

Term	Definition	Documents
<p><b>Payroll</b>  <b>Owner Employee Compensation</b>  <b>Details Below</b></p>	<p>The sum of gross salary, gross wages, gross tips, gross commissions, paid leave (vacation, family, medical or sick leave, not including leave covered by the Families First Coronavirus Response Act), and allowances for dismissal or separation paid or incurred during the Covered Period or the Alternative Payroll Covered Period.</p> <p>For each individual employee, the total amount of cash compensation eligible for forgiveness may not exceed an annual salary of \$100,000, as prorated for the covered period. For an 8-week covered period, that total is \$15,385. For a 24-week period, that total is \$46,154.</p>	<p><b>3 Requirements:</b></p> <p>1a. Third-party payroll service provider (i.e. ADP or Paychex) reports documenting the amount of cash compensation paid to employees.*</p> <p>1b. Company provided payroll report with accompanying bank account statements</p> <p>2. Tax forms (or equivalent third-party payroll service provider reports) for the periods that overlap with the Covered Period or the Alternative Payroll Covered Period:</p> <ul style="list-style-type: none"> <li>i. Payroll tax filings reported, or that will be reported, to the IRS (typically, Form 941); and</li> <li>ii. State quarterly business and individual employee wage reporting and unemployment insurance tax filings reported, or that will be reported, to the relevant state.</li> </ul> <p>3. Payment receipts, cancelled checks, or account statements documenting the amount of any employer contributions to employee <b>health insurance</b> and <b>retirement plans</b> that your business included in the forgiveness amount.</p> <p><i>* Ideal and will require less review</i></p>

<p><b>Schedule C Payroll</b></p>	<p>The sum of gross salary, gross wages, gross tips, gross commissions, paid leave (vacation, family, medical or sick leave, not including leave covered by the Families First Coronavirus Response Act), and allowances for dismissal or separation paid or incurred during the Covered Period or the Alternative Payroll Covered Period.</p>	<p>2019 Schedule C (which should have been collected upon application, but might need to be uploaded again)</p> <p>If you only want to use payroll for this loan, at the current time, we recommend you write yourself a payroll check(s) and submit a copy of the cancelled check(s) as documentation. If the loan is greater than \$15,385, then you should submit 15-20 weeks of payroll, as the 8-week period for payroll is capped at \$15,385. For example, if you have an \$18k loan, you can write a \$1k check every week or a \$2k check every 2 weeks and submit a copy of the cancelled check for forgiveness. In this example, the period would be 18-weeks.</p> <p>If the 24 week covered period is selected the maximum amount of owner compensation is \$20,833.</p>
<p><b>State and Local Tax</b></p>	<p>Total amount your business pays for employer state and local taxes assessed on employee compensation (e.g., state unemployment insurance tax). Do not list any taxes withheld from employee earnings.</p>	<p>Proof of payment (this amount is the <b>employer</b> paid and is generally a very minimal amount. Only use this if needed).</p>

<p><b>Health Insurance</b></p>	<p>Amount your business pays for employer contributions for employee health insurance, including employer contributions to a self-insured, employer-sponsored group health plan, but excluding any pre-tax or after tax contributions by employees. Do not add employer health insurance contributions made on behalf of a self-employed individual, general partners, or owner-employees of an S-corporation.</p>	<p>Payment receipts, cancelled checks, or account statements documenting the amount of any employer contributions to employee health insurance that your business included in the forgiveness amount</p>
<p><b>Retirement</b></p>	<p>Amount your business pays for employer contributions to employee retirement plans, excluding any pre-tax or after-tax contributions by employees. Do not add employer retirement contributions made on behalf of a self-employed individual or general partners, because such payments are already included in their compensation.</p>	<p>Payment receipts, cancelled checks, or account statements documenting the amount of any employer contributions to employee retirement that your business included in the forgiveness amount.</p>
<p><b>Rent</b></p>	<p>Business rent or lease payments pursuant to lease agreements for real or personal property in force before February 15, 2020</p>	<p><b>2 Options:</b></p> <ol style="list-style-type: none"> <li>1. Copy of current lease agreement <b>and</b> receipts or cancelled checks verifying eligible payments from the Covered Period</li> <li>2. Lessor account statements from February 2020 and from the Covered Period through one month after the end of the Covered Period verifying eligible payments.</li> </ol>



<b>Utilities</b>	Business payments for a service for the distribution of electricity, gas, water, telephone, transportation or internet access for which service began before February 15, 2020	Copy of invoices from February 2020 <b>and</b> those paid during the Covered Period <b>and</b> receipts, cancelled checks, or account statements verifying those eligible payments.
<b>Interest</b>	Payments of mortgage interest (not including any prepayment or payment of principal) on any business mortgage obligation on real or personal property incurred before February 15, 2020	<b>2 Options:</b> 1. Copy of lender amortization schedule and receipts <b>or</b> cancelled checks verifying eligible payments from the Covered Period  2. Lender account statements from February 2020 <b>and</b> the months of the Covered Period through one month after the end of the Covered Period verifying interest amounts and eligible payments.

**Compensation–** Owner employee compensation is capped at \$20,833 (this includes payroll, health, and retirement) Owner-employees with less than a 5 percent ownership stake in a C- or SCorporation are not subject to the owner-employee compensation rule.

**Alternative Payroll Covered Period–** This only applies to payroll. For this option, please refer to the following example scenario:

The Loan originated April 24th; Payroll is Bi-Weekly; Payroll was incurred between April 13-26; Payroll is paid on Fridays; Payroll for April 13-26 was paid on Friday, May 1st. In this scenario, the Alternative Covered Period begins April 27th, and if the full 24-weeks is taken, ends October 12th. The pay periods which can be included in that period are from May 1st through October 16th.