

Paycheck Protection Program

Document Reference Sheet (as of 3/20/2021)

Please refer to the Small Business Administration's Interim Final Rule Docket Nos. [SBA 2021-0001](#), [SBA 2021-0002](#), [SBA 2021-0010](#), and [SBA 2021-0013](#), as well as the U.S. Treasury's Website on Assistance for Small Businesses and SBA website, for additional guidance on documentation and other program requirements. Please also review:

- The instructions in the SBA's application form:
 - [Form 2483 - First Draw Borrower Application](#)
 - [Form 2483-C - First Draw Borrower Application for Schedule C Filers Using Gross Income](#)
 - [Form 2483-SD - Second Draw Borrower Application](#)
 - [Form 2483-SD-C - Second Draw Borrower Application for Schedule C Filers Using Gross Income](#)
- The SBA's Guidance on How to Calculate First Draw PPP Loan Amounts, How to Calculate Revenue Reduction and Maximum Loan Amounts for Second Draw PPP Loans (for important guidance on what documents are required in connection with your application):
 - [How to Calculate Maximum Loan Amounts for First Draw PPP Loans and What Documentation to Provide - By Business Type](#)
 - [Second Draw: How to Calculate Revenue Reduction and Maximum Loan Amounts Including what Documentation to Provide](#)

The following documents may be needed in order for you to submit an application for a Paycheck Protection Program loan.

Make sure:

- The Tax Identification Number (TIN) and name, if any, on your documentation matches the TIN and name associated with your online banking ID.
- Any PDF documents are read-only, not editable. If you have editable pdfs, review this PDF Instructions sheet to save your files as read-only.

Documentation required to substantiate your Loan Request Amount

Second Draw Limited Document Situations: No documentation is required to substantiate payroll included in your Loan Request Amount for second draw loans if: (1) you used calendar year 2019 figures to determine your first-draw PPP loan amount; (2) you are using calendar year 2019 figures to determine your second-draw PPP loan amount (and thus the necessary documentation was already submitted with your first-draw application); and (3) for both first- and second-draw, you use Bank of America as your lender.

Except in the Second Draw Limited Document Situations, you will not be able to submit your application without providing the required documentation indicated below.

Employee Payroll Documentation

Provide documentation substantiating the employee payroll¹ included in your Loan Request Amount using one of the following documents from 2019 or 2020²:

- Tax Form 941 for all four quarters
- Tax Form 940
- Tax Form 943
- Tax Form 944
- Tax Form W-3
- Payroll processor records including gross salaries and wages (similar to those produced by acceptable payroll providers such as ADP, Paycom, SAP, Ceridian, Intuit/QuickBooks, Paylocity, Workday, Paychex)

Notes with respect to Employee Payroll Documentation

- If you are a first-draw Applicant that began operations after February 15, 2019 (new business), you have employees, and you are calculating your average monthly payroll using the time period from January 1, 2020 to February 29, 2020, **you must also provide** (i) payroll processor records including gross salaries and wages (similar to those produced by acceptable payroll providers such as ADP, Paycom, SAP, Ceridian, Intuit/QuickBooks, Paylocity, Workday, Paychex) from January and February 2020, and (ii) Tax Form 941 for the first quarter of 2020.
- If you are a second draw Applicant that began operations after February 15, 2019 (new business), you must calculate your average monthly payroll using payroll costs in the period from when you first began operations through the end of calendar year 2020, divided by the number of months you were in operation from 2019 through the end of 2020. The Applicant **must also provide** payroll documentation for each quarter it was in operation.
- Fishing boat owners can use a Tax Form 1099-MISC to supplement payroll. No other 1099s will be accepted to substantiate payroll.

Owner Compensation or Proprietor Expenses Documentation

Provide documentation substantiating any self-employment, owner or partner wages or proprietor expenses³ included in your Loan Request Amount using one of the following documents:

¹ Employee payroll consists of compensation to employees (whose principal place of residence is the United States and specifically excludes compensation to employees whose principal place of residence is outside of the United States) in the form of salary, wages, commissions, 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 70001 and 7003); and allowance for separation or dismissal. Payroll amounts included in your Loan Request Amount should exclude costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligations to make the payments is incurred, for each employee.

² All references to '2019 or 2020' documentation mean you must submit documentation for whichever year you used to calculate your loan amount. If you are permitted to use parts of 2019 and 2020 (e.g., if you are not self-employed and are using the precise 1-year period before the loan is made, if you are a seasonal business using a 12-week period that includes dates in 2019 and 2020, or if you are a new business seeking a second-draw loan and are using the period from when you were first in operation through the end of the calendar year 2020), or if you are permitted to use January and February of 2020 (i.e., you are a new business applying for a first-draw loan), you must submit documentation for the period you used to calculate your loan amount.

