

Use these instructions to help ensure the completeness and accuracy of your documents necessary for requesting Loan Forgiveness. It's important that you upload only documents that are acceptable by the Small Business Administration (SBA). These instructions do not replace the SBA's documentation instructions, so please visit [SBA.gov/ppp](https://www.sba.gov/ppp) or [Treasury.gov](https://www.treasury.gov) to familiarize yourself with the latest Form 3508S, Form 3508 or Form 3508EZ instructions.

Before reading about which documents to upload based on the costs you are submitting, please note the top five reasons we have to ask for more information.

If you're requesting Forgiveness on a second PPP Loan of \$150,000 or less, you may be required to identify the reference period, [calculate your gross receipts](#) and submit documentation supporting a reduction of at least 25% in your gross receipts.

You also must attest to their accuracy of the information by signing and dating the first page and initialing all other pages of documentation.

## How to avoid these five common issues with documents

### 1. **Issue:** Not verifying that a third-party payroll provider prepared your payroll documents

**Solution:** Submit verification that a third party prepared your payroll documents. This could include:

- A letter signed by the third party confirming it is providing the service to you
- Documents or calculations for your business with the third-party logo, name or watermark

### 2. **Issue:** Not submitting any proof of payment for payroll

**Solution:** If you prepare your own payroll documents, remember to submit proof of payment, such as bank statements or canceled checks.

### 3. **Issue:** Not submitting a summary of your payroll

**Solution:** If you prepare your own payroll documents, remember to submit a summary page of your payroll reconciling the amount you are requesting for Forgiveness. It must include:

- Name of each employee
- For each payroll period:
  - Net pay that matches your proof of payment
  - Gross pay for each employee
  - Excess compensation — prorated per week — for all employees whose annual gross pay exceeds \$100,000
  - Total payroll costs eligible for Forgiveness (gross pay minus excess compensation)
- For your Covered Period:
  - Consolidated total payroll costs eligible for Forgiveness

We don't require you to submit EVERY payroll statement, but you should submit a document with a consolidated column for the total amount for each employee that matches the amount of Forgiveness you are requesting.

### 4. **Issue:** Not providing federal tax documents

**Solution:** When preparing your own documents, also submit the associated payroll tax forms during the payroll period(s) for which you are seeking Forgiveness. For many companies, IRS Form 941 Employer's Quarterly Federal Tax Return would meet the requirement.

If the payroll period extends beyond the dates covered by Form 941s you've already filed, include on your payroll document the tax liability you will report for that period. For example, if the last payroll for your Covered Period ended Oct. 15, and your 941 covered through Sept. 30, you would submit the 941 through Sept. 30 as well as a document summarizing the tax liability you will report for Oct. 1 through Oct. 15.

### 5. **Issue:** Not submitting information supporting Full-Time Equivalency (FTE) employee calculations

**Solution:** For Form 3508EZ, submit proof of average number of FTE employees on Jan. 1, 2020.

On the next page, check the boxes “Included in request?” or “In Borrower’s name?” **for any applicable rows** as a confirmation that you have submitted the correct documentation to support your Forgiveness request.

**Please make sure documents:**

- Are easy to read
- Have any password protections removed
- Have file names no longer than 40 characters
- Don’t include special characters, such as \*|“<\>?/, in the file name

**Acceptable file formats:**

PDF (preferred), XLSX, JPG or PNG

**Maximum file sizes:**

Each document: 5MB

**Maximum number of files:**

- **Up to 20 documents per category:**
  - Business utilities
  - Payroll
- **Up to 5 documents per category:**
  - Business mortgage interest
  - Business rent or lease
  - Covered operations expenditures
  - Covered property damages
  - Covered supplier costs
  - Covered worker protection expenditures
  - FTE
  - Gross receipts

**TIP: If you work with a payroll provider, you may want to ask if it can provide a specialized report that documents a number of payroll and FTE costs.**

**Reminder of definitions:****Covered Period**

The Covered Period begins on the date the loan was disbursed. It ends on a date you choose that is at least 8 weeks but no more than 24 weeks after the loan disbursement date.

**Reference Period**

The comparison period in which total average FTE is calculated is either Feb. 15, 2019, to June 30, 2019, or Jan. 1, 2020, to Feb. 29, 2020. Seasonal employers can use a consecutive 12-week period between Feb. 15, 2019, and Feb. 15, 2020.

