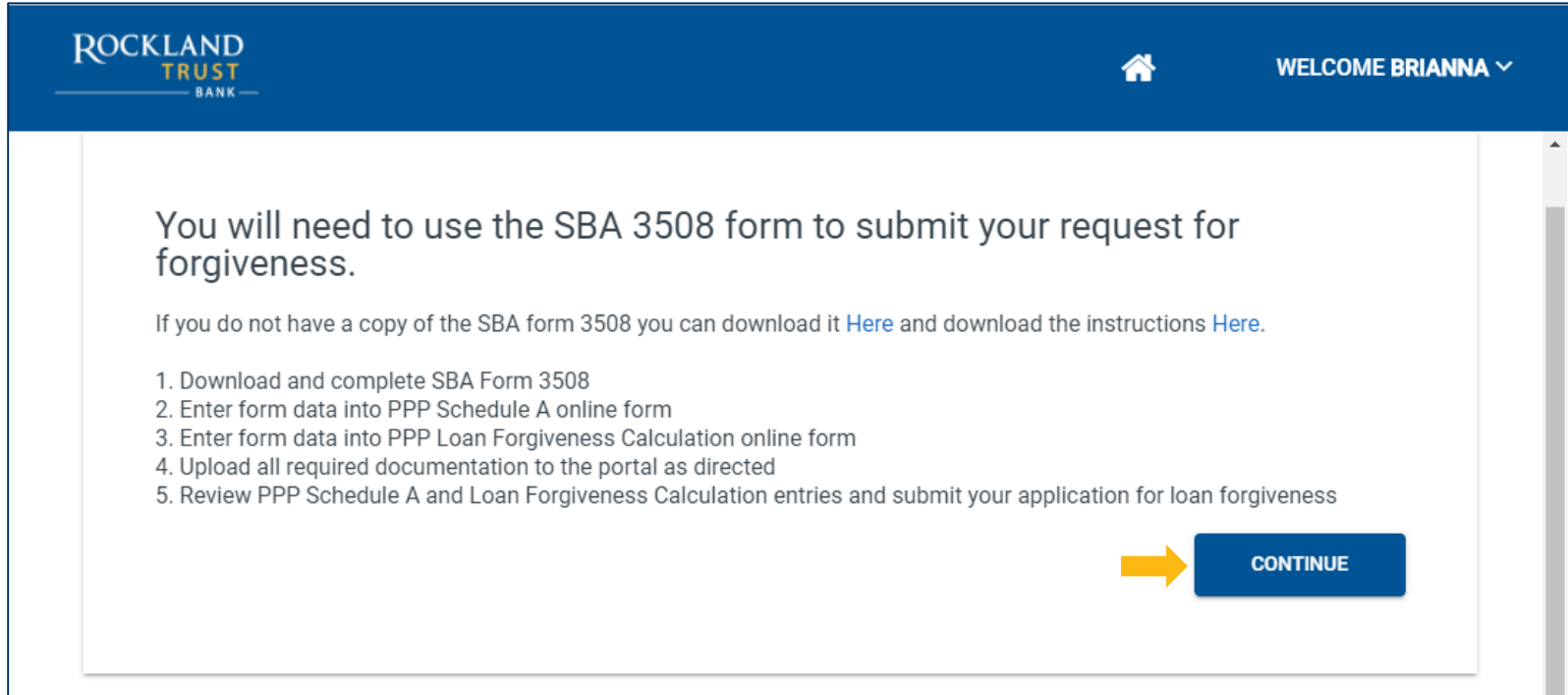
If none of these are applicable and/or you choose to use the standard SBA Loan Forgiveness Application Form 3508, click the checkbox below.

 ☒ None of the above are applicable and I choose to use standard SBA Loan Forgiveness Application Form 3508.

CONTINUE



# Form Selected



The screenshot shows a web portal for Rockland Trust Bank. The header is dark blue with the bank's logo on the left, a home icon in the center, and a welcome message 'WELCOME BRIANNA' with a dropdown arrow on the right. The main content area is white and contains a message about the SBA 3508 form, a list of five steps for applying for forgiveness, and a 'CONTINUE' button with a yellow arrow pointing to it.


**ROCKLAND TRUST BANK**

WELCOME BRIANNA ▾

You will need to use the SBA 3508 form to submit your request for forgiveness.

If you do not have a copy of the SBA form 3508 you can download it [Here](#) and download the instructions [Here](#).

1. Download and complete SBA Form 3508
2. Enter form data into PPP Schedule A online form
3. Enter form data into PPP Loan Forgiveness Calculation online form
4. Upload all required documentation to the portal as directed
5. Review PPP Schedule A and Loan Forgiveness Calculation entries and submit your application for loan forgiveness

 **CONTINUE**

# PPP Schedule A

PPP Schedule A

1 Payroll Details Table1 2 Payroll Details Table2 3 Borrower Expense 4 Compensation To Owners 5 FTE Reduction Calculation

PPP Schedule A

Please use the SBA Form 3508 and the included PPP Schedule A Worksheet to complete the fields below. If you do not have a copy of SBA Form 3508, you can [download it here](#)

PPP Schedule A Worksheet, Table 1 Totals

Line 1. Enter Cash Compensation (Box 1) from PPP Schedule A Worksheet, Table 1: \*

\$ 0

Line 2. Enter Average FTE (Box 2) from PPP Schedule A Worksheet, Table 1: \*

0

☐ Table 1: If the average annual salary or hourly wage for each employee listed on the PPP Schedule A Worksheet, Table 1 during the Covered Period or the Alternative Payroll Covered Period was at least 75% of such employee's average annual salary or hourly wage between January 1, 2020 and March 31, 2020, check here and enter 0 on line 3

Line 3. Enter Salary/Hourly Wage Reduction (Box 3) from PPP Schedule A Worksheet \*

\$ 0

# PPP Schedule A Worksheet

## PPP Schedule A Worksheet

**Table 1:** List employees who:

- Were employed by the Borrower at any point during the Covered Period or the Alternative Payroll Covered Period whose principal place of residence is in the United States; and
- Received compensation from the Borrower at an annualized rate of less than or equal to \$100,000 for all pay periods in 2019 or were not employed by the Borrower at any point in 2019.

Employee's Name	Employee Identifier	Cash Compensation	Average FTE	Salary / Hourly Wage Reduction
FTE Reduction Exceptions:				
Totals:		Box 1	Box 2	Box 3

**Table 2:** List employees who:

- Were employed by the Borrower at any point during the Covered Period or the Alternative Payroll Covered Period whose principal place of residence is in the United States; and
- Received compensation from the Borrower at an annualized rate of more than \$100,000 for any pay period in 2019.

Employee's Name	Employee Identifier	Cash Compensation	Average FTE
Totals:		Box 4	Box 5

Attach additional tables if additional rows are needed.

### FTE Reduction Safe Harbor 2:

- Step 1. Enter the borrower's total average FTE between February 15, 2020 and April 26, 2020. Follow the same method that was used to calculate Average FTE in the PPP Schedule A Worksheet Tables. Sum across all employees and enter: \_\_\_\_\_
- Step 2. Enter the borrower's total FTE in the Borrower's pay period inclusive of February 15, 2020. Follow the same method that was used in step 1: \_\_\_\_\_
- Step 3. If the entry for step 2 is greater than step 1, proceed to step 4. Otherwise, FTE Reduction Safe Harbor 2 is not applicable and the Borrower must complete line 13 of PPP Schedule A by dividing line 12 by line 11 of that schedule.
- Step 4. Enter the borrower's total FTE as of the earlier of December 31, 2020, and the date this application is submitted: \_\_\_\_\_
- Step 5. If the entry for step 4 is greater than or equal to step 2, enter 1.0 on line 13 of PPP Schedule A; the FTE Reduction Safe Harbor 2 has been satisfied. Otherwise, FTE Reduction Safe Harbor 2 does not apply and the Borrower must complete line 13 of PPP Schedule A by dividing line 12 by line 11 of that schedule.

