



# PPP Forgiveness Checklist

## How to Ensure Your Loan Is Forgiven





Loans received through the Paycheck Protection Program can be 100% forgiven – but there’s a lot of documentation you’ll need to work through to make that happen. Once you receive your loan, we recommend getting organized as early as possible to make the process of applying for forgiveness easier.

At this time, here’s the approach we recommend.

*This checklist is not exhaustive and should not represent any sort of guarantee that a loan will be forgiven. The SBA may determine additional information is required.*

# 1. Meet the Requirements for Forgiveness

## Funds may only be forgiven when used for the following purposes:

- Payroll (salary, wage, vacation, parental leave, family leave, medical leave, sick leave, or health benefits)
- Mortgage interest (as long as the mortgage was signed before February 15, 2020)
- Rent (as long as the lease agreement was in effect before February 15, 2020)
- Utilities (as long as service began before February 15, 2020)

## Use funds on eligible expenses incurred over eight weeks,

starting from the day the first payment was made by your lender. This may differ from the date on which you signed your loan agreement.

## Use 75% of the loan for payroll costs.

Payments to independent contractors cannot be included in the payroll costs. The other 25% of funds may be used on mortgage interest, rent, and utilities.

## Maintain staffing.

You must keep the number of employees on payroll and maintain 75% of total salary. You must maintain an equal or greater number of employees than were on payroll from February 15, 2019 to June 30, 2019, or from January 1, 2020 to February 29, 2020 (whichever is larger).



## 2. Document Adherence to the Requirements

First, we recommend that you place all loan funds in a business checking account that doesn't have any other money in it. We also recommend implementing a new payroll cycle on the date the loan is received, if possible. This will make it easy to track how the loan is spent.

Second, you will need to document information that will allow you to:

**Provide a list of all employees on payroll the 8 weeks following the loan** with dollar amount of payroll costs.

**Provide evidence that workers were kept on payroll or rehired once the loan was received.**

**Provide evidence of restoration by June 30, 2020 of pay for anyone whose pay was reduced by 25% or more.**

**Provide evidence of payments for mortgage interest, rent, and utilities** paid during the 8 weeks following the loan. This may include copies of cancelled checks, bank statements with ACH info, utility bills, mortgage statements, or your lease agreement.

**Provide evidence of payroll costs, utilities, rent payments, and mortgage interest paid before February 15, 2020** to ensure it aligns to what is paid during the 8 weeks following the loan closing.

**Provide evidence you were in business on February 15, 2020** and paid employees or independent contractors.

If you use PPP funds for unauthorized purposes, SBA will direct you to repay those amounts. If you knowingly use the funds for unauthorized purposes, you may be subject to additional liability such as charges for fraud.

Any unforgiven balance will begin a monthly payment starting the 7th month after your note date and will be amortized over the remaining 18 months.



# Looking for More Guidance?

Get in touch with us. At Global Shared Services, we're committed to helping our clients navigate these difficult times with financial clarity.

**Don't hesitate to reach out if you have more questions.**



we're also available at  
**1-800-597-1022** ext. 800  
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