³ For self-employed Applicants with no employees that file IRS Form 1040, Schedule C and who use gross income to calculate their loan amount, proprietor expenses are calculated using gross income. For self-employed Applicants with employees that file IRS Form 1040, Schedule C and who use gross income to calculate the loan amount, proprietor expenses are calculated using the difference between gross income and employee payroll costs. For more information, please refer to Bank of America's Loan Amount Worksheet.

Sole Proprietors, Independent Contractors and Self Employed Farmers ⁴	Partnerships
<ul style="list-style-type: none"> • 2019 or 2020 Tax Form 1040 Schedule C • 2019 or 2020 Tax Form 1040 Schedule F <u>and</u> Schedule 1 <p>If no employees, <u>must also</u> provide a 2019 or 2020 Tax Form 1099-MISC detailing nonemployee compensation received (box 7), Tax Form 1099-K, invoice, book of record, or bank statement establishing self-employment.</p>	<ul style="list-style-type: none"> • 2019 or 2020 Tax Form 1065 • Must include at least one Schedule K-1

Notes with respect to Owner Compensation

If you are a self-employed first-draw Applicant that began operations after February 15, 2019 (new business) and you are calculating your average monthly payroll using the time period from January 1, 2020 to February 29, 2020, you must also provide:

- Tax Form 1040 Schedule C, Tax Form 1040 Schedule F, or Tax Form 1065, as applicable, filled out for the months of January and February 2020 (see the Loan Amount Worksheet and How to Calculate First Draw PPP Loan Amounts for guidance); and
- Business bank account(s) statements for the months of January and February 2020.

Additional Employee Payroll Cost Documentation

- Provide documentation, such as payment receipts or account statements, to substantiate:
 - Employer contributions for employee benefits (including insurance premiums) consisting of group health care coverage, group life, disability, vision or dental insurance included in your Loan Request Amount
 - Employer contributions to employee retirement benefits included in your Loan Request Amount
 - Pre-tax employee contributions and deductions from pay for flexible spending arrangements (FSA) or other nontaxable benefits under a section 125 cafeteria plan and qualified transit or parking benefits (up to \$270 a month)
- Provide state quarterly wage unemployment insurance tax reporting forms (or equivalent payroll processor records) for each quarter to substantiate any employer state and local taxes paid by the Applicant and assessed on employee compensation included in your Loan Request Amount

Documentation required to verify operations on February 15, 2020

Provide documentation evidencing that the Applicant was in operation **on February 15, 2020**. Such documentation should include one of the following:

- For a business with employees, 2020 Payroll Processor records including gross salaries and wages from the pay period that covered February 15, 2020 (similar to those produced by acceptable payroll providers such as ADP, Paycom, SAP, Ceridian, Intuit/QuickBooks, Paylocity, Workday, Paychex), or similar documentation establishing that the business was in operation on February 15, 2020.
- For a business without employees, a 2020 invoice, bank statement, or book of record establishing it was in operation on February 15, 2020.
- For a seasonal business that was dormant or not fully operating as of February 15, 2020:

⁴ Self-employed Applicants eligible to use gross income from both Schedule C and Schedule F to calculate their loan amount should submit Schedule C as well as Schedule F and Schedule 1.

- For a business with employees: 2019 or 2020 Payroll Processor records including gross salaries and wages (similar to those produced by acceptable payroll providers such as ADP, Paycom, SAP, Ceridian, Intuit/QuickBooks, Paylocity, Workday, Paychex) or similar documentation establishing that the business was in operation and had employees for any 12-week period between February 15, 2019 and February 15, 2020.
- For a business without employees: 2019 or 2020 invoices, bank statements, or book of records establishing that the business was in operation for any 12-week period between February 15, 2019 and February 15, 2020.

Second Draw Loans – Revenue Reduction Documentation

For second-draw loans greater than \$150,000, you must also submit documentation to establish that you (together with your affiliates, if applicable⁵) meet the revenue reduction requirement (“Supporting Documents”). **If your loan is equal to or less than \$150,000, you do not need to supply revenue reduction documentation at this time**, however, (1) you must certify that you have realized a 25% reduction in gross receipts and (2) such documentation must be submitted on or before the date you apply for loan forgiveness (or upon SBA request), as required under the Economic Aid Act.

You must submit documentation demonstrating a reduction in gross receipts⁶ of 25 percent or greater between your reference period and your 2020 period (see below for additional information about permitted reference periods). You must provide one of the following (Applicants with affiliates must also provide one of the following per affiliate⁷):

- **Annual IRS income tax forms**⁸ for 2019 and 2020 (required if you choose an annual reference period). ***If the entity has not yet filed a tax return for 2020, the Applicant must fill out the return forms, compute the relevant gross receipts value, and sign and date the return***, attesting that the values that enter into the gross receipts computation are the same values that will be filed on the entity’s tax return.⁹
- **Quarterly income statements** for your reference period and your 2020 period (if you choose a quarterly reference period). ***The Applicant must sign and date the first page of each income statement and initial all other pages***, attesting to their accuracy. If the income statements do not specifically identify the line item(s) that constitute gross receipts, the Applicant must annotate which line item(s) constitute gross receipts.
- **Quarterly or monthly bank statements** for your reference period and your 2020 period (if you choose a quarterly reference period). The Applicant must annotate which deposits listed on the bank statement constitute gross receipts and which do not.