# PPP Schedule A Worksheet

**PPP Schedule A Worksheet**

**Table 1:** List employees who:

- Were employed by the Borrower at any point during the Covered Period or the Alternative Payroll Covered Period whose principal place of residence is in the United States; and
- Received compensation from the Borrower at an annualized rate of less than or equal to \$100,000 for all pay periods in 2019 or were not employed by the Borrower at any point in 2019.

Employee's Name	Employee Identifier	Cash Compensation	Average FTE	Salary / Hourly Wage Reduction
Employee One	1111	8000	1	0
Employee Two	2222	8000	1	0
Employee Three	3333	8000	1	0
<b>FTE Reduction Exceptions:</b>				
<b>Totals:</b>		<b>Box 1 24</b>	<b>Box 2 3</b>	<b>Box 3 0</b>

**Table 2:** List employees who:

- Were employed by the Borrower at any point during the Covered Period or the Alternative Payroll Covered Period whose principal place of residence is in the United States; and
- Received compensation from the Borrower at an annualized rate of more than \$100,000 for any pay period in 2019.

Employee's Name	Employee Identifier	Cash Compensation	Average FTE
<b>Totals:</b>		<b>Box 4</b>	<b>Box 5</b>

Attach additional tables if additional rows are needed.

## **FTE Reduction Safe Harbor 2:**

- Enter the borrower's total average FTE between February 15, 2020 and April 26, 2020. Follow the same method that was used to calculate Average FTE in the PPP Schedule A Worksheet Tables. Sum across all employees and enter: 3.
- Enter the borrower's total FTE in the Borrower's pay period inclusive of February 15, 2020. Follow the same method that was used in step 1: 3.
- If the entry for step 2 is greater than step 1, proceed to step 4. Otherwise, FTE Reduction Safe Harbor 2 is not applicable and the Borrower must complete line 13 of PPP Schedule A by dividing line 12 by line 11 of that schedule.
- Enter the borrower's total FTE as of the earlier of December 31, 2020, and the date this application is submitted: 3.
- If the entry for step 4 is greater than or equal to step 2, enter 1.0 on line 13 of PPP Schedule A; the FTE Reduction Safe Harbor 2 has been satisfied. Otherwise, FTE Reduction Safe Harbor 2 does not apply and the Borrower must complete line 13 of PPP Schedule A by dividing line 12 by line 11 of that schedule.

# PPP Schedule A

## Required Documentation

### Payroll:

- Payroll reports: Bank account statements or third-party payroll service provider reports documenting the amount of cash compensation paid to employees
- Payroll summary: A report summarizing the compensation paid to each employee during the Covered Period

PPP Schedule A

1 Payroll Details Table1 2 Payroll Details Table2 3 Borrower Expense 4 Compensation To Owners 5 FTE Reduction Calculation

PPP Schedule A

Please use the SBA Form 3508 and the included PPP Schedule A Worksheet to complete the fields below. If you do not have a copy of SBA Form 3508, you can [download it here](#)

PPP Schedule A Worksheet, Table 1 Totals

Line 1. Enter Cash Compensation (Box 1) from PPP Schedule A Worksheet, Table 1: \*

\$ 24,000

Line 2. Enter Average FTE (Box 2) from PPP Schedule A Worksheet, Table 1: \*

3

Table 1: If the average annual salary or hourly wage for each employee listed on the PPP Schedule A Worksheet, Table 1 during the Covered Period or the Alternative Payroll Covered Period was at least 75% of such employee's average annual salary or hourly wage between January 1, 2020 and March 31, 2020, check here and enter 0 on line 3

☒

Line 3. Enter Salary/Hourly Wage Reduction (Box 3) from PPP Schedule A Worksheet \*

\$ 0

# Upload Documents

## Upload Documents

### Bank Account Statements

Bank account statements documenting the amount of cash compensation paid to employees.



### Tax Forms (Proof of Payroll)

Tax forms (or equivalent third-party payroll service provider reports) for the periods that overlap with the Covered Period or the Alternative Payroll Covered Period: Payroll tax filings reported, or that will be reported, to the IRS (typically, Form 941); and State quarterly business and individual employee wage reporting and unemployment insurance tax filings reported, or that will be reported, to the relevant state.



NEXT

# Table 2 Totals

**PPP Schedule A**

✓

2

3

4

5

Payroll Details Table1Payroll Details Table2Borrower ExpenseCompensation To OwnersFTE Reduction Calculation

PPP Schedule A Worksheet, Table 2 Totals

Line 4. Enter Cash Compensation (Box 4) from PPP Schedule A Worksheet, Table 2: \*

\$ 0

Line 5. Enter Average FTE (Box 5) from PPP Schedule A Worksheet, Table 2: \*

0

BACK

NEXT

# Borrower Expenses

## Required Documentation

- **Health Insurance and Retirement Contributions:** Documentation supporting employer contributions included in the forgiveness amount to health insurance and retirement plans including receipts, canceled checks or account statements

PPP Schedule A

Payroll Details Table1 Payroll Details Table2 Borrower Expense Compensation To Owners FTE Reduction Calculation

Non-Cash Compensation Payroll Costs During the Covered Period or the Alternative Payroll Covered Period

Line 6. Total amount paid by Borrower for employer contributions for employee health insurance: \*  
\$ 8,000  
Enter the total amount paid by the Borrower for employer contributions for employee health insurance, including employer contributions to a self-insured, employer-sponsored group health plan, but excluding any pre-tax or after-tax contributions by employees.

Line 7. Total amount paid by Borrower for employer contributions to employee retirement plans: \*  
\$ 2,000  
Enter the total amount paid by the Borrower for employer contributions to employee retirement plans, excluding any pre-tax or after-tax contributions by employees.

Line 8. Total amount paid by Borrower for employer state and local taxes assessed on employee compensation: \*  
\$ 647  
Enter the total amount paid by the Borrower for employer state and local taxes assessed on employee compensation (e.g., state unemployment insurance tax); do not list any taxes withheld from employee earnings.

Upload Documents

Proof of Employer Contributions to Insurance and Retirement Plans  
Payment receipts, cancelled checks, or account statements documenting the amount of any employer contributions to employee health insurance and retirement plans.

BACK NEXT



# Borrower Expenses

## Required Documentation

- **Tax Forms:** Tax Forms for the periods that overlap with the Covered Period including: Payroll tax filings reported, or that will be reported, to the IRS **and** state quarterly business and individual employee wage reporting and unemployment insurance tax filings reports, or that will be reported, to the relevant state

PPP Schedule A

Progress: 1. Payroll Details Table1 (✓) 2. Payroll Details Table2 (✓) 3. Borrower Expense (3) 4. Compensation To Owners (4) 5. FTE Reduction Calculation (5)

### Non-Cash Compensation Payroll Costs During the Covered Period or the Alternative Payroll Covered Period

Line 6. Total amount paid by Borrower for employer contributions for employee health insurance: \*

\$ 8,000

Enter the total amount paid by the Borrower for employer contributions for employee health insurance, including employer contributions to a self-insured, employer-sponsored group health plan, but excluding any pre-tax or after-tax contributions by employees.

