

Paycheck Protection Program Loan Application

Paycheck Protection Program Loan Application Document Requirements

As part of your Paycheck Protection Program (PPP) Loan, you'll need to provide detailed supporting documentation. Here are a few tips to help expedite your application and review process.

Best practices for uploading documents in the PPP Client Portal:

- Don't upload any password protected documents.
- Clearly identify and label each payroll expense amount used in your average monthly payroll calculation. You may also include a summary showing which expenses correlate to which payroll expense category listed in your application.
- You can only upload one document for each payroll expense category into the designated placeholder, so it's easiest to merge multiple documents supporting the same expense category into one file before uploading.
- Label, or include identifiers for your business on all supporting documentation. This can be as simple as circling business information like applicant name(s), Tax ID, date(s), amount(s).
- File sizes are limited to 15MB, and the file name can't include any special characters or symbols.
- The separate PPP Borrower Worksheet that was needed in the first round of PPP is *no longer required to be submitted* as this payroll information is collected as part of the online application.

First Draw PPP Loan Documentation

The documentation you submit must prove that you meet all of the PPP eligibility requirements for a First Draw Loan, including your qualifying payroll costs¹. You will also need to provide any payroll statement or similar documentation from the pay period that covered February 15, 2020 to establish your business was in operation and, if applicable, had employees on that date.

Acceptable payroll documentation includes:

- Payroll information consisting of compensation to employees in the form of salary, wages, commissions or similar compensation, or cash tips or their equivalent. Examples include:
 - Payroll tax filing forms
 - C-Corps, S-Corps, and LLCs- This includes your quarterly IRS Form 941, annual IRS Form 944, IRS Form 1120, IRS Form 1120S
 - Partnerships with employees- This includes your quarterly IRS Form 941, annual IRS Form 944, IRS Form 1065 (including K-1s)
 - Self-employed with employees- This includes your quarterly IRS Form 941, annual IRS Form 944, IRS Form 1040 Schedule C, IRS Form W-2, IRS Form W-3
 - Self-employed without employees- This includes your IRS Form 1040 Schedule C, IRS Form 1099-MISC, IRS Form 1040 Schedule 1
 - Seasonal employers, farmers and ranchers- This includes your IRS Form 1040 Form F, IRS Form 1099-MISC
 - Third party system-generated payroll processor report
 - Internally-prepared payroll report
- Employer-paid retirement and health insurance benefits, including retirement, group health care, group life, disability, vision, or dental insurance contributions. Only the employer-paid portion is eligible—the employee withheld portion is not eligible. Examples include:
 - Benefit invoices from providers
 - Payroll tax filing forms
 - C-Corps, S-Corps, and LLCs- This includes your IRS Form 1120, IRS Form 1120S
 - Partnerships with employees- This includes your IRS Form 1065 K-1
 - Self-employed- This includes your IRS Form 1040 Schedule C, IRS Form 1040 Schedule 1
 - Seasonal employers, farmers and ranchers- This includes your IRS Form 1040 Form F
 - Nonprofit businesses- This includes your IRS Form 990 or 990-EZ
 - Third party system-generated payroll processor report

¹ Payroll costs consist of compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commission, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment for vacation, parental, family, medical, or sick leave (except those paid leave amounts for which a credit is allowed under FFCRA Sections 7001 and 7003); allowance for separation or dismissal; payment for the provision of employee benefits (including insurance premiums) consisting of group health care coverage, group life, disability, vision, or dental insurance, and retirement benefits; payment of state and local taxes assessed on compensation of employees; and, for an independent contractor or sole proprietor, wage, commissions, income, or net earnings from self-employment or similar compensation. Please visit the SBA website for further information on these payroll costs.

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- Internally-prepared payroll report
- Employer-paid vacation, or parental, family, medical or sick leave, allowance for separation or dismissal costs.
 - Third party system-generated payroll processor report
 - Internally-prepared payroll report
- Employer-paid state and local taxes assessed on employee compensation, which shouldn't include payment of imposed or withheld federal employment taxes such as Federal Insurance Contributions Act (FICA), Social Security, Railroad Retirement Act taxes, etc. Only the employer-paid portion is eligible—the employee withheld portion is not. Examples include:
 - Third party system-generated payroll processor report
 - Internally-prepared payroll report
 - State wage unemployment insurance tax reporting form
- Exclusions from eligible payroll costs:
 - Compensation to any employee in excess of \$100,000 on an annual basis
 - compensation to employees whose principal place of residence is outside the U.S.
 - qualified sick and family leave wages for which a credit is allowed under sections 7001 and 7003 of the Families First Coronavirus Response Act (FFCRA). Examples include:
 - Third party system-generated payroll processor report
 - Internally-prepared payroll report

Second Draw PPP Loan Documentation

The documentation required to prove your payroll cost calculations is generally the same as the documentation required for First Draw PPP Loans as listed in the previous section. However, the separate PPP Borrower Worksheet you submitted with your First Draw PPP Loan application is *no longer required to be submitted* as this information is collected as part of the online application. No additional documentation is required if you want to use the same average monthly payroll calculation that was used to determine your first PPP Loan and the related documentation has already been submitted to Truist for your First Draw PPP Loan. You will, however, also need to provide a payroll statement or similar documentation from the pay period that covered February 15, 2020 to establish that your business was in operation and, if applicable, had employees on that date.

