

Use these instructions to help ensure the completeness and accuracy of your documents necessary for requesting Loan Forgiveness. It's important that you only upload 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](https://www.sba.gov) or [Treasury.gov](https://www.treasury.gov) to familiarize yourself with the latest Form 3508 or 3508EZ instructions.

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:

- **Payroll** – Up to 20 documents
- **Business utilities** – Up to 20 documents
- **Business rent or lease** – Up to 5 documents
- **Business mortgage interest** – Up to 5 documents
- **FTE documents** – Up to 5 documents

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

#### Reminder of definitions:

##### Covered Period

The time period you'll use to calculate all eligible payroll and non-payroll costs paid or incurred.

- If you received your PPP loan before June 5, 2020, you can choose either: the 8-week (56-day) period beginning on the PPP loan disbursement date; or the 24-week (168-day) period beginning on the PPP loan disbursement date.
- If you received your PPP loan on or after June 5, 2020, you must use the 24-week (168-day) period beginning on the PPP loan disbursement date.
- The Covered Period cannot extend beyond Dec. 31, 2020.

##### Alternative Payroll Covered Period

Businesses that have a biweekly (or more frequent) payroll schedule may choose an Alternative Payroll Covered Period instead of the Covered Period. If you select this, the Alternative Payroll Covered Period begins on the first day of your first pay period following your PPP loan disbursement date.

##### Reference Period

The comparison period in which total average FTE is calculated, either: Feb. 15, 2019, to June 30, 2019; or Jan. 1, 2020, to Feb. 29, 2020. Seasonal employers can also choose any consecutive 12-week comparison period between May 1, 2019, and Sept. 15, 2019.

##### Full-Time Equivalency (FTE)

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 that 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 2 or 3 quarterly filings of IRS Form 941, state quarterly business and individual employee wage reports, or unemployment insurance tax filings.

**Payroll documents**

**Cash compensation**

*Your documents must meet **all 3 requirements** for costs paid or incurred generally during the Covered Period or Alternative Payroll Covered Period.<sup>†</sup>*

Included in request?	In Borrower's name?*
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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 **2 documents**, including proof of payment such as bank statements, receipts or cancelled

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.

**Specific instructions for Schedule C, Schedule F and Schedule K-1 tax filers:**

- If you filed a 2019 IRS Form 1040 Schedule C or Schedule F, 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 file (or will file) a 2019 IRS Schedule K-1 (Form 1065) for general partners, you must upload it with your supporting documents.

**Payroll compensation - non-cash compensation**

**Employee health and retirement benefits**

*Your document(s) must meet **BOTH** requirements for costs incurred or paid generally during the Covered Period or Alternative Payroll Covered Period.<sup>†</sup>*

Included in request?	In Borrower's name?*
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1. Statements verifying **employer** contributions to employee health insurance and retirement plans

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

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

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

<sup>†</sup>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](http://SBA.gov) or [Treasury.gov](http://Treasury.gov).

**Payroll compensation – non-cash compensation continued**

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

Your document(s) must meet **BOTH** requirements for costs incurred or paid generally during the Covered Period or Alternative Payroll Covered Period.<sup>†</sup>

Included in request?	In Borrower's name?*
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1. Quarterly business and individual employee wage and unemployment insurance tax filings reported, or that will be reported, to the relevant state		
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2. Proof of payment, such as bank statements, receipts or cancelled checks		
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**Full-Time Equivalency (FTE)**

Your document(s) must provide proof of average number of FTE employees during the time periods specified.

**For customers who use 3508EZ:**

- If you check only Box 2 in the 3508EZ Checklist Criteria, your FTE supporting documents must meet **BOTH** requirements below.<sup>‡</sup>
- If you check Box 1 or Box 3 in the 3508EZ Checklist, FTE supporting documents are not required.

**For clients who use 3508S:**

- You are exempt from any reductions in your Loan Forgiveness amount based on reductions in FTE employees or reductions in employee salary or wages.

Included in request?	In Borrower's name?*
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1. Proof verifying average number of FTE at end of Covered Period <sup>§</sup>		
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2. Proof verifying average number of FTE on Jan. 1, 2020		
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**For customers who use the full Form 3508:**

Your FTE supporting documents must meet the requirement below.

1. Proof verifying average number of FTE at end of Covered Period <sup>**</sup>		
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If your calculated payroll costs, including salary/hourly wage reduction and FTE information (if applicable), are equal to or greater than your 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 Tradename.

‡For a Borrower who did not reduce by more than 25% the salary or hourly wages of any employee earning \$100,000 or less annually during the Covered Period or Alternative Payroll Covered Period — compared to Jan. 1, 2020, through March 31, 2020 — and did not reduce the number of employees or hours of employees.

§On 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 [PPP Loan Forgiveness Application](#).

**Non-payroll costs**

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

*Supporting documents must verify existence of the obligations/services prior to Feb. 15, 2020 and eligible payments from the Covered Period.*

**Business mortgage interest**

*Your documents must meet **all 3 requirements** for costs incurred or paid during the Covered Period.*

Included in request?	In Borrower's name?*
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1. Mortgage statements or copy of lender amortization schedule verifying the existence of the mortgage prior to Feb. 15, 2020		
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2. Mortgage statements or copy of lender amortization schedule <b>verifying mortgage interest incurred</b> and included in your request		
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**TIP:** You should include only the portion of your payment that goes to interest, not principal.

3. Mortgage statements, bank statements, receipts or cancelled checks <b>verifying mortgage interest paid</b> for each month of the Covered Period through 1 month after the end of the Covered Period		
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**Business lease/rent**

*Your documents must meet **all 3 requirements** for costs incurred or paid during the Covered Period.*

Included in request?	In Borrower's name?*
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1. A rent or lease agreement documenting that the obligation was in place prior to Feb. 15, 2020		
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2. A current rent or lease agreement documenting that the obligation was in place during the Covered Period		
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**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 cancelled checks verifying rent or lease payments during the Covered Period and/or through 1 month after the end of the Covered Period		
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**Business utilities**

*Your documents must meet **all 3 requirements** for costs paid or incurred during the Covered Period.*

Included in request?	In Borrower's name?*
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1. An invoice, bill or statement verifying that the service was in existence prior to Feb. 15, 2020		
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2. An invoice, bill or statement verifying each expense paid or incurred during the Covered Period		
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3. Bank statements, receipts or cancelled checks for utilities payments during the Covered Period and/or before the next regular billing date after the end of the Covered Period		
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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 Bureau of Consumer Financial Protection, 1700 G Street NW., Washington, DC 20006.

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