Line 7. Total amount paid by Borrower for employer contributions to employee retirement plans: \*

\$ 2,000

Enter the total amount paid by the Borrower for employer contributions to employee retirement plans, excluding any pre-tax or after-tax contributions by employees.

Line 8. Total amount paid by Borrower for employer state and local taxes assessed on employee compensation: \*

\$ 647

Enter the total amount paid by the Borrower for employer state and local taxes assessed on employee compensation (e.g., state unemployment insurance tax); do not list any taxes withheld from employee earnings.

### Upload Documents

Proof of Employer Contributions to Insurance and Retirement Plans

Payment receipts, cancelled checks, or account statements documenting the amount of any employer contributions to employee health insurance and retirement plans.

BACK NEXT

# Owner Compensation

## Required Documentation

### Owner Compensation:

- Bank account payments or third-party payroll service provider reports documenting the amount of cash compensation paid during the Covered Period
- Documentation supporting 2019 owner compensation to support the appropriate amount of owner compensation. For a 24-week period, owner compensation is capped at \$20,833 for each individual or the 2.5 month equivalent of their compensation in 2019, whichever is lower. For an eight-week period, this amount is capped at 8/52 of 2019 compensation (up to \$15,385)

PPP Schedule A

Progress: 1. Details Table1, 2. Payroll Details Table2, 3. Borrower Expense, 4. Compensation To Owners, 5. FTE Reduction Calculation

Amount paid to owner-employees/self-employed individual/general partners: This amount may not be included in Worksheet, Table 1 or 2. If there is more than one individual included, attach a separate table that lists the amounts to each.

Amounts paid to owners (owner-employees, a self-employed individual, or general partners). This amount is capped at \$15,385 (the eight-week equivalent of per year) for each individual or the eight-week equivalent of their applicable compensation in 2019, whichever is lower. See Interim Final Rule on Additional Eligibility and Requirements for Certain Pledges of Loans posted on April 14, 2020 for more information (85 FR 21747, 21749).

Payroll Costs

Payroll Costs (add lines 1, 4, 6, 7, 8 and 9):\*

2

1, 4, 6, 7, 8, and 9. Enter this amount on line 1 on the PPP Loan Forgiveness Calculation Form.

Documents

Compensation Table

Compensation Table.

OK

NEXT

# Full-time Equivalent Employee Reduction Calculation

## Required Documentation

### Full-time Equivalent (FTE) Employees:

- Documentation showing (at the election of the Borrower): the average number of FTE employees on payroll per week employed by the Borrower during the chosen reference period and during the Covered Period

**Full-Time Equivalency (FTE) Reduction Calculation**

If you satisfy any of the following three criteria, check the appropriate box, skip lines 11 and 12, and enter 1.0 on line 13; otherwise, complete lines 11, 12, and 13:

☐ No reduction in employees or average paid hours: If you have not reduced the number of employees or the average paid hours of your employees between January 1, 2020 and the end of the Covered Period, check here

☐ FTE Reduction Safe Harbor 1: If you were 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, 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 for sanitation, social distancing, or any other worker or customer safety requirement related to COVID-19, check here

☐ FTE Reduction Safe Harbor 2: If you satisfy FTE Reduction Safe Harbor 2 (see PPP Schedule A Worksheet), check here

Line 11. Average FTE during the Borrower's chosen reference period \*

3

Enter the Borrower's total average weekly full-time equivalency (FTE) during the chosen reference period. For purposes of this calculation, the reference period is, at the Borrower's election, either (i) February 15, 2019 to June 30, 2019; (ii) January 1, 2020 to February 29, 2020; or (iii) in the case of seasonal employees, either of the preceding periods or a consecutive twelve-week period between May 1, 2019 and September 15, 2019. For each employee, follow the same method that was used to calculate Average FTE on the PPP Schedule A Worksheet. Sum across all employees during the reference period and enter that total on this line.

Line 12. Total Average FTE (add lines 2 and 5) \*

3

Add lines 2 and 5.

Line 13. FTE Reduction Quotient: \*

1

Divide line 12 by line 11 or enter 1.0 if any of the above criteria are met

**BACK** **SUBMIT**

# Successfully Completed Schedule A

If you satisfy any of the following three criteria, check the appropriate box, skip lines 11 and 12, and enter 1.0 on line 13:

**Success!**

You have Successfully filled in the Schedule A Form Details. Please click on the button below to get started with the Calculation Form

[GO TO CALCULATION FORM](#)

Line 13, FTE Reduction Quotient : \*

# Calculation Form

## PPP Loan Forgiveness Calculation Form

Please use the SBA Form 3508 and the included PPP Schedule A Worksheet to complete the fields below. If you do not have a copy of SBA Form 3508, you can [download it here](#)

Business Legal Name ("Borrower")

Test Corporation

Enter the same information as on your Borrower Application Form.

DBA or Tradename, if applicable

Enter the same information as on your Borrower Application Form, unless there has been a change in address or contact information.

Business Address

45 Town Road

Business City

Gainesville

Business State

Florida


Business Postal Code

48579

# Payroll Information

Payroll Schedule (The frequency with which the payroll is paid to employee is) \*

☐ Weekly

 ☒ Biweekly (every other week)


☐ Twice a month

☐ Monthly

☐ Other

Select the box that corresponds to your payroll schedule.

Covered Period \*


 ☒ 8 Weeks

☐ 24 Weeks

Covered Period Start


04/27/2020

Alternative Covered Period Start

mm/dd/yyyy 

Enter a valid date in the format (mm/dd/yyyy)

☐ If Borrower (together with affiliates, if applicable) received PPP loans in excess of \$2 million, check here



# Forgiveness Amount Calculation

## Forgiveness Amount Calculation

Payroll and Nonpayroll Costs

Line 1. Payroll Costs (enter the amount from PPP Schedule A, line 10): \*

\$ 50,032

Enter total eligible payroll costs incurred or paid during the Covered Period or the Alternative Payroll Covered Period. To calculate these costs, complete PPP Schedule A. Enter the amount from PPP Schedule A, line 10.

Line 2. Business Mortgage Interest Payments \*

\$ 8,000

Enter the amount of business mortgage interest payments during the Covered Period for any business mortgage obligation on real or personal property incurred before February 15, 2020. Do not include prepayments.

Line 3. Business Rent or Lease Payment \*

\$ 4,000

Enter the amount of business rent or lease payments for real or personal property during the Covered Period, pursuant to lease agreements in force before February 15, 2020.

Line 4. Business Utility Payments \*

\$ 4,000

Enter the amount of business utility payments during the Covered Period, for business utilities for which service began before February 15, 2020.

# Forgiveness Amount Calculation

## Required Documentation

### Non-payroll Costs - 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** lender account statements from the months of the Covered Period through one month after the end of the Covered Period verifying interest amounts and eligible payments

## Forgiveness Amount Calculation

### Nonpayroll Costs

Nonpayroll costs (enter the amount from PPP Schedule A, line 10): \*

Nonpayroll costs incurred or paid during the Covered Period or the Alternative Payroll Covered Period. To calculate these costs, complete PPP Schedule A. Enter the amount on PPP Schedule A, line 10.

Mortgage Interest Payments \*

Amount of business mortgage interest payments during the Covered Period for any business mortgage obligation on real or personal property incurred before February 15, 2020. Do not include prepayments.