If you're applying for a Second Draw PPP Loan over \$150,000, you must complete, sign, and upload this [Gross Receipts Comparison Worksheet](#) in the Upload Documents section of your portal dashboard. You'll also need to submit documentation showing a decline in gross receipts of 25% or more. Your application will be considered incomplete without the completed worksheet and supporting documentation. Such documentation may include annual tax returns, or, if tax returns are not available, quarterly financial statements or bank statements. A draft of a tax return for 2020 is sufficient if the applicant has not filed its 2020 tax return and attests that the information relating to gross receipts on the draft tax return will be the same as when the applicant files the return. Specifically, with respect to draft 2020 annual tax returns, you must fill out the 2020 return, compute the relevant gross receipts value and sign and date the return, attesting that the values that enter the gross receipts calculation are the same values that will be filed on your tax return. If you use a fiscal year to file taxes, you may document a reduction in gross receipts with income tax returns only if your fiscal year contains all of the second, third, and fourth quarters of the calendar year (i.e., have a fiscal year start date of February 1, March 1, or April 1).

Strong Preference for "Like-Like" Documentation. Your gross receipts reduction comparison between 2019 and 2020 will be more readily confirmed if you submit the same type of documentation of gross receipts for 2019 and 2020 and Truist strongly encourages Second Draw Loan applicants to provide "Like-Like" documentation. For example, the gross receipts reduction comparison is easier to verify if you submit a tax return for 2019 *and* a tax return for 2020 (even if it is a certified draft of the return as outlined above). Similarly, the gross receipts reduction comparison is easier to verify if you submit quarterly income statements for the relevant quarter(s) in 2019 and quarterly income statements for the relevant quarter(s) in 2020.

If you're applying for a Second Draw PPP Loan amount of \$150,000 or less, you have the option to submit your calculations and supporting documentation showing a decline in gross receipts of 25% or more at the time of your loan application or wait until you apply for forgiveness. Whether you take this step now or later, you will need to complete, sign, and upload this [Gross Receipts Comparison Worksheet](#) in the Upload Documents section of your portal dashboard at the same time you provide the calculations and supporting documentation.

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Allowable Document List

The list below was created using the Small Business Administration's (SBA) guidance on How to Calculate Loan Amounts - By Business Type (June 26, 2020) and is applied across all business entity types accepted by the SBA for First Draw applications (Form 2483) and Second Draw applications (Form 2483-SD).

<u>Category</u>	<u>Document Type²</u>	<u>Additional Comments</u>
Gross Receipts	Tax Returns, Income Statements or Bank Statements	
Net Profit	IRS Form 1040 Schedule C	Sole Proprietorship
	IRS Form 1040 Schedule 1	Additional Income
	IRS Form 1040 Schedule F	Farmers/Ranchers
	IRS Form 1065 Schedule K-1	Partnership
Net Earnings (Partnership)	IRS Form 1040 Schedule C	Sole Proprietorship
	IRS Form 1040 Schedule 1	Additional Income
	IRS Form 1040 Schedule F	Farmers/Ranchers
	IRS Form 1065 Schedule K-1	Partnership
179 Deductions (Applies to calculation of Net Earnings for Partnership)	IRS Form 1040 Schedule C	Sole Proprietorship
	IRS Form 1040 Schedule 1	Additional Income
	IRS Form 1040 Schedule F	Farmers/Ranchers
	IRS Form 1065 Schedule K-1	Partnership
Gross Wages	IRS Form 941	Quarterly
	IRS Form 944	Annual
	IRS Form W-2	
	IRS Form W-3	
	System - Generated Payroll Processor Report (3 rd Party or Internal)	
Exclusions - [Excess of \$100K; Principal place of residence outside the U.S; Qualified sick/family leave wage credit (sec. 7001 & 7003 of FFCRA)]	System - Generated Payroll Processor Report (3 rd Party or Internal)	
Employer-Paid Group Health Care, Group Life, Disability, Vision, or Dental Insurance Contributions	IRS Form 1040 Schedule C	Sole Proprietorship
	IRS Form 1040 Schedule 1	Additional Income
	IRS Form 1040 Schedule F	Farmer/Rancher
	IRS Form 1065 Schedule K	Partnership
	IRS Form 1120	Corporation
	IRS Form 1120-S	S Corporation
	IRS Form 990	Tax Exempt Org.
	System - Generated Payroll Processor Report (3 rd Party or Internal)	
	Benefits Invoice	
Employer-Paid Retirement Contributions	IRS Form 1040 Schedule C	Sole Proprietorship
	IRS Form 1040 Schedule 1	Additional Income
	IRS Form 1040 Schedule F	Farmer/Rancher
	IRS Form 1065 Schedule K	Partnership
	IRS Form 1120	Corporation
	IRS Form 1120-S	S Corporation
	IRS Form 990	Tax Exempt Org.
	System - Generated Payroll Processor Report (3 rd Party or Internal)	
	Manual Payroll Report	
	Benefits Invoice	
Employer-Paid State and Local Taxes Assessed on Employee Compensation	System - Generated Payroll Processor Report (3 rd Party or Internal)	
	State Wage Unemployment Insurance Tax Reporting Form	

² In instances where borrowers provide documents in an editable format (e.g. Excel), those documents will be accepted so long as they appear to be system generated. This could include at least one of the following conditions being met: 1. Payroll provider and/or payroll system name is included in the document; 2. Document is otherwise copyrighted; or 3. Document contains a date/timestamp.