

Paycheck Protection Program

Guide to Getting Organized Checklist

This Checklist is intended to be used in conjunction with the Organizer to assist you in gathering the necessary documents for your PPP Loan Forgiveness Application. We recommend reviewing the Organizer prior to gathering the necessary documents; and encourage you to begin gathering the required documentation and filling out Form 3508, Form 3508EZ or Form 3508S prior to entering the Portal. We recommend that you consult with your CPA prior to filing your forgiveness application.

The Checklist and accompanying notes are subject to change and are intended to help you in gathering the documents that are required when submitting your forgiveness application. Please refer to the respective application that you are filing and corresponding instructions for complete submission details. The SBA may request additional information as a part of its loan review process.

For 3508S Second Draw applicants: documentation verifying a 25% or greater decrease in period over period gross receipts/revenue must be submitted.

DOCUMENTS TO SUBMIT/UPLOAD	3508 Line (2)	3508 Sch A Line	3508 EZ Line (2)	3508 S (3)	Doc Note	WTB PORTAL - DOCS TO SUBMIT	
						Subcategory (Dropdown)	Uploaded to Portal
Payroll Costs (1)	1						
Payroll		1, 4	1		A	Cash Comp	
Employer Contributions - Health Insurance		6	1		C	Health Insurance	
Employer Contributions - Retirement		7	1		C	Retirement	
State and Local Taxes Paid		8	1		B	State/Local Taxes	
Owner Compensation		9	1		D	Comp to Owners	
Average FTE		2, 5			B	Covered Period	
Nonpayroll (1)							
Business Mortgage Interest	2		2		E	Mortgage Interest	
Rent/Lease Payments	3		3		F	Rent/Lease	
Utility Payments	4		4		G	Utilities	
Covered Operations Expenditures	5		5		H	Other	
Covered Property Damage Costs	6		6		I	Other	
Covered Supplier Costs	7		7		J	Other	
Covered Worker Protection Expenditures	8		8		K	Other	
FTE Calculation - Reference Period for 3508 filers		11			L	Reference Period	
3508EZ Criteria 2 (if applicable)					M	Reference Period	
25% Revenue Reduction - 3508S Second Draw (3)					N	Other	

- (1) It is highly recommended that payroll and nonpayroll expenses be uploaded by subcategories listed above. When organizing files, a coverage itemizing all expenses within each subcategory should be included with the supporting documents that are submitted to Washington Trust Bank.
- (2) For Lines 2 through 8 of Form 3508 and Form 3508EZ, you are not required to report payments that you do not want to include in the forgiveness amount.
- (3) **Borrowers filing Form 3508S:**
 - First Draw: No supporting documentation required.
 - Second Draw: Documentation verifying a 25% or greater decrease in period over period gross receipts/revenue must be submitted.

NOTES TO DOCUMENTATION THAT MUST BE SUBMITTED (FORM 3508S FILERS MUST MAINTAIN ALL APPLICABLE DOCUMENTS LISTED BELOW) (1):

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

- A Payroll/Cash Compensation:** Bank account statements or third-party payroll service provider reports documenting the amount of cash compensation paid to employee
- B FTE:** Tax forms (or equivalent third-party payroll service provider reports) for the periods that overlap with the Covered Period. If using a 3rd party payroll provider, please upload a document stating that the company uses a 3rd party payroll provider and does not file 941's.
 - i. Payroll tax filings reported, or that will be reported, to the IRS (typically, Form 941); and
 - ii. State quarterly business and individual employee wage reporting and unemployment insurance tax filings reported, or that will be reported, to the relevant state
- C Employee Benefits (Health Insurance/Retirement):** Payment receipts, cancelled checks or account statements documenting the amount of any employer contributions to employee group health, life, disability, vision or dental insurance and retirement plans that the Borrower included in the loan forgiveness amount.
- D Owner Compensation:** If more than one individual is included on Line 9 of Form 3508 Schedule A, upload a separate table that lists the names and payments to each owner. Note that compensation for each individual owner is capped at \$20,833 in total across all businesses.

E-K Non-payroll: For Notes E - G, documentation verifying existence of the obligations/services prior to February 15, 2020 (i.e. account statement(s) from February 2020) and, for all categories, eligible payments from the Covered Period.

- E Mortgage Interest Payments:**
 - i. Copy of lender amortization schedule and receipts or cancelled checks verifying eligible payments from the Covered Period; or
 - ii. 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.
- F Rent/Lease Payments:** Note that rents paid to affiliated entities not allowed.
 - i. Copy of current lease agreement and receipts or cancelled checks verifying eligible payments from the Covered Period; or
 - ii. Lessor account statements from February 2020 and from the Covered Period through one month after the end of the Covered Period verifying eligible payments.
- G Utility Payments:** Copy of invoices from February 2020 and those paid during the Covered Period and receipts, cancelled checks or account statements verifying
- H Covered Operations Expenditures:** Copy of invoices, orders, or purchase orders paid during the Covered Period and receipts, cancelled checks, or account statements verifying those eligible payments.
- I Covered Property Damage Costs:** Copy of invoices, orders or purchase orders paid during the Covered Period and receipts, cancelled checks or account statements verifying those eligible payments, and documentation that the costs were related to property damage and vandalism or looting due to public disturbances that during 2020 and such costs were not covered by insurance or other compensation.
- J Covered Supplier Costs:** Copy of contracts, orders or purchase orders in effect at any time before the Covered Period (except for perishable goods), copy of invoices, orders or purchase orders paid during the Covered Period and receipts, cancelled checks or account statements verifying those eligible payments.
- K Covered Worker Protection Expenditures:** Copy of invoices, orders or purchase orders paid during the Covered Period and receipts, cancelled checks or account statements verifying those eligible payments, and documentation that the expenditures were used by the Borrower to comply with the applicable COVID-19