Business Rent or Lease Payment \*

Amount of business rent or lease payments for real or personal property during the Covered Period, pursuant to lease agreements in force before February 15, 2020.

Business Utility Payments \*

Amount of business utility payments during the Covered Period, for business utilities for which service began before February 15, 2020.



# Forgiveness Amount Calculation

Forgiveness Amount Calculation

Payroll and Nonpayroll Costs

Nonpayroll Costs (enter the amount from PPP Schedule A, line 10): \*

Eligible payroll costs incurred or paid during the Covered Period or the Alternative Payroll Covered Period. To calculate these costs, complete PPP Schedule A. Enter the amount from PPP Schedule A, line 10.

Business Mortgage Interest Payments \*

Amount of business mortgage interest payments during the Covered Period for any business mortgage obligation on real or personal property incurred before February 15, 2020. Do not include prepayments.

Business Rent or Lease Payment \*

Amount of business rent or lease payments for real or personal property during the Covered Period, pursuant to lease agreements in force before February 15, 2020.

Business Utility Payments \*

Amount of business utility payments during the Covered Period, for business utilities for which service began before February 15, 2020.

## Required Documentation

### Non-payroll Costs – 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** lessor account statements from the Covered Period through one month after the end of the Covered Period verifying eligible payments

# Forgiveness Amount Calculation

Forgiveness Amount Calculation

Payroll and Nonpayroll Costs

Line 1. Payroll Costs (enter the amount from PPP Schedule A, line 10): \*

\$ 50,032

Enter total eligible payroll costs incurred or paid during the Covered Period or the Alternative Payroll Covered Period. To calculate these costs, complete PPP Schedule A. Enter the amount from PPP Schedule A, line 10.

Less Mortgage Interest Payments \*

Amount of business mortgage interest payments during the Covered Period for any business mortgage obligation on real or personal property incurred before February 15, 2020. Do not include prepayments.

Less Rent or Lease Payment \*

Amount of business rent or lease payments for real or personal property during the Covered Period, pursuant to lease agreements in force before February 15, 2020.

Less Utility Payments \*

Amount of business utility payments during the Covered Period, for business utilities for which service began before February 15, 2020.

## Required Documentation

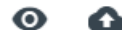
### Non-payroll Costs – Business Utility Payments

- Copy of invoices from February 2020 **and**
- Copy of invoices paid during the Covered Period **and**
- Receipts, cancelled checks or account statements verifying those eligible payments

# Upload Non-payroll Documentation

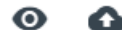
## Upload Documents

### Proof of Business Mortgage Interest Payments



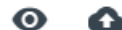
Business mortgage interest payments: Copy of lender amortization schedule and receipts or cancelled checks verifying eligible payments from the Covered Period; or lender account statements from February 2020 and the months of the Covered Period through one month after the end of the Covered Period verifying interest amounts and eligible payments.

### Proof of Business Rent or Lease Payments



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.

### Proof of Business Utilities Payments



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.

[BACK](#)[NEXT](#)

# Adjustments for Full-time Equivalent Employees and Salary Reductions

PPP Schedule A Calculation Form

Business Details Application Details Payroll Details Forgiveness Amount Calculation FTE Adjustments Potential Forgiveness Amount

Adjustments for Full-Time Equivalency (FTE) and Salary/Hourly Wage Reduction

Line 5. Total Salary/Hourly Wage Reduction (enter the amount from PPP Schedule A, line 3): \*

\$ 0

Enter the number from PPP Schedule A, line 3. This amount reflects the loan forgiveness reduction required for salary/hourly wage reductions in excess of 25% for certain employees as described in PPP Schedule A.

Line 6. Add the amounts on lines 1, 2, 3 and 4, then subtract the amount entered in line 5: \*

\$ 66,032

Add lines 1 through 4, subtract line 5, enter the total. If this amount is less than zero, enter a zero.

Line 7. FTE Reduction Quotient (enter the number from PPP Schedule A, line 13): \*

1

Enter the number from PPP Schedule A, line 13.

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# Potential Forgiveness Amount

PPP Schedule A **Calculation Form**

Business Details Application Details Payroll Details Forgiveness Amount Calculation FTE Adjustments **Potential Forgiveness Amount**

### Potential Forgiveness Amounts

Line 8. Modified Total (multiply line 6 by line 7):  
\$ 66,032

Enter the amount on line 6 multiplied by the amount on line 7. This calculation incorporates the loan forgiveness reduction required for any full-time equivalency (FTE) employee reductions as described in PPP Schedule A.

Line 9. PPP Loan Amount:  
\$ 66,000

Enter the PPP Loan Amount.

Line 10. Payroll Cost 60% Requirement (divide line 1 by 0.60):  
\$ 83,386.66

Divide the amount on line 1 by 0.60, and enter the amount. This determines whether at least 60% of the potential forgiveness amount was used for payroll costs. For more information, see Interim Final Rule on Paycheck Protection Program posted on April 2, 2020 (85 FR 20811).

### Forgiveness Amount

Line 11. Forgiveness Amount (enter the smallest of lines 8, 9 and 10):  
\$ 66,000

Enter the smallest of lines 8, 9, or 10. Note: If applicable, SBA will deduct EIDL Advance Amounts from the forgiveness amount remitted to the Lender.

**BACK** **SUBMIT**

## Hypothetical Example #2 – Full-time Equivalent Employee Reduction

### Situation

A business has three U.S. resident employees, each of whom had an annual salary of \$52,000 and one owner who had an annual salary of \$110,000. The owner decided to let go one of their employees at the beginning of the Covered Period to reduce payroll costs. The employee was not fired for cause and their position was not replaced.

Related benefit costs included in payroll costs amount to \$10,647 for the remaining employees for an eight-week Covered Period. The business received a PPP Loan of \$66,000.

# Schedule A Worksheet

**PPP Schedule A Worksheet**

**Table 1:** List employees who:

- Were employed by the Borrower at any point during the Covered Period or the Alternative Payroll Covered Period whose principal place of residence is in the United States; and
- Received compensation from the Borrower at an annualized rate of less than or equal to \$100,000 for all pay periods in 2019 or were not employed by the Borrower at any point in 2019.

Employee's Name	Employee Identifier	Cash Compensation	Average FTE	Salary / Hourly Wage Reduction
Employee One	1111	8000	1	0
Employee Two	2222	8000	1	0
Employee Three	3333	0	0	0
<b>FTE Reduction Exceptions:</b>				
<b>Totals:</b>		<b>Box 1 16</b>	<b>Box 2 2</b>	<b>Box 3 0</b>

**Table 2:** List employees who:

- Were employed by the Borrower at any point during the Covered Period or the Alternative Payroll Covered Period whose principal place of residence is in the United States; and
- Received compensation from the Borrower at an annualized rate of more than \$100,000 for any pay period in 2019.

Employee's Name	Employee Identifier	Cash Compensation	Average FTE
<b>Totals:</b>		<b>Box 4</b>	<b>Box 5</b>

Attach additional tables if additional rows are needed.

