

# Paycheck Protection Program (PPP) Loan Forgiveness Checklist



PNC is here to help you apply for forgiveness. This checklist is meant to help you know when you are ready to apply and to help you prepare. Please refer to SBA resources for further information.

Use the steps below to help you prepare:



**1. Determine if you are Eligible to Apply for Forgiveness**



**2. Gather Information before Applying**



**3. Gather Key Documents**



**4. Understand Key Dates**



**5. Prepare & Apply**

## 1 Determine If You Are Eligible to Apply for Forgiveness

- Have you spent all the money from your PPP loan issued by PNC on eligible expenses?**  
> You are required to use all your funds prior to applying for forgiveness.

### What are eligible expenses?

The chart below breaks down eligible expenses into payroll and non-payroll costs. When applying for Loan Forgiveness, **at least 60% of the costs documented must be payroll costs and only up to 40% can be non-payroll costs.**

#### Eligible Expenses

##### Payroll Expenses

- Payroll costs paid and incurred during the covered period that are one of the below:
  - > Salary / Wages
  - > Commissions
  - > Cash tips
  - > Vacation payments
  - > Employee health insurance and retirement plans
  - > State and local taxes assessed on compensation of employees

##### Non-Payroll Expenses

- Interest payments on business loans secured by real or personal property dated before Feb. 15, 2020
- Business rent or equipment lease payments for agreements dated before Feb. 15, 2020
- Utility payments for electricity, gas, water, phones, transportation or internet access for which service began before Feb. 15, 2020

*Continued on next page*

**Eligible Expenses** *(cont.)*

- **Covered Operations Expenditures.** Any payments for any business software or cloud computing service that facilitates business operations; product or service delivery; the processing of payments or tracking of payroll expenses, human resources, sales and billing functions; or accounting or tracking of supplies, inventory, records and expenses.
- **Covered Property Damage Costs.** Costs related to property damage and vandalism or looting due to public disturbances that occurred during 2020 that was not covered by insurance or other compensation.
- **Covered Supplier Costs.** Expenditures for the supply of goods that (a) are essential to the operations at the time the expenditure is made and (b) are made pursuant to a contract, order or purchase order (i) in effect at any time before the covered period with respect to the applicable covered loan or (ii) with respect to perishable goods, in effect before or at any time during the covered period with respect to the applicable covered loan.
- **Covered Worker Protection Expenditure.** Any operating or capital expenditures to facilitate the adaptation of the business activities to comply with federal, state or local requirements established or guidance issued during the period beginning on March 1, 2020, and ending the date on which the national emergency declared by the President expires, related to the maintenance of standards for sanitation, social distancing, or any other worker or customer safety requirement related to COVID-19.

**Expenses Not Eligible**

- The amount of cash compensation of an individual employee in excess of \$100k annually, prorated
- Payroll for employees whose principal place of residence is outside the U.S.
- Interest paid on unsecured debt obligations other than payroll, mortgage, rent or utilities
- Mortgage / loan prepayments of payment of principal
- Inventory, capital expenditures, technology investments, car or vehicle payments, etc.
- Compensation paid to independent contractors

## 2 Gather Information before Applying

### Information you need to know before you apply:

- Requested PPP Loan Amount: \_\_\_\_\_
- Amount of Loan spent on Payroll Costs: \_\_\_\_\_
- Requested Forgiveness Amount: \_\_\_\_\_
- NAICS Code: \_\_\_\_\_
- Number of Employees: \_\_\_\_\_
- Employees at the time of Forgiveness Application: \_\_\_\_\_
- Business Information including Contact Information, Identification Information, Ownership Information, etc.
- Primary Contact Information

### Covered Period:

- Loan Disbursement Date (Start of Covered Period): \_\_\_\_\_
- Choose your Covered Period end date: \_\_\_\_\_

*You have the ability to apply for Forgiveness early, selecting a Covered Period between 8 and 24 weeks from your disbursement date if you have used up all of your funds.*

### 3 Gather Key Documents

The SBA provides different types of forgiveness applications for borrowers depending on a few different factors, one of which being original loan amount. Note that **PNC will determine your application type** based on the questions you answer in your online application. The below information will help you know what documents you may need to provide.

- Was your loan amount less than or equal to \$150,000?** If so, you will likely be able to apply using a simplified application form with reduced or no documentation.

