



This checklist will help you prepare to request Loan Forgiveness through JPMorgan Chase. We recommend you take your time in reviewing the request process so that you have a clear understanding of what is required. It is your obligation, as the borrower, to understand the rules of the Small Business Administration (SBA). We'll email you when you can request Forgiveness.

You must request Forgiveness separately for your first and second PPP loans if you have two. If requesting Forgiveness for a second PPP loan of more than \$150,000, you must request Forgiveness for your first PPP loan before or at the same time, even if you're requesting \$0 Forgiveness for it.

## Before you request, make sure you:

- Have spent all of your PPP funds on eligible costs:** The SBA states that borrowers can only request Forgiveness for PPP funds they've already spent.
- Choose the right SBA form to use:**
  - **For loans \$150,000 or less:**
    - » [Form 3508S](#)
  - **For loans above \$150,000 and who meet one of two criteria:**
    - » [Form 3508EZ](#)
      - Did not reduce the salaries or wages of your employees earning \$100,000 or less by more than 25% or less and did not reduce the number of employees or hours of your employees OR
      - Did not reduce the salaries or wages of your employees earning \$100,000 or less by more than 25% and did experience reductions in business activity as a result of health directives related to COVID-19. Business activity reductions could have resulted directly or indirectly from compliance with COVID Requirements or Guidance from federal, state or local government shutdown orders that prohibited you from maintaining the same Full Time Equivalency (FTE).
  - **For all other loans:**
    - » [Form 3508](#)
- Select your Covered Period:** Time period that starts on your loan disbursement date and ends the date you choose that is at least eight weeks but no more than 24 weeks after.
- Calculate:**
  - **Your eligible payroll costs:**
    - » Regardless of which form you'll use, locate Tables 1 and 2 in the Schedule A Worksheet of Form 3508.
      - 3508S:
        - If your loan is \$50,000 or less, use Tables 1 and 2 (columns 1-3 only)
        - If your loan is greater than \$50,000 or if you and your affiliates received PPP loans totaling \$2 million or more, use all columns within Tables 1 and 2
      - 3508EZ:
        - Use Tables 1 and 2
      - 3508:
        - Complete the entire Schedule A Worksheet, including Tables 1 and 2.
  - **Your eligible non-payroll costs:** these include utilities, rent and mortgage interest costs that were established before Feb. 15, 2020 as well as covered: operations expenditures, supplier costs, worker protection expenditures and property damage costs during 2020 not covered by insurance.

If the payroll costs you've calculated—taking into account salary/hourly wage reduction and FTE information, if applicable—are equal to or greater than your PPP loan amount, you can request Forgiveness for the full PPP loan amount 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 payroll or non-payroll costs or documents in support of your request.

- ❑ For loans more than \$50,000 or if you and your affiliates received PPP loans totaling \$2 million or more:
  - Your average Full-Time Equivalency (FTE): Use the simplified or detailed method. See page 10 of SBA [Form 3508](#).
    - » Forgiveness amount may be reduced if average weekly FTE employees during Covered Period was less than during chosen reference period.
      - Detailed: For each employee, enter the average number of hours paid per week, divide by 40, and round the total to the nearest tenth. The maximum for each employee is capped at 1.0. OR
      - Simplified: Assigns a 1.0 for employees who work 40 hours or more per week and 0.5 for employees who work fewer hours.
  - Select your Reference Period: After choosing your Reference Period, you will compare your FTE levels from this period to your FTE levels during the Covered Period. See page 9 of SBA [Form 3508](#).
  - Your Forgiveness amount may be reduced if average weekly FTE employees during your Covered Period were less than the reference period.
    - » Options to determine your Reference Period:
      - The average number of FTE employees on payroll per week you employed between Feb. 15 - June 30, 2019;
      - The average number of FTE employees on payroll per week you employed between Jan. 1 - Feb. 29, 2020; or
      - For seasonal employers, the average number of FTE employees on payroll for either of the preceding periods or any consecutive 12-week period between Feb. 15, 2019 and Feb. 15, 2020.
- ❑ Check if you meet FTE Reduction Safe Harbor qualifications: For details on Safe Harbor rules, see page 11 of SBA [Form 3508](#).
- ❑ After we receive your complete request, it generally will take us up to 60 days to review and send to the SBA, and up to an additional 90 days for the SBA to review and authorize. Actual times will vary and timelines may be affected for a number of reasons, including if the SBA has additional questions or requests a loan review.

## Helpful tips

- ❑ You will need your PPP Loan Amount, Loan Disbursement Date, and nine-digit Business Tax Identification Number (TIN).
- ❑ We will pre-populate your SBA Loan Number, JPMC Loan Number, and NAICS Code.
- ❑ If you work with a payroll provider, check to see if they can provide a specialized report to use as payroll and FTE documentation when requesting Forgiveness.
- ❑ PPP Loan Forgiveness must be requested by an authorized representative who will be required to attest to certain representations on behalf of the Borrower.
- ❑ Users will be timed out of the portal after 15 minutes of inactivity or any continuous 60-minute session. However, you can log back in immediately after each instance. Click "Save and Continue" often to retain your work.
- ❑ You may want to contact your accountant, attorney, or other trusted advisors before you submit your request.

## Avoid These Top 5 Forgiveness Request Reject Reasons

**1. Net Eligible Pay amount not included with Gross Pay amount.**

- **Solution:** Use pre-generated reports from third party payroll providers for employee compensation limit. Net eligible pay total should match application payroll number. Designate employees as over-or-under \$100,000 annual cash compensation.

**2. Not submitting enough information about your payroll.**

- **Solution:** Whether you use a third party payroll provider or 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;
  - » Gross pay per pay period;
  - » Net pay that matches your proof of payment;
  - » Excess compensation—prorated per week—for all employees whose annual gross pay exceeds \$100,000;
  - » SBA payroll cost (adjusted amount).

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.

**3. 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(s) 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, 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 the tax liability you will report for Oct. 1 through Oct. 15.

**4. 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.

**5. Not including K-1 for companies or LLCs filing as partnerships.**

- **Solution:** If you filed a 2019 IRS Schedule K-1 (Form 1065) for general partners, you must upload it with your supporting documents.

Please visit [SBA.gov/PPP](https://www.sba.gov/ppp) and [Treasury.gov](https://www.treasury.gov) for any updates.