Additionally, you must also provide a **revenue reduction schedule** (“Revenue Reduction Schedule”) unless your income statements clearly show the total gross receipt amount for each reference period. The Revenue Reduction Schedule should demonstrate how you calculated your gross receipts (including any affiliate gross receipts required by the SBA affiliation rules) for your reference period and your 2020 period. The Revenue Reduction Schedule should (i) show the

⁵ Please review the SBA’s affiliation rules, as applicable to the PPP (86 Fed. Reg. 3692, 3698-99 (Jan. 14, 2021)).

⁶ Please review the SBA’s rules defining gross receipts (86 Fed. Reg. 3712, 3718 (Jan 14, 2021)) and How to Calculate Revenue Reduction and Maximum Loan Amounts for Second Draw PPP Loans for information on what should be included and excluded from gross receipts.

⁷ Please review the SBA’s rules for calculating the gross receipts of affiliates (86 Fed. Reg. 3712, 3718 (Jan 14, 2021)).

⁸ Entities that use a fiscal year that differs from the calendar year to file taxes may document a reduction in gross receipts with income tax returns only if their 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).

⁹ The amounts required to compute gross receipts varies by the entity tax return type. Please review How to Calculate Revenue Reduction and Maximum Loan Amounts for Second Draw PPP Loans for information on what amounts should be used.

calculation used to determine your gross receipts amount for each of these periods using the numbers provided in your Supporting Documents, and (ii) clearly indicate the Supporting Document(s) used for each number (see Appendix A for an example of an appropriate Revenue Reduction Schedule). If the numbers used on your Revenue Reduction Schedule cannot be substantiated with your Supporting Documents or the total gross receipts listed on your Revenue Reduction Schedule for each of these periods do not match your gross receipts provided in your application, it may cause delays in processing your application. Please see SBA rules, for information on how to calculate your gross receipts.

Notes with respect to Revenue Reduction Documentation

Reference period. The appropriate reference period for determining revenue reduction depends on how long you have been in operation:

- For all entities (other than those specifically set forth below):
 - Applicants must demonstrate that gross receipts in any quarter of 2020 were at least 25% lower than the same quarter of 2019. Alternatively, Applicants may compare annual gross receipts in 2020 with annual gross receipts in 2019; Applicants choosing to use annual gross receipts must enter “Annual” in the reference period and 2020 period fields and must submit copies of annual tax forms substantiating the annual gross receipts reduction.
- In operation Q3 and Q4 2019 but not Q1 or Q2 2019:
 - For entities not in business during the first and second quarters of 2019 but in operation during the third and fourth quarters of 2019, Applicants must demonstrate that gross receipts in any quarter of 2020 were at least 25% lower than either the third or fourth quarters of 2019.
- In operation Q4 2019 but not Q1, Q2, or Q3 2019:
 - For entities not in business during the first, second, and third quarters of 2019 but in operation during the fourth quarter of 2019, Applicants must demonstrate that gross receipts in any quarter of 2020 were at least 25% lower than the fourth quarter of 2019.
- In operation Feb. 15, 2020 but not during 2019:
 - For entities not in business during 2019 but in operation on February 15, 2020, Applicants must demonstrate that gross receipts in the second, third, or fourth quarter of 2020 were at least 25% lower than the first quarter of 2020.

The Small Business Administration and the Department of Treasury continue to provide additional guidance concerning the Paycheck Protection Program. Thus, Bank of America makes no representation that information contained herein is up to date or complete. Before submitting your PPP loan application, Applicants should visit the SBA, U.S. Treasury Assistance for Small Businesses and U.S. Treasury FAQ websites for the latest information and guidance related to the Paycheck Protection Program.

Appendix A – Sample Revenue Reduction Schedule

Sample Revenue Reduction Schedule – Bank Statements

Reference Period: _____

	Gross Receipt Amount	Relevant Document Reference
	\$2000.00	Bank Statement dated _____
	\$3000.00	Bank Statement dated _____
	\$4000.00	Bank Statement dated _____
Reference period gross receipts	<u>\$9,000.00</u>	

2020 Period: _____

	Gross Receipt Amount	Relevant Document Reference
	\$1000.00	Bank Statement dated _____
	\$1000.00	Bank Statement dated _____
	\$1000.00	Bank Statement dated _____
2020 period gross receipts	<u>\$3,000.00</u>	