

SBA Paycheck Protection Program and Loan Forgiveness

UPDATED AUG 24, 2020

The Small Business Administration (SBA) has released two application forms, [Form 3508](#) and [Form 3508EZ](#), relating to loan forgiveness for the Paycheck Protection Program (PPP). While it's important to understand the required information within the SBA forms, you will not need to fill these out ahead of time. The required information will be entered directly into Bank of Hawaii's loan forgiveness online application form.

If you aren't sure which form applies to you, read through the instructions for both options to help you make the determination. The information below is subject to change at any time and may not address all applicable situations. Refer to [instructions for Form 3805](#) or the [instructions for Form 3508EZ](#) for complete details.

WHAT YOU MAY NEED TO PROVIDE

As you begin to gather your documents for your business costs relating to payroll, interest on your existing mortgage, rent/lease, and utilities, below are more details of the types of documents you may want to begin to gather. While this is not an exhaustive list, nor may all these items apply to your situation, it can help to guide you as you prepare.

PAYROLL

To confirm payroll-related costs over the Covered Period or Alternative Payroll Covered Period

- Bank statements showing compensation paid to employees
or
- Third party payroll service provider reports showing compensation paid to employees

And:

- IRS Form 941 for Q2 2019, Q1 2020, Q2 2020, Q3 2020 (if applicable), and Q4 2020 (if applicable).
- For seasonal employers - IRS Form 941 for the 12-week seasonal period you have selected (must be between 5/1/2019 and 9/15/2019)

If including state and local taxes

- State quarterly business and individual wage reporting and unemployment insurance tax filings

If including health insurance or retirement benefits

- Payment receipts, canceled checks or account statements documenting the amount paid

If self-employed with no employees

- 2019 Schedule C

INTEREST ON YOUR EXISTING MORTGAGE

- Copy of lender amortization schedule and receipts or canceled checks verifying eligible payments over 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 indicating interest amounts and eligible payments

RENT OR LEASE

- Copy of current lease agreement and receipts or canceled 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

UTILITIES

- Copy of invoices from February 2020 and those paid during the Covered Period and receipts, canceled checks, or account statements verifying those eligible payment

Based on information available as of August 24, 2020.

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WHAT YOU'LL NEED TO KEEP

The following documentation will need to be retained by the borrower for 6 years, but not required to submit to your bank, unless requested.

A list of all employees, which includes the following information:

- Employee name
- Last four digits of employee's SSN
- Total cash compensation paid over the period
- Average number of hours worked per week
- Annual salary (for exempt employees)
- Hourly wage (for non-exempt employees)

FTE reduction exemption *(if applicable)*

- Written offer to rehire or restore the same salary or wages and same number of hours prior to separation or reduction
- Evidence documenting the offer and its rejection
- Records related to employees who were fired for cause, voluntarily resigned, or voluntarily requested and received a reduction in their hours

COVID-19 impact on business activity *(if applicable)*

- Copies of relevant COVID-related restrictions placed on each business location
- Financial statements over the Covered Period demonstrating an impact from COVID-related restrictions

Due to the ever-changing nature of PPP, the SBA continues to issue new and revised rules and guidance for this program, and how the SBA interprets their rules will have a significant impact on the loan forgiveness process. Be sure to frequently check the SBA's Payroll Protection Program website at sba.gov/ppp for the latest information about the program.