#### Index of Required Documentation

Client must provide either **A** or all of **B** when submitting.

##### Cash Compensation

- A** Third-party payroll service provider reports covering the loan period  
\_\_\_\_\_ *OR* \_\_\_\_\_
- B** Bank account statements verifying the claimed amount
- B** IRS payroll tax filings, typically Form 941
- B** State quarterly business and individual employee wage reporting and unemployment insurance tax filings

##### Business Mortgage Interest

- A** Lender account statements for February 2020 and for the months of the Covered Period plus the month following the end of the Covered Period  
\_\_\_\_\_ *OR* \_\_\_\_\_
- B** Lender amortization schedule
- B** Payment receipts or cancelled checks verifying the claimed interest payments

##### Business Rent or Lease

- A** Lessor account statements for February 2020 and for the months of the Covered Period plus the month following the end of the Covered Period  
\_\_\_\_\_ *OR* \_\_\_\_\_
- B** Lease agreement in effect on or before February 2020
- B** Payment receipts or cancelled checks verifying the claimed payments

##### Average FTE During Covered Period

- A** Third-party payroll service provider  
\_\_\_\_\_ *OR* \_\_\_\_\_
- B** Bank account statements, IRS payroll, tax filings, local
- B** Local and state quarterly wage reporting

##### Health Insurance & Retirement Plan Contributions

- A** Payment receipt, cancelled checks, account statement

##### Business Utilities

- A** Utility invoice for February 2020, utility invoices for Covered Period, payment receipt, cancelled check, account statement

**Revenue Reduction Information**

If you received a second draw loan, and did not already provide documentation supporting a 25% or greater reduction in revenue, please have the following information ready:

- Which time period in 2019 (e.g., second quarter, full year) are you comparing against? \_\_\_\_\_

*If you were in operation for all of 2019, choose any quarter in 2019 or full year for 2019.*

*If you were not in operation for all of 2019, choose a quarter in 2019 when you were in operation.*

*If you were not in operation in 2019, choose the first quarter of 2020.*

- Amount of gross receipts for above time period: \$ \_\_\_\_\_

- Which time period in 2020 (e.g., second quarter, full year) are you comparing against? \_\_\_\_\_

*If you were in operation for all of 2019, choose the same quarter or full year for 2020.*

*If you were not in operation for all of 2019, choose any quarter in 2020.*

*If you were not in operation at all in 2019, choose the second, third or fourth quarter of 2020.*

- Amount of gross receipts for above time period: \$ \_\_\_\_\_

You will also need to provide documentation to support the gross receipt amounts for both time periods. Allowable documentation includes:

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

**4****Understand Key Dates**

Timeline:

- **Apply for Forgiveness** – once all loan proceeds for which you are requesting forgiveness have been used
- **PNC Review** – PNC has up to 60 days to complete its review after you submit your application.
- **SBA Review** – SBA has up to 90 days to complete after PNC submits your application to the SBA.
- **Loan Payments Deferment ends and payments begin** – 10 months after completion of Covered Period

As you consider when to apply for Forgiveness, make sure you consider the total time that may be required to review your Forgiveness Application and when your first payment will be due.

## 5 Prepare and Apply!

- Have your documents ready in digital form as saved documents or scanned document images that adhere to the below requirements:
  - > The file size has to be less than 50 MB.
  - > The doc type has to be PDF, PNG, JPG, JPEG, TIFF, DOCX, XLSX, XLS or CSV.
  - > The file name may not contain special characters; only upper or lower case letters (a to z and A to Z), numbers (0 to 9), period (“.”), dash (“-”), underscore (“\_”), parentheses (“(“ and “)”) and space (“ ”) are allowed.
  - > The file must successfully pass a virus scan performed by PNC. Excel files with macros are not accepted.
- When completing your application, please ensure you get all the way to the end where you will digitally sign your application and receive a confirmation number. Contact your Relationship Manager or call the Customer Care Center at 1-877-287-2654.

### Additional Resources Information

Before applying, we recommend also looking at further resources, including the SBA, Treasury and additional information on PNC.com.

- Please refer to the [PPP page](#) on PNC.com for recent updates.
- [PNC Combined PPP Document Checklist PDF](#)
- See the [SBA](#) and [Treasury](#) sites for up-to-date information and FAQs.
- For additional information, reach out to your Business Banking Relationship Manager or the Customer Care Center at 1-877-287-2654.