**Full-Time Equivalency (FTE)**

FTE is a numerical calculation for determining employee headcount. When requesting Forgiveness, the Borrower may elect to use 1.0 for employees who work 40 hours or more per week and 0.5 for employees who work less than 40 hours per week. The FTE calculation may be different than simply counting the number of employees. For the latest information, please refer to the Loan Forgiveness Application Instructions for Borrowers.

**TIP:** If your Covered Period overlaps multiple reporting periods, you should submit all documents showing you've met FTE, payroll and/or non-payroll guidelines for the full amount for which you're requesting Forgiveness. This means you may need to submit documents for multiple reporting periods. For example, to show payroll costs across multiple quarters, you may need to submit two or three quarterly filings of IRS Form 941, state quarterly business and individual employee wage reports, or unemployment insurance tax filings.

**Payroll documents**

**Cash compensation\***

Your three types of document(s) below must show that you:

- Paid the costs during your Covered Period OR
- Incurred them during your Covered Period and paid them on or before the next regular payroll date

Included in request?

In Borrower's name?\*

1. Proof of cash compensation paid to employees; two examples are:

- Third-party payroll service provider reports
- Bank account statements together with self-prepared payroll reports

**TIP:** If you're not using a third-party payroll service provider, you'll need to submit at least **two documents**, including proof of payment such as bank statements, receipts or canceled checks.

2. Payroll tax filings, such as IRS Form 941s that have been or will be reported

**TIP:** These may already be part of the report generated by your third-party payroll service provider.

3. State quarterly business and individual employee wage reporting and unemployment insurance tax filings reported, or that will be reported, to the relevant state

**TIP:** These may already be part of the report generated by your third-party payroll service provider.

**Borrowers who file IRS Form 1040 Schedule C, Schedule F, or Schedule K-1**

*If you received your PPP Loan in 2020:*

- If you filed an IRS Form 1040 Schedule C or Schedule F for 2019, you must upload it with your supporting documents. This may apply to sole proprietors, self-employed individuals, independent contractors and some single-member LLCs.
- If you filed an IRS Schedule K-1 (Form 1065) for general partners for 2019, you must upload it with your supporting documents.

*If you received your PPP Loan in 2021:*

- If you used an IRS Form 1040 Schedule C or Schedule F from 2019 or 2020 to calculate your loan amount, you must upload it with your supporting documents. This may apply to sole proprietors, self-employed individuals, independent contractors and some single-member LLCs.
- If you used an IRS Schedule K-1 (Form 1065) for general partners from 2019 or 2020 to calculate your loan amount, you must upload it with your supporting documents.

\* We also recommend you review the summary of costs Eligible for Forgiveness in the Loan Forgiveness Application Instructions for Borrowers. Check the latest SBA Forgiveness Forms and Instructions at [SBA.gov](https://www.sba.gov) or [Treasury.gov](https://www.treasury.gov).

\*\* May also be in Borrower's registered DBA or trade name.

**Payroll compensation – non-cash compensation**

**Employee health and retirement benefits\***

Your two types of document(s) below must show that you:

- Paid the costs during your Covered Period OR
- Incurred them during your Covered Period and paid them on or before the next regular payroll date

Included in request?

In Borrower's name?\*

1. Statements verifying **employer** contributions to employee group health, life, disability, vision and dental insurance, as well as retirement

**TIP:** This should exclude employee contributions.

2. Proof of payment, such as bank statements, receipts or canceled checks

**State and local taxes assessed on employee compensation\***

Your two types of documents below must show that you:

- Paid the costs during your Covered Period OR
- Incurred them during your Covered Period and paid them on or before the next regular payroll date or billing cycle

1. Quarterly business and individual employee wage and unemployment insurance tax filings reported, or that will be reported, to the relevant state

2. Proof of payment, such as bank statements, receipts or canceled checks

\* We also recommend you review the summary of costs Eligible for Forgiveness in the Loan Forgiveness Application Instructions for Borrowers. Check the latest SBA Forgiveness Forms and Instructions at [SBA.gov](https://www.sba.gov) or [Treasury.gov](https://www.treasury.gov).

\*\* May also be in Borrower's registered DBA or trade name.

