

Checklist for PPP Loan Forgiveness Documentation

I. Employers

Payroll Costs: Minimum 75%

A. Payroll tax reports (8-week covered period)

- 1) 2020 IRS Forms 941 tax returns
- 2) Unemployment tax returns
- 3) Payroll reports, by employee, for each pay period during covered period

NOTE: Include the 8-week covered period. If your organization contracts with a payroll provider or Professional Employer Organization (PEO) you can supply other documents, such as reports reflecting employment tax returns filed. Consider preparing reconciliations of the quarterly report data to the 8-week covered period data.

B. Group health care benefits (8-week covered period)

- 1) Documentation showing total costs paid for all health care benefits, including insurance premiums paid by the organization under a group health plan.
 - a. Include all employees and company owners.
 - b. Do not include employee contributions to the plan.
 - c. Consider preparing a reconciliation of the employee + employer contributions to tie the payroll data to the invoice and associated proof of payment.

C. Retirement plan benefits (8-week covered period)

- 1) Documentation showing the sum of all retirement plan funding costs paid by the organization.
 - a. Include funding for all employees and the company owners.
 - b. Do not include employee contributions to the plan.
 - c. Consider preparing a reconciliation of the employee + employer contributions to tie the payroll data to the invoice and associated proof of payment.

Other Eligible Expenses: 25% or less

A. Documentation:

- 1) Invoices, canceled checks, receipts, account statements, or other documentation establishing proof of payment for amounts incurred and paid during the covered period for:
 - Rent paid on lease in force before February 15, 2020
 - Utility payments for electricity, gas, water, transportation, telephone, or internet access for service beginning before February 15, 2020
 - Interest on mortgage obligations on real and tangible property incurred before February 15, 2020

Forgiveness Reduction Calculations:

A. Documentation:

- 1) 2019 wage information to identify employees earning less than \$100,000
- 2) For employees identified in #1, payroll reports, by employee, for each employees' most recent full quarter of wages before the 8-week covered period
- 3) List of pay periods and corresponding average full-time equivalents (FTEs) for each pay period during the 8-week covered period
- 4) List of pay periods and corresponding average full-time equivalents (FTEs) for each pay period from February 15, 2019 through June 30, 2019
- 5) List of pay periods and corresponding average full-time equivalents (FTEs) for each pay period from January 1, 2020 through February 29, 2020
- 6) For seasonal businesses, list of pay periods and corresponding average full-time equivalents (FTEs) for each pay period from February 15, 2019 through June 30, 2019

II. For Sole Proprietors, Independent Contractors and Self- Employed Individuals

- 1) 2019 Form 1040 Schedule C
- 2) If you have employees, provide payroll documentation as outlined above, including documentation of healthcare and retirement benefits costs excluding owner from healthcare and retirement costs.
- 3) Invoices, canceled checks, receipts, account statements, or other documentation establishing proof of payment for other eligible costs incurred and paid during the covered period such as:
 - Rent paid on lease in force before February 15, 2020
 - Utility payments for electricity, gas, water, transportation, telephone, or internet access for service beginning before February 15, 2020
 - Interest on mortgage obligations on real and tangible property incurred before February 15, 2020

NOTE: For #3, similar types of expenses must have been deducted on the 2019 Form 1040 Schedule C to be eligible for forgiveness.

We welcome you to visit our [COVID-19 Tax Resource Center](#) for PPP guidance updates. Should you have any questions, please feel free to contact us!

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