

# Checklist to Complete Form 3508S PPP Loan Forgiveness Application



**Determine if the Form 3508S PPP Loan Forgiveness Application is the right application for you:**

- [CLICK HERE](#) to answer a few simple questions; or
- Visit [www.PentucketBank.com/federal-stimulus](http://www.PentucketBank.com/federal-stimulus) and click the “Which App Should I Use” button.

**Once you confirm that the Form 3508S Application is right for you please proceed with this checklist. Be sure to read each section carefully, including the Important Notes on page 3.**

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Below is a summary of the information you will need in order to complete a “3508S” PPP loan forgiveness application (Form 3508S). You do not need to submit any of the documentation with your application\*; however, you will need to maintain the proper documentation on file should the SBA seek to further review your submission. At its discretion, the SBA reserves the right to review all aspects of your PPP loan at any time.

- [Click for Form 3508S Application](#)

Once you have assembled the required information and completed the application, you may submit your package through our website. Note that you may not need to submit all of the documentation that you used to complete the application. Again, you should maintain these items should they be requested in the future.

For security reasons we ask that you do not email your items directly to the bank or your loan officer. We will review applications in the order they are received through the online portal.

Due to the specific documentation requirements and the need for accuracy, we recommend that you seek assistance from your accountant or financial advisor. You may refer to our [FAQs](#) for more information.

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## Form 3508S PPP Loan Forgiveness Application Checklist

**Documentation used to calculate your forgiveness amount (as applicable):**

**For self-employed sole-proprietors, independent contractors, and partnerships that do not have payroll**

- 2019 or 2020 Form 1040 Schedule C or Form 1065 Schedule K-1

**For Borrowers seeking forgiveness of eligible payroll costs:**

- Bank account statements or payroll service provider reports showing amount of eligible cash compensation paid to employees during the covered period.

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**Contact your loan officer or email: [ppp@pentucketbank.com](mailto:ppp@pentucketbank.com) with any questions.**

This information is for the use of Paycheck Protection Program (PPP) customers of Pentucket Bank.  
Non-Pentucket Bank customers, please consult your financial institution for guidance.

## Form 3508S PPP Loan Forgiveness Application Checklist Cont'd

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- 3rd party payroll registers (e.g. ADP, Paychex, etc.) by employee covering each pay period during the Covered Period; alternatively, detailed internal reports for the Covered Period combined with quarterly Federal and State tax filings.
  - Form 941; and
  - State quarterly business and individual employee wage reporting and unemployment insurance filings
- If you are seeking forgiveness for state payroll taxes and state tax filings or other third party reports are not being provided above:
  - State quarterly business and individual employee wage reporting and unemployment insurance filings
- Payroll Registers/Reports documenting the amount of cash compensation paid to any owner-employees (ownership stake of 5% or more) in 2019 or 2020 (the same year used to calculate your loan amount).
- Health Insurance Company and Retirement Plan Administrator account statements (if seeking forgiveness for these expenses) showing employer contributions during the covered period. Payment receipts or canceled checks can also be used.

### For Borrowers seeking forgiveness for any non-payroll costs listed below:

- Business mortgage Interest:
  - Lender account statement from a Financial Institution showing transaction history for the period from February 2020 to 1 month after the covered period; or
  - Loan amortization schedule and copies of cancelled checks or payment receipts for payments made during the covered period.
- Business rent or lease payments:
  - Lessor account statement from a leasing company showing transaction history for the period from February 2020 to 1 month after the covered period; or
  - Lease agreement and copies of cancelled checks or payment receipts for payments made during the covered period.
- Business Utility payments:
  - Copies of invoices from February 2020 and those paid during the covered period along with payment receipts, cancelled checks or account statements.
- Covered operations expenditures, property damage costs, supplier costs or worker protection expenditures:
  - Copies of invoices, orders, or purchase orders paid during the covered period and receipts, cancelled checks, or account statements verifying payments;
  - Additionally, for property damage costs, documentation showing costs were related to vandalism or looting due to public disturbances in 2020 and such costs were not covered by insurance or other compensation;
  - Additionally, for worker protection expenditures, documentation showing expenditures were used to comply with applicable COVID-19 guidance during the covered period;
  - Additionally, for supplier costs, copies of invoices contracts, orders, or purchase orders in effect at any time before the covered period (except for perishable goods).

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Per the SBA you must maintain all records relating to your PPP loan, including documentation submitted with your PPP loan application, documentation supporting your certifications as to your eligibility for a PPP loan, documentation necessary to support your loan forgiveness application, and documentation demonstrating your material compliance with PPP requirements. For loans \$150,000 and under, you must retain employment records for 4 years and all other documentation for 3 years after the date the forgiveness application is submitted.

### IMPORTANT NOTES

\* For second draw loans, you are required to submit documentation establishing that you experienced a 25% revenue reduction in any calendar quarter of 2020 compared to the same quarter of 2019. Alternatively, you can show the reduction on an annual basis. Acceptable supporting documentation includes any of the following:

Quarterly Financial Statements:

- If not audited, you must sign and date the first page and initial all other pages, attesting to their accuracy. In addition, you must identify which line items constitute gross receipts.

Quarterly or Monthly Bank Statements showing deposits from each quarter:

- You must identify which deposits listed on the Bank Statement constitute gross receipts.

Annual IRS income tax filings:

- You must identify which deposits listed on the Bank Statement constitute gross receipts.

PPP loans totaling \$50,000 or less are exempt from any reductions to the loan forgiveness amount related to reductions in full time equivalent (FTE) employees and reductions in employee salary or wages. Borrowers with PPP loans over \$50,000, that do not meet the other exemptions from the rule will still need to calculate the FTE and salary/wage reduction amount outlined in SBA Form 3508. The borrower should retain the supporting documentation used to complete the calculations as it is subject to SBA review.

Your SBA PPP loan number can be found at the top of your SBA Promissory Note and your Lender PPP loan number can be found at the top of the Disbursement Request. Both documents were part of your original loan closing package.

“Covered Period” begins on the date your PPP loan was disbursed. It ends on the day you select that is at least 8 weeks following the date of disbursement and not more than 24 weeks after disbursement.

Given that the Covered Period was extended up to a maximum of 24 weeks, a borrower may decide to take advantage of the longer period in order to utilize all of their PPP loan funds for wage expenses only. In so doing, the application is further simplified since there will be fewer documentation requirements (i.e. you would not need to justify any non-wage expenses since full forgiveness can be granted solely based on wages paid). However, given the complex tax implications (related to the Employer Retention Credit), it is recommended that you seek advice from your accountant or financial advisor before utilizing this approach.



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