**Full-Time Equivalency (FTE)**

<i>Your document(s) must provide proof of average number of FTE employees during the time periods specified.</i>	Included in request?	In Borrower's name?*
<p><b>For Borrowers who use 3508S:</b> The SBA doesn't require you to submit FTE documentation with your Forgiveness request. However, the SBA may request information and documents as part of its loan review process.</p>		
<p><b>For Borrowers who use 3508EZ:</b></p> <ul style="list-style-type: none"> <li>• <b>If you check only Box 1</b> in the Checklist for Using SBA Form 3508EZ, you must submit FTE supporting documents for the two requirements below:                             <ul style="list-style-type: none"> <li>• Proof verifying average number of FTE at the end of your Covered Period<sup>†</sup></li> <li>• Proof verifying average number of FTE on Jan. 1, 2020</li> </ul> </li> <li>• <b>If you check Box 2</b> in the Checklist for Using SBA Form 3508EZ, you don't need to submit FTE supporting documents.</li> </ul>		
<p><b>For Borrowers who use the full Form 3508:</b> You must submit FTE supporting documents that meet the requirement below:</p> <ul style="list-style-type: none"> <li>• Proof verifying average number of FTE at the end of your chosen Reference Period<sup>‡</sup></li> </ul>		

If your calculated payroll costs, including salary/hourly wage reduction and FTE information (if applicable), are equal to or greater than your Paycheck Protection Program (PPP) Loan amount, then you can request Forgiveness for your full PPP Loan without submitting your non-payroll costs.

**Keep in mind:** Once we submit your Forgiveness request to the SBA, you might not be able to submit additional supporting payroll or non-payroll costs or documents.

\*\* May also be in Borrower's registered DBA or trade name.

† Or the date you submit the Forgiveness request if you submit before the end of the 24-week Covered Period.

‡ The selected time period must be the same time period selected for purposes of completing PPP Schedule A, Line 11, available on page 3 of the [3508 PPP Loan Forgiveness Application](#)

**Non-payroll costs**

These are defined as business mortgage interest, business lease/rent payments and business utilities.

**Business mortgage interest\***

Your documents must meet **all three requirements** for costs incurred or paid during the Covered Period.

Included in request?

In Borrower's name?\*

1. Mortgage statements or copy of lender amortization schedule verifying the existence of the mortgage prior to Feb. 15, 2020

2. Mortgage statements or copy of lender amortization schedule **verifying mortgage interest incurred** and included in your request

**TIP:** You should include only the portion of your payment that goes to interest, not principal.

3. Mortgage statements, bank statements, receipts or canceled checks **verifying mortgage interest paid** for each month of the Covered Period through one month after the end of the Covered Period

**Business lease/rent\***

Your documents must meet **all three requirements** for costs incurred or paid during the Covered Period.

Included in request?

In Borrower's name?\*

1. A rent or lease agreement documenting that the obligation was in place prior to Feb. 15, 2020

2. A current rent or lease agreement documenting that the obligation was in place during the Covered Period

**TIP:** The current rent or lease agreement may be the same as the agreement that was in place prior to Feb. 15, 2020.

3. Bank statements, receipts or canceled checks verifying rent or lease payments during the Covered Period and/or through one month after the end of the Covered Period

**Business utilities\***

Your documents must meet **all three requirements** for costs incurred or paid during the Covered Period.

Included in request?

In Borrower's name?\*

1. An invoice, bill or statement verifying that the service was in existence prior to Feb. 15, 2020

2. An invoice, bill or statement verifying each expense paid or incurred during the Covered Period

3. Bank statements, receipts or canceled checks for utility payments during the Covered Period and/or before the next regular billing date after the end of the Covered Period

\* We also recommend you review the summary of costs Eligible for Forgiveness in the Loan Forgiveness Application Instructions for Borrowers. Check the latest SBA Forgiveness Forms and Instructions at [SBA.gov](https://www.sba.gov) or [Treasury.gov](https://www.treasury.gov).

\*\*May also be in Borrower's registered DBA or trade name.