**FTE Reduction Safe Harbor 2:**

- Step 1. Enter the borrower's total average FTE between February 15, 2020 and April 26, 2020. Follow the same method that was used to calculate Average FTE in the PPP Schedule A Worksheet Tables. Sum across all employees and enter: 3
- Step 2. Enter the borrower's total FTE in the Borrower's pay period inclusive of February 15, 2020. Follow the same method that was used in step 1: 3
- Step 3. If the entry for step 2 is greater than step 1, proceed to step 4. Otherwise, FTE Reduction Safe Harbor 2 is not applicable and the Borrower must complete line 13 of PPP Schedule A by dividing line 12 by line 11 of that schedule.
- Step 4. Enter the borrower's total FTE as of the earlier of December 31, 2020, and the date this application is submitted: 2
- Step 5. If the entry for step 4 is greater than or equal to step 2, enter 1.0 on line 13 of PPP Schedule A; the FTE Reduction Safe Harbor 2 has been satisfied. Otherwise, FTE Reduction Safe Harbor 2 does not apply and the Borrower must complete line 13 of PPP Schedule A by dividing line 12 by line 11 of that schedule.

# Schedule A – Table 1

PPP Schedule A Worksheet, Table 1 Totals

Line 1. Enter Cash Compensation (Box 1) from PPP Schedule A Worksheet, Table 1: \*

\$ 16,000

Line 2. Enter Average FTE (Box 2) from PPP Schedule A Worksheet, Table 1: \*

2



Table 1: If the average annual salary or hourly wage for each employee listed on the PPP Schedule A Worksheet, Table 1 during the Covered Period or the Alternative Payroll Covered Period was at least 75% of such employee's average annual salary or hourly wage between January 1, 2020 and March 31, 2020, check here and enter 0 on line 3

☒



Line 3. Enter Salary/Hourly Wage Reduction (Box 3) from PPP Schedule A Worksheet \*

\$ 0

Upload Documents

Bank Account Statements  

Bank account statements documenting the amount of cash compensation paid to employees.

Tax Forms (Proof of Payroll)  

Tax forms (or equivalent third-party payroll service provider reports) for the periods that overlap with the Covered Period or the Alternative Payroll Covered Period: Payroll tax filings reported, or that will be reported, to the IRS (typically, Form 941); and State quarterly business and individual employee wage reporting and unemployment insurance tax filings reported, or that will be reported, to the relevant state.

NEXT



# Borrower Expense

PPP Schedule A   Calculation Form   Demographic Details   Apply For Forgiveness

Payroll Details Table1   Payroll Details Table2   **Borrower Expense**   Compensation To Owners   FTE Reduction Calculation

Non-Cash Compensation Payroll Costs During the Covered Period or the Alternative Payroll Covered Period

Line 6. Total amount paid by Borrower for employer contributions for employee health insurance: \*

\$ 8,000

Enter the total amount paid by the Borrower for employer contributions for employee health insurance, including employer contributions to a self-insured, employer-sponsored group health plan, but excluding any pre-tax or after tax contributions by employees.

Line 7. Total amount paid by Borrower for employer contributions to employee retirement plans: \*

\$ 2,000

Enter the total amount paid by the Borrower for employer contributions to employee retirement plans, excluding any pre-tax or after-tax contributions by employees.

Line 8. Total amount paid by Borrower for employer state and local taxes assessed on employee compensation: \*

\$ 647

Enter the total amount paid by the Borrower for employer state and local taxes assessed on employee compensation (e.g., state unemployment insurance tax); do not list any taxes withheld from employee earnings.

Upload Documents

Proof of Employer Contributions to Insurance and Retirement Plans

Payment receipts, cancelled checks, or account statements documenting the amount of any employer contributions to employee health insurance and retirement plans.

BACK   NEXT

# FTE Reduction Calculation

### Full-Time Equivalency (FTE) Reduction Calculation

If you satisfy any of the following three criteria, check the appropriate box, skip lines 11 and 12, and enter 1.0 on line 13; otherwise, complete lines 11, 12, and 13:

☐ No reduction in employees or average paid hours: If you have not reduced the number of employees or the average paid hours of your employees between January 1, 2020 and the end of the Covered Period, check here

☐ FTE Reduction Safe Harbor 1: If you were 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, 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 for sanitation, social distancing, or any other worker or customer safety requirement related to COVID-19, check here

☐ FTE Reduction Safe Harbor 2: If you satisfy FTE Reduction Safe Harbor 2 (see PPP Schedule A Worksheet), check here

Line 11. Average FTE during the Borrower's chosen reference period \*

Enter the Borrower's total average weekly full-time equivalency (FTE) during the chosen reference period. For purposes of this calculation, the reference period is, at the Borrower's election, either (i) February 15, 2019 to June 30, 2019; (ii) January 1, 2020 to February 29, 2020; or (iii) in the case of seasonal employers, either of the preceding periods or a consecutive twelve-week period between May 1, 2019 and September 15, 2019. For each employee, follow the same method that was used to calculate Average FTE on the PPP Schedule A Worksheet. Sum across all employees during the reference period and enter that total on this line.

Line 12. Total Average FTE (add lines 2 and 5) \*

Add lines 2 and 5.

Line 13. FTE Reduction Quotient : \*

Divide line 12 by line 11 or enter 1.0 if any of the above criteria are met

# Forgiveness Amount Calculation

PPP Schedule A   **Calculation Form**   Demographic Details   Apply For Forgiveness

Business Details   Application Details   Payroll Details   **Forgiveness Amount Calculation**   FTE Adjustments   Potential Forgiveness Amount

### Forgiveness Amount Calculation

Payroll and Nonpayroll Costs

Line 1. Payroll Costs (enter the amount from PPP Schedule A, line 10): \*

\$ 50,032

Enter total eligible payroll costs incurred or paid during the Covered Period or the Alternative Payroll Covered Period. To calculate these costs, complete PPP Schedule A. Enter the amount from PPP Schedule A, line 10.

Line 2. Business Mortgage Interest Payments \*

\$ 8,000

Enter the amount of business mortgage interest payments during the Covered Period for any business mortgage obligation on real or personal property incurred before February 15, 2020. Do not include prepayments.

Line 3. Business Rent or Lease Payment \*

\$ 4,000

Enter the amount of business rent or lease payments for real or personal property during the Covered Period, pursuant to lease agreements in force before February 15, 2020.

Line 4. Business Utility Payments \*

\$ 4,000

Enter the amount of business utility payments during the Covered Period, for business utilities for which service began before February 15, 2020.

# FTE Adjustments

PPP Schedule A   **Calculation Form**   Demographic Details   Apply For Forgiveness

✓   ✓   ✓   ✓   **5**   6

Business Details   Application Details   Payroll Details   Forgiveness Amount Calculation   **FTE Adjustments**   Potential Forgiveness Amount

### Adjustments for Full-Time Equivalency (FTE) and Salary/Hourly Wage Reduction

Line 5. Total Salary/Hourly Wage Reduction (enter the amount from PPP Schedule A, line 3): \*

\$ 0

Enter the number from PPP Schedule A, line 3. This amount reflects the loan forgiveness reduction required for salary/hourly wage reductions in excess of 25% for certain employees as described in PPP Schedule A.

Line 6. Add the amounts on lines 1, 2, 3 and 4, then subtract the amount entered in line 5: \*

\$ 66,032

Add lines 1 through 4, subtract line 5, enter the total. If this amount is less than zero, enter a zero.

Line 7. FTE Reduction Quotient (enter the number from PPP Schedule A, line 13): \*

0.67

Enter the number from PPP Schedule A, line 13.

BACK   NEXT

# Potential Forgiveness Amount

PPP Schedule A   **Calculation Form**   Demographic Details   Apply For Forgiveness

Business Details   Application Details   Payroll Details   Forgiveness Amount Calculation   FTE Adjustments   **6** Potential Forgiveness Amount

### Potential Forgiveness Amounts

Line 8. Modified Total (multiply line 6 by line 7):  
\$ 38,881.44  
Enter the amount on line 6 multiplied by the amount on line 7. This calculation incorporates the loan forgiveness reduction required for any full-time equivalency (FTE) employee reductions as described in PPP Schedule A.

