

PPP Loan Forgiveness Application 3508EZ

Presented By
Scholz Nonprofit Law, LLC
And
The Madison Community Foundation

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- Three Categories of Borrower Are Eligible To Use 3508 EZ Form
 - Category 1 of 3
 - Generally, Self-employed, independent contractors & sole proprietors
 - Borrowers with no employees at time of application & who did not use employee wages for payroll calculations on PPP loan application

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- Category 2 of 3
 - Borrower did not reduce wages of any employee more than 25% during “Covered Period” or “Alternative Payroll Covered Period” when compared to period between January 1, 2020 and March 31, 2020
 - ... **AND** ...
 - Borrower did not reduce number of employees or average paid hours of employees between January 1, 2020 and the end of the “Covered Period”

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- Category 3 of 3
 - Borrower did not reduce wages of any employee more than 25% during “Covered Period” or “Alternative Payroll Covered Period” when compared to period between January 1, 2020 and March 31, 2020
 - ... **AND** ...
 - Borrower was unable to operate during the “Covered Period” at the same level as before February 15, 2020, due to compliance with governmental requirements.

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- If Borrower does not fit 1 of 3 categories, Borrower must complete the full Form 3508

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- Documentation To Be Submitted with 3508EZ
 - Payroll Costs
 - Documents verifying cash compensation and non-cash benefits for “Covered Period” or “Alternative Payroll Covered Period”
 - Bank statements or Third-party service provider reports
 - Tax forms
 - » Payroll tax filings reported or to be reported (typically, Form 941); and
 - » State quarterly business wage reporting and unemployment insurance tax filings reported or to be reported

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- Payment receipts, cancelled checks or account statements documenting amount of employer contributions to employee health and retirement plans
- Non-Payroll Costs
 - Business Mortgage Interest Payments: Copy of lender amortization schedule and receipts or cancelled checks verifying payment during “Covered Period” or “Alternative Payroll Covered Period”

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- Business Lease Payments: Copy of current lease(s) and receipts or cancelled checks verifying payment during “Covered Period” or “Alternative Payroll Covered Period”
- Business Utility Payments: Copies of invoices from February 2020, and receipts or cancelled checks verifying payment during “Covered Period” or “Alternative Payroll Covered Period”

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- Documents Borrower Must Maintain But Not Required To Submit
 - Documentation on wages from January 1, 2020 to end of “Covered Period” or “Alternative Payroll Covered Period”

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- Documentation regarding employee job offers and refusals, firings for cause, resignations, requests for reduction in hours and/or inability to hire similarly qualified employees
- Document supporting certification Borrower did not reduce number of employees or average hours

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- If application, documentation supporting certification Borrower was unable to operate because of government order
- Generally, all records related to PPP loan, and use of loan proceeds