<b>Covered operations expenditures*</b>	Included in request?	In Borrower's name?*
<i>You must submit documents that meet <b>BOTH requirements</b> below for costs incurred or paid during your Covered Period.</i>		
1. Copy of invoices, orders or purchase orders incurred or paid during your Covered Period		
2. Receipts, canceled checks or account statements verifying you paid those invoices, orders or purchase orders		
<b>Covered property damage costs*</b>	Included in request?	In Borrower's name?*
<i>Your documents must meet <b>all three requirements</b> for costs incurred or paid during your Covered Period.</i>		
1. Copy of invoices, orders or purchase orders incurred or paid during your Covered Period		
2. Receipts, canceled checks or account statements verifying that you paid those invoices, orders or purchase orders		
3. Documentation that the costs: <ul style="list-style-type: none"> <li>• Were related to property damage and vandalism or looting due to public disturbances that occurred during 2020</li> <li>• Weren't covered by insurance or other compensation</li> </ul> If no other documentation is available, you can provide a letter explaining the property damages, including confirmation that the costs were not covered by insurance or other compensation.		
<b>Covered supplier costs*</b>	Included in request?	In Borrower's name?*
<i>You must submit documents that meet <b>BOTH requirements</b> below for costs incurred or paid during your Covered Period.</i>		
1. Copy of contracts, orders or purchase orders in effect at any time before your Covered Period (except for perishable goods) as well as copy of invoices, orders or purchase orders incurred or paid during your Covered Period		
2. Receipts, canceled checks or account statements verifying that you paid those invoices, orders or purchase orders		

\*We also recommend you review the summary of costs Eligible for Forgiveness in the Loan Forgiveness Application Instructions for Borrowers. Check the latest SBA Forgiveness Forms and Instructions at [SBA.gov](https://www.sba.gov) or [Treasury.gov](https://www.treasury.gov).

\*\* May also be in Borrower's registered DBA or trade name.

<b>Covered worker protection expenditures*</b>	Included in request?	In Borrower's name?*
<i>Your documents must meet <b>all three requirements</b> for costs incurred or paid during your Covered Period.</i>		
1. Copy of invoices, orders or purchase orders incurred or paid during your Covered Period		
2. Receipts, canceled checks or account statements verifying that you paid those invoices, orders or purchase orders		
3. Documentation that you spent the funds to comply with applicable COVID-19 guidance during your Covered Period		
<b>Reduction in gross receipts*</b>		
<i>If you're requesting Forgiveness on a second PPP Loan of \$150,000 or less, you may be required to submit documentation supporting of at least a 25% reduction in your gross receipts. If so, you may submit one of the following:</i>		
1. Quarterly financial statements for the business <ul style="list-style-type: none"> <li>• If your financial statements are not audited, you must attest to their accuracy by <b>signing and dating the first page</b> of the financial statement and <b>initialing</b> all other pages.</li> <li>• 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.</li> </ul>		
2. Annual IRS income tax filings for the business <ul style="list-style-type: none"> <li>• You must submit these if you're using an annual reference period.</li> <li>• If you have not yet filed a federal tax return for 2020, you must fill out the return forms, compute the relevant gross receipts value and <b>sign and date the return</b>, attesting that you used the same values in your gross receipts computation that you will file in your business tax return.</li> </ul>		
3. Quarterly or monthly bank statements for the business showing deposits from the relevant quarters <ul style="list-style-type: none"> <li>• If it isn't clear, you must annotate which deposits listed on the bank statement constitute gross receipts (such as payments for goods sold and services) and which do not (such as capital infusions).</li> </ul>		

\* We also recommend you review the summary of costs Eligible for Forgiveness in the Loan Forgiveness Application Instructions for Borrowers. Check the latest SBA Forgiveness Forms and Instructions at [SBA.gov](https://www.sba.gov) or [Treasury.gov](https://www.treasury.gov).

\*\* May also be in Borrower's registered DBA or trade name.

IMPORTANT INFORMATION: J.P. Morgan and Chase are marketing names for certain businesses of JPMorgan Chase & Co. ("JPMC") and its subsidiaries worldwide. Products and services may be provided by commercial bank affiliates, securities affiliates or other JPMC affiliates or entities.

This document was created for informational purposes only and should not be considered advice. You should seek individualized advice from financial, legal, tax and other professional advisors that take into account all of the particular facts and circumstances of the Client's own situation. In no event shall JPMC or any of its directors, officers, employees or agents be liable for any use of, for any decision made or action taken in reliance upon or for any inaccuracies or errors in, or omissions from information in this content. We are not acting as any Client's agent, fiduciary or advisor, including, without limitation, as a Municipal Advisor under the Securities and Exchange Act of 1934. JPMC assumes no responsibility or liability whatsoever to any Client with respect to such matters.

NOTICE: The federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this credit is the Consumer Financial Protection Bureau, 1700 G Street NW., Washington, DC 20006.

All loans are subject to other requirements and availability of funds under the SBA program.