Line 9. PPP Loan Amount:  
\$ 66,000  
Enter the PPP Loan Amount.

Line 10. Payroll Cost 60% Requirement (divide line 1 by 0.60):  
\$ 70,053.33  
Divide the amount on line 1 by 0.60, and enter the amount. This determines whether at least 60% of the potential forgiveness amount was used for payroll costs. For more information, see Interim Final Rule on Paycheck Protection Program posted on April 2, 2020 (85 FR 20811).

Forgiveness Amount

Line 11. Forgiveness Amount (enter the smallest of lines 8, 9 and 10):  
\$ 38,881.44  
Enter the smallest of lines 8, 9, or 10. Note: If applicable, SBA will deduct EIDL Advance Amounts from the forgiveness amount remitted to the Lender.

**BACK**   **SUBMIT**

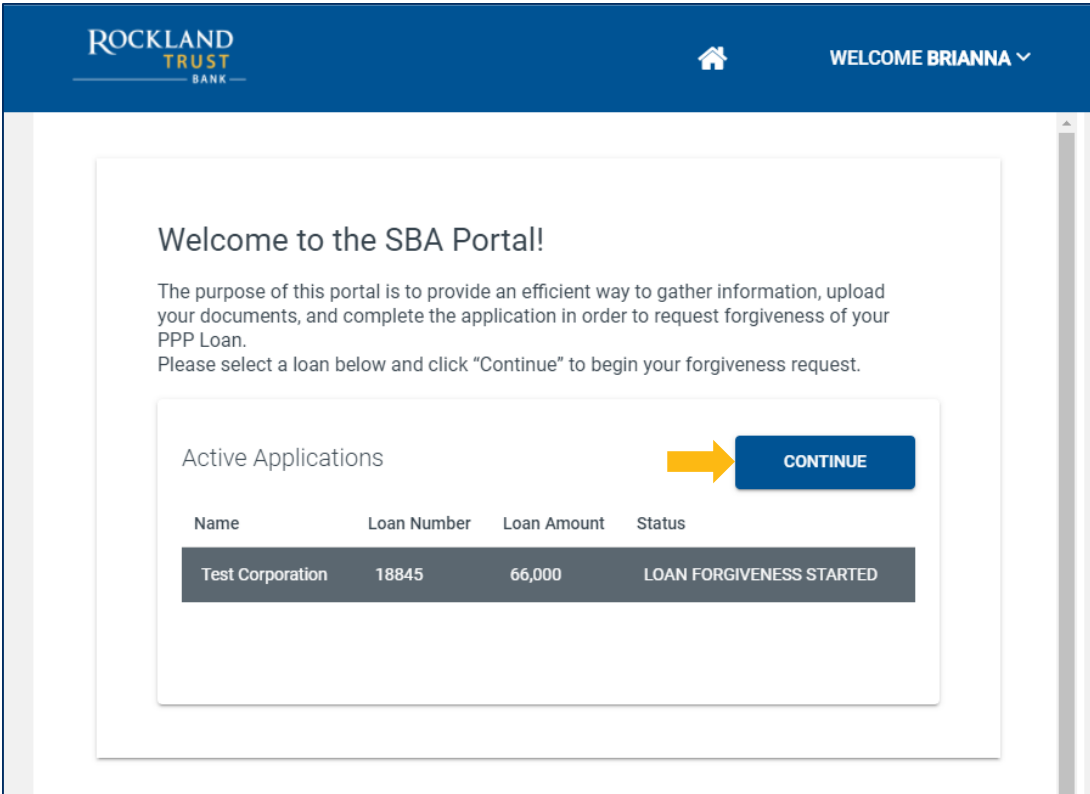
## Hypothetical Example #3 – Full-time Equivalent Employee Reduction with Safe Harbor

### Situation

A business has three U.S. resident employees, each of whom had an annual salary of \$52,000 and one owner who had an annual salary of \$110,000. One employee resigned on their own merit at the beginning of the Covered Period. The employee's position was not replaced because the employer could not find another similarly qualified employee by the end of the Covered Period.

Related benefit costs included in payroll costs amount to \$10,647 for the remaining employees for an eight-week Covered Period. The business received a PPP Loan of \$66,000.

# Welcome to SBA Portal



**ROCKLAND TRUST BANK**

WELCOME BRIANNA

## Welcome to the SBA Portal!

The purpose of this portal is to provide an efficient way to gather information, upload your documents, and complete the application in order to request forgiveness of your PPP Loan.  
Please select a loan below and click "Continue" to begin your forgiveness request.

Active Applications

Name	Loan Number	Loan Amount	Status
Test Corporation	18845	66,000	LOAN FORGIVENESS STARTED

[CONTINUE](#)

## Select EZ Form Criteria

You (the Borrower) can apply for forgiveness of your Paycheck Protection Program (PPP) loan using the SBA Form 3508EZ if you can check at least one of the three boxes below.

☐ The Borrower is a self-employed individual, independent contractor, or sole proprietor who had no employees at the time of the PPP loan application and did not include any employee salaries in the computation of average monthly payroll in the Borrower Application Form (SBA Form 2483).

☒ The Borrower did not reduce annual salary or hourly wages of any employee by more than 25 percent during the Covered Period or the Alternative Payroll Covered Period (as defined below) compared to the period between January 1, 2020 and March 31, 2020 (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. 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 or the Alternative Payroll Covered Period (as defined below) compared to the period between January 1, 2020 and March 31, 2020 (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 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.

[CONTINUE](#)



## You Qualify for the EZ Form

You have qualified to use the SBA 3508EZ form to submit your request for forgiveness.

If you do not have a copy of the SBA form 3508EZ you can download it [Here](#) and download the instructions [Here](#).

1. Download the form and instructions
2. Enter the data into the Loan Forgiveness Calculation form in the Portal
3. Review all information for accuracy and forgiveness amount
4. Submit for review



**CONTINUE**

# Business Information

### Calculation Form

1

2

3

4

5

Business DetailsApplication DetailsPayroll DetailsForgiveness Amount CalculationPotential Forgiveness Amounts

#### PPP Loan Forgiveness Calculation Form

Please use the SBA Form 3508EZ to complete the fields below. If you do not have a copy of SBA Form 3508EZ, you can [download it here](#)

Business Legal Name ("Borrower")

Test Corporation

Enter the same information as on your Borrower Application Form.

DBA or Tradename, if applicable

Enter the same information as on your Borrower Application Form, unless there has been a change in address or contact information.

Business Address

45 Town Road

Business City






Gainesville

Business State

Florida

# Application Details

Calculation Form

1  2  3  4  5 

Business Details Application Details Payroll Details Forgiveness Amount Calculation Potential Forgiveness Amounts

SBA PPP Loan Number

18845

Enter the loan number assigned by SBA at the time of loan approval. Request this number from the Lender if necessary.

Lender PPP Loan Number

84858

Enter the loan number assigned to the PPP loan by the Lender.

PPP Loan Amount

\$ 66,000

Enter the disbursed principal amount of the PPP loan (the total loan amount you received from the Lender).

PPP Loan Disbursement Date \*

04/27/2020


Enter the date that you received the PPP loan proceeds from the Lender. If loan proceeds were received on more than one date, enter the first date on which you received PPP loan proceeds.