L-M FTE Calculation

- L Form 3508 Reference Period (NOT APPLICABLE IF YOU SATISFIED AND CHECKED ANY ONE OF THE THREE FTE REDUCTION CALCULATION CRITERIAS LOCATED ON PAGE 3 OF FORM 3508 SCHEDULE A):** At the election of the Borrower, documentation showing one of the following time periods. For the selected time period must be the same time period selected for purposes of completing PPP Schedule A, line 11. Documents may include 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. Documents submitted may cover periods longer than the specific time period.
 - i. The average number of FTE employees on payroll per week employed by the Borrower between February 15, 2019 and June 30, 2019;
 - ii. The average number of FTE employees on payroll per week employed by the Borrower between January 1, 2020 and February 29, 2020; or
 - iii. 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 February 15, 2019 and February 15, 2020.
- M Form 3508EZ:** If you checked **ONLY** the second box of the checklist on page 1 of Form 3508EZ Instructions, documents verifying the average number of full-time equivalent employees on payroll employed by the Borrower on January 1, 2020 and at the end of the Covered Period need to be submitted.
- N** Documentation corroborating that an entity sustained at least a 25% reduction in gross receipts include the following.
 - i. Quarterly financial statements for the entity; signed and dated by the applicant;
 - ii. Quarterly or monthly bank statements for the entity showing deposits for the relevant quarter; or
 - iii. If using an annual reference period, annual IRS income tax filings of the entity.
 - iv. For more detail, please reference the Second Draw FAQ's

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NOTES TO DOCUMENTATION THAT MUST BE MAINTAINED (1):

APPLICABLE TO ALL FORMS: The Borrower must retain all such documentation in its files for six years after the date the loan is forgiven or repaid in full, and permit authorized representatives of SBA, including representatives of its Office of Inspector General, to access such files upon request. The Borrower must provide documentation independently to a lender to satisfy relevant Federal, State, local or other statutory or regulatory requirements or in connection with an SBA loan review or audit.

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

3508 3508 3508 FOR PPP LOANS THAT ARE \$2.00MM OR MORE OR RANDOMLY SELECTED BY THE SBA FOR REVIEW, BELOW ARE ITEMS THAT WILL NEED TO BE SUBMITTED. THE SBA MAY REQUEST ADDITIONAL DOCUMENTATION NOT LISTED BELOW.

- X **Schedule A Worksheet**
- X **Schedule A Worksheet Table 1:** Documentation supporting the listing of each individual employee in PPP Schedule A Worksheet, Table 1, including the Salary/Hourly Wage Reduction calculation, if necessary.
- X **Schedule A Worksheet Table 2:** 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.
- X X X **Salary/Hourly Wage Reduction:** Borrower must complete the calculation only for employees whose salaries or hourly wages were reduced by more than 25% during the applicable Covered Period as compared to the most recent full quarter before the applicable Covered Period. For most First Draw applicants, the most recent full quarter before the applicable Covered Period will be January 1, 2020 through March 31, 2020. Documentation must include payroll records that separately list each employee and show the amounts paid to each employee during the most recent full quarter before the applicable Covered Period, and the amounts paid to each employee during the applicable Covered Period.
- X X X **FTE Reduction Exceptions:** 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 (i) December 31, 2020 for a PPP loan made before December 27, 2020 or (ii) the last day of the Covered Period for a PPP loan made after December 27, 2020.
- X X **FTE Certification:** Documentation supporting the certification, if applicable, that the Borrower did not reduce the number of employees or the average paid hours of employees between January 1, 2020 and the end of the Covered Period, other than any reductions that arose from an inability to rehire individuals who were employees on February 15, 2020, if the Borrower was unable to hire similarly qualified employees for unfilled positions on or before December 31, 2020 (or, for a PPP loan made after December 27, 2020, the last day of the Covered Period). This documentation must include payroll records that separately list each employee and show the amounts paid
- X X X **FTE Reduction Safe Harbor 1 (Public Operating Restrictions):** Documentation supporting the certification, if applicable, that the Borrower was unable to operate between February 15, 2020, and the end of the Covered Period at the same level of business activity as before February 15, 2020 due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020 (or, for a PPP loan made after December 27, 2020, requirements established or guidance issued between March 1, 2020 and the last day of the Covered Period) by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration, related to the maintenance of standards of sanitation, social distancing, or any other work or customer safety requirement related to COVID-19. This documentation must include copies of the applicable requirements for each borrower location and relevant borrower financial records.
- X **FTE Reduction Safe Harbor 2:** Documentation showing (a) reduction in FTE employee levels in the period beginning February 15, 2020, and ending April 26, 2020; and (b) the Borrower then restored its FTE employee levels to its FTE employee levels in the Borrower's pay period that included February 15, 2020 by not later than (i) December 31, 2020, for a PPP loan made before December 27, 2020, or (ii) the last day of the Covered Period, for a PPP loan made after December 27, 2020.

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