



# Highland Bank

Your Business, Our Bank.

## PAYCHECK PROTECTION PROGRAM (PPP) Supporting Documentation Required Forgiveness Application

- Payroll Verification
  - Bank statements or 3rd party payroll service provider reports documenting amount of cash compensation paid to employees during the covered period (8-week period after loan disbursement, or alternative payroll covered period)
  - Tax forms (or equivalent 3rd party payroll service provider reports) for the periods that overlap the covered period or alternative payroll covered period. Maximum salary for eight-week period is capped at \$15,385 per individual.
    - Payroll tax filings reported, or that will be reported, to the IRS (generally Form 941)
    - State quarterly business and individual employee wage reporting and unemployment insurance tax filings reported, or that will be reported, to the relevant state
  - Payment receipts, cancelled checks, or account statements documenting the amount of employer contributions to employee health insurance and retirement plans that are included in the forgiveness amount.
  
- Full-Time Employees: At the discretion of the borrower, documentation of:
  - Average number of FTE employees on payroll per month employed by the borrower between 2/15/19 - 6/30/19;
  - Average number of FTE employees on payroll per month employed by the borrower between 1/1/20 - 2/29/20; or
  - For a seasonal employer, the average number of FTE employees on payroll per month employed by the borrower between 2/15/19 - 6/30/19; between 1/1/20 - 2/29/20; or any consecutive 12- week period between 5/1/19 and 9/15/19.
  - Documentation for FTE Safe Harbor (if reduction in workforce)
    - Average FTE's between 2/15/2020 and 4/26/2020
    - Total FTE's employed during the pay period which included 2/15/2020
    - Total FTE's at 6/30/2020

- Non-payroll – documentation verifying existence of obligations/services prior to 2/15/2020 and eligible payments for Covered Period.
  - Business mortgage interest payments: copy of the loan amortization schedule and receipts or cancelled checks verifying eligible payments during the covered period; or lender account statements from 2/2020 and the months of the covered through one month after the end of the covered period verifying interest amounts and eligible payments.
  - Business rent or lease payments: copy of current lease agreement and cancelled checks verifying eligible payments during the covered period, or lessor account statements from 2/2020 and for the covered period through 1-month after the end of the covered period verifying eligible payments.
  - Business utility payments: copy of invoices from 2/2020 and those paid during the covered period along with cancelled checks or account statements verifying eligible payments.
    - Electricity
    - Gas
    - Telephone
    - Internet
    - Gas (fuel for business vehicles)
  - Eligible non-payroll costs cannot exceed 25% of the total forgiveness amount

\*Borrowers are required to retain additional documentation as part of their PPP records.

A complete forgiveness package should be submitted to your banker at Highland Bank along with the Eide Bailly Paycheck Protection Forgiveness Model Calculator, which will be available for use the first week of June.

5/28/20

Bank/SBA reserves the right to request and receive additional information upon request. Additional guidance may be provided by the SBA, and certain requirements could be subject to change.