# Application Details

Total Number of Employees

3

Enter the total number of employees at the time of the Borrower's PPP Loan Application.



Number of Employees at the time of Forgiveness Application \*

Enter the total number of employees at the time the Borrower is applying for loan forgiveness.

EIDL Advance Amount

\$ 0

If the Borrower received an Economic Injury Disaster Loan (EIDL) advance, enter the amount.

EIDL Application Number (must be 10 digits, numeric only)

If the Borrower applied for an EIDL, enter the Borrower's EIDL Application Number

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# Application Details

Total Number of Employees

3

Enter the total number of employees at the time of the Borrower's PPP Loan Application.

Number of Employees at the time of Forgiveness Application \*

2

Enter the total number of employees at the time the Borrower is applying for loan forgiveness.

EIDL Advance Amount

\$ 0

If the Borrower received an Economic Injury Disaster Loan (EIDL) advance, enter the amount.

EIDL Application Number (must be 10 digits, numeric only)

If the Borrower applied for an EIDL, enter the Borrower's EIDL Application Number

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# Calculate Forgiveness


Calculation Form


Progress: 1. Business Details (✓) 2. Application Details (✓) 3. Payroll Details (✓) 4. Forgiveness Amount Calculation (4) 5. Potential Forgiveness Amounts (5)


### Forgiveness Amount Calculation

Payroll and Nonpayroll Costs

Line 1. Payroll Costs : \*  \$ 42,032

Line 2. Business Mortgage Interest Payments \*  \$ 8,000



Line 3. Business Rent or Lease Payment \*  \$ 4,000

Line 4. Business Utility Payments: \*  \$ 4,000

# Upload Documents



## Upload Documents

Bank Account Statements





Bank account statements documenting the amount of cash compensation paid to employees.

Tax Forms (Proof of Payroll)





Tax forms (or equivalent third-party payroll service provider reports) for the periods that overlap with the Covered Period or the Alternative Payroll Covered Period: Payroll tax filings reported, or that will be reported, to the IRS (typically, Form 941); and State quarterly business and individual employee wage reporting and unemployment insurance tax filings reported, or that will be reported, to the relevant state.

Proof of Business Mortgage Interest Payments





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.

Proof of Business Rent or Lease Payments




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.

Proof of Business Utilities Payments



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.

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NEXT

# Potential Forgiveness Amount

✓

✓

✓

✓

5

Business DetailsApplication DetailsPayroll DetailsForgiveness Amount CalculationPotential Forgiveness Amounts

Potential Forgiveness Amounts

Line 5. Add the amounts on lines 1, 2, 3, and 4: \*  
\$ 58,032

Line 6. PPP Loan Amount: \*  
\$ 66,000

Line 7. Payroll Cost 60% Requirement (divide Line 1 by 0.60): \*  
\$ 70,053.33

Forgiveness Amount

Line 8. Forgiveness Amount (enter the smallest of Lines 5, 6, and 7): \*  
\$ 58,032

BACKSUBMIT



## Hypothetical Example #4 – Payroll Costs only

### Situation

A business has five U.S. resident employees, each of whom had an annual salary of \$52,000 and two owners each with an annual salary of \$110,000.

Related benefit costs included in payroll costs amount to \$20,500 for the employees for a 24-week Covered Period. The business received a PPP Loan of \$108,461.54.

## EZ Form Criteria

You (the Borrower) can apply for forgiveness of your Paycheck Protection Program (PPP) loan using the SBA Form 3508EZ if you can check at least one of the three boxes below.

☐ The Borrower is a self-employed individual, independent contractor, or sole proprietor who had no employees at the time of the PPP loan application and did not include any employee salaries in the computation of average monthly payroll in the Borrower Application Form (SBA Form 2483).

☒ The Borrower did not reduce annual salary or hourly wages of any employee by more than 25 percent during the Covered Period or the Alternative Payroll Covered Period (as defined below) compared to the period between January 1, 2020 and March 31, 2020 (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. 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 or the Alternative Payroll Covered Period (as defined below) compared to the period between January 1, 2020 and March 31, 2020 (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 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.

[CONTINUE](#)

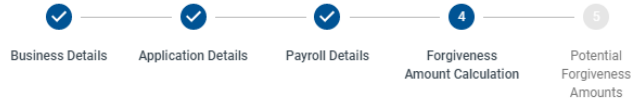
# Calculation Form

## Payroll Costs

Since payroll costs to employees during the Covered Period will be greater than the original loan amount, the Borrower only included employee compensation for the 24-week Covered Period in their forgiveness request

$\$52,000 / 52 \text{ weeks} = \$1,000$ ;  
 $\$1,000 \text{ for } 24 \text{ weeks for } 5 \text{ employees} = \$120,000$

### Calculation Form



#### Forgiveness Amount Calculation

##### Payroll and Nonpayroll Costs

Line 1. Payroll Costs: \*

\$ 120,000

Line 2. Business Mortgage Interest Payments \*

\$ 0

Line 3. Business Rent or Lease Payment \*

\$ 0

Line 4. Business Utility Payments: \*

\$ 0

# Potential Forgiveness Amount

Calculation Form

Progress: 1. Business Details ✓ 2. Application Details ✓ 3. Payroll Details ✓ 4. Forgiveness Amount Calculation ✓ 5. Potential Forgiveness Amounts

Potential Forgiveness Amounts

Line 5. Add the amounts on lines 1, 2, 3, and 4: \*

\$ 120,000

Line 6. PPP Loan Amount: \*

\$ 108,461

Line 7. Payroll Cost 60% Requirement (divide Line 1 by 0.60): \*

\$ 200,000

Forgiveness Amount

Line 8. Forgiveness Amount (enter the smallest of Lines 5, 6, and 7): \*

\$ 108,461

BACK SUBMIT

## Hypothetical Example #5 – Sole Proprietor

### Situation

A Sole Proprietor received a PPP loan of \$19,230.76. The Borrower decided to extend their Covered Period to 24 weeks, but exhausted all funds at 15 weeks. The Sole Proprietor also personally owns the office in which the business operates, and the business pays the owner \$6,000 each month for rent. The Sole Proprietor had a net profit of \$100,000 in 2019.

The owner's underlying mortgage interest payment is \$2,000 monthly. The Borrower also has a vehicle loan with monthly interest costs of \$1,000.

## EZ Form Criteria

You (the Borrower) can apply for forgiveness of your Paycheck Protection Program (PPP) loan using the SBA Form 3508EZ if you can check at least one of the three boxes below.

☒ The Borrower is a self-employed individual, independent contractor, or sole proprietor who had no employees at the time of the PPP loan application and did not include any employee salaries in the computation of average monthly payroll in the Borrower Application Form (SBA Form 2483).

☐ The Borrower did not reduce annual salary or hourly wages of any employee by more than 25 percent during the Covered Period or the Alternative Payroll Covered Period (as defined below) compared to the period between January 1, 2020 and March 31, 2020 (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. 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 or the Alternative Payroll Covered Period (as defined below) compared to the period between January 1, 2020 and March 31, 2020 (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 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.

[CONTINUE](#)

# Business Information

Calculation Form

1 2 3 4 5

Business Details Application Details Payroll Details Forgiveness Amount Calculation Potential Forgiveness Amounts

SBA PPP Loan Number

18845

Enter the loan number assigned by SBA at the time of loan approval. Request this number from the Lender if necessary.

Lender PPP Loan Number

84858

Enter the loan number assigned to the PPP loan by the Lender.

PPP Loan Amount

\$ 19,230.76

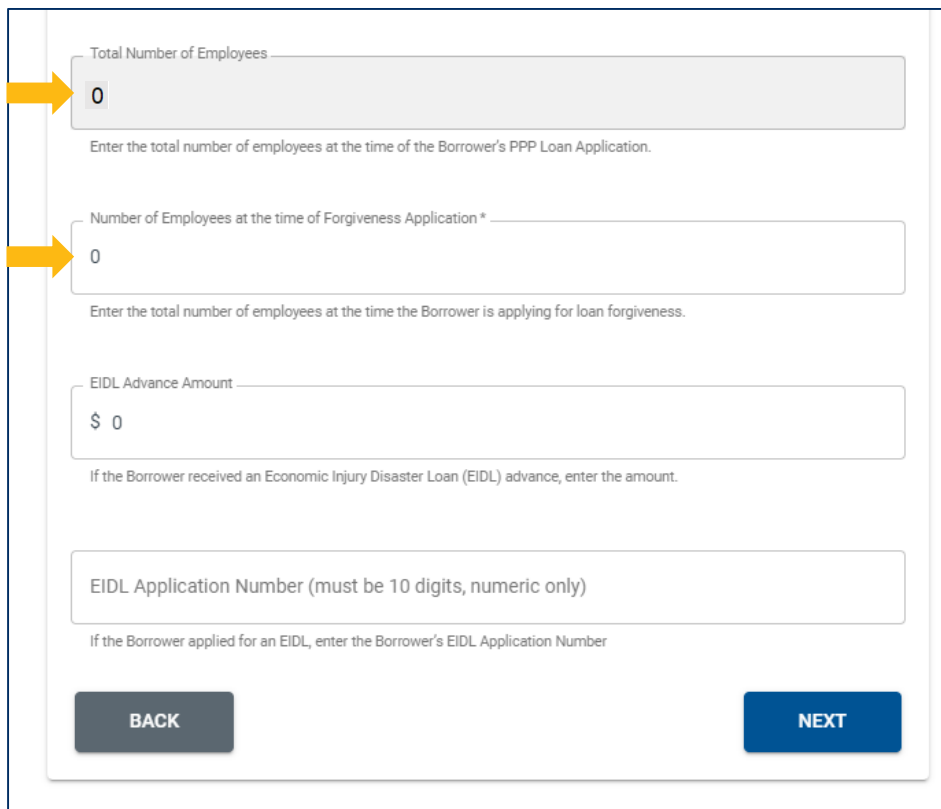
Enter the disbursed principal amount of the PPP loan (the total loan amount you received from the Lender).

PPP Loan Disbursement Date \*

04/27/2020

Enter the date that you received the PPP loan proceeds from the Lender. If loan proceeds were received on more than one date, enter the first date on which you received PPP loan proceeds.

## Business Information



Total Number of Employees \_\_\_\_\_

0

Enter the total number of employees at the time of the Borrower's PPP Loan Application.

Number of Employees at the time of Forgiveness Application \* \_\_\_\_\_

0

Enter the total number of employees at the time the Borrower is applying for loan forgiveness.

EIDL Advance Amount \_\_\_\_\_

\$ 0

If the Borrower received an Economic Injury Disaster Loan (EIDL) advance, enter the amount.

EIDL Application Number (must be 10 digits, numeric only)

If the Borrower applied for an EIDL, enter the Borrower's EIDL Application Number

**BACK** **NEXT**



# Payroll Information

Payroll Schedule (The frequency with which the payroll is paid to employee is) \*

☐ Weekly

☒ Biweekly (every other week)

☐ Twice a month

☐ Monthly

☐ Other

Select the box that corresponds to your payroll schedule.

Covered Period \*

☐ 8 Weeks

☒ 24 Weeks

Covered Period Start

04/27/2020

Alternative Covered Period Start

mm/dd/yyyy

Enter a valid date in the format (mm/dd/yyyy)

☐ If Borrower (together with affiliates, if applicable) received PPP loans in excess of \$2 million, check here

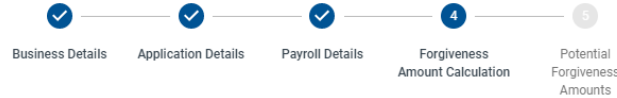
# Forgiveness Amount Calculation

## Required Documentation

### Owner Compensation:

- Bank account payments or third-party payroll service provider reports documenting the amount of cash compensation paid during the Covered Period
- Documentation supporting 2019 owner compensation to support the appropriate amount of owner compensation
- For a 24-week period, owner compensation is capped at \$20,833 for each individual or the 2.5 month equivalent of their compensation in 2019, whichever is lower
- For an eight-week period, this amount is capped at 8/52 of 2019 compensation (up to \$15,385)

#### Calculation Form



#### Forgiveness Amount Calculation

##### Payroll and Nonpayroll Costs

Line 1. Payroll Costs : *	\$ 20,833
Line 2. Business Mortgage Interest Payments *	\$ 2,000
Line 3. Business Rent or Lease Payment *	\$ 4,000
Line 4. Business Utility Payments: *	\$ 0

# Forgiveness Amount Calculation

Calculation Form

Progress: 1. Business Details (✓) 2. Application Details (✓) 3. Payroll Details (✓) 4. Forgiveness Amount Calculation (4) 5. Potential Forgiveness Amounts (5)

### Forgiveness Amount Calculation

Payroll and Nonpayroll Costs

Line 1. Payroll Costs : \*  
\$ 20,833

Line 2. Business Mortgage Interest Payments \*  
\$ 2,000

Line 3. Business Rent or Lease Payment \*  
\$ 4,000

Line 4. Business Utility Payments: \*  
\$ 0

**Mortgage Interest:**

The Borrower has a vehicle loan and the interest on this loan is \$1,000 monthly, which is an includable expense

# Forgiveness Amount Calculation

## Related Party Leases:

Per SBA guidance, rent and lease payments to businesses with any common ownership are eligible for loan forgiveness, but the amount of the loan forgiveness is limited to no more than the amount of mortgage interest paid on the property during the Covered Period that is attributable to the space being rented

In this example, the underlying interest on the building paid by the owner was \$2,000 per month, so the borrower is only entitled to claim \$2,000 per month for rent

Calculation Form

Progress: 1. Business Details ✓ 2. Application Details ✓ 3. Payroll Details ✓ 4. Forgiveness Amount Calculation 5. Potential Forgiveness Amounts

### Forgiveness Amount Calculation

Payroll and Nonpayroll Costs

Line 1. Payroll Costs : \*  
\$ 20,833

Line 2. Business Mortgage Interest Payments \*  
\$ 2,000

Line 3. Business Rent or Lease Payment \*  
\$ 4,000

Line 4. Business Utility Payments: \*  
\$ 0

# Potential Forgiveness Amount

✓

✓

✓

✓

5

Business Details

Application Details

Payroll Details

Forgiveness Amount Calculation

Potential Forgiveness Amounts

Potential Forgiveness Amounts

Line 5. Add the amounts on lines 1, 2, 3, and 4: \*

\$ 26,833

Line 6. PPP Loan Amount: \*

\$ 19,230.76

Line 7. Payroll Cost 60% Requirement (divide Line 1 by 0.60): \*

\$ 34,721.66

Forgiveness Amount

Line 8. Forgiveness Amount (enter the smallest of Lines 5, 6, and 7): \*

\$ 19,230.76

BACK

SUBMIT



# Questions

# Thank you.

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