

PPP Forgiveness FAQ's and Documentation Checklist

How much of my loan will be forgiven?

If you want the entire loan amount forgiven, the entire amount must be spent during the eight-week period beginning on the date of origination of the loan. The loan proceeds must be used for payroll costs, business mortgage interest, business rent, and business utilities payments. Not more than 25% of the forgiven amount may be for non-payroll costs. Your forgiveness amount will be reduced if you do not maintain your staff and payroll at levels prior to the Covid-19 pandemic. You will begin making principal and interest payments on any remaining principal balance of your loan six months after the origination date of your loan.

When does that eight-week period begin?

The eight-week period begins on the date the Rio Bank makes the first disbursement of the PPP loan to the borrower.

How can I request loan forgiveness?

You can submit a request to Rio Bank by completing the PPP Forgiveness documents as listed on the Checklist below. We suggest that you begin this process when the 8-week period ends. Rio Bank must make a decision on the forgiveness within 60 days.

Checklist of information to be submitted to Rio Bank for loan forgiveness

- 1** - Copies of monthly payroll tax reports filed with the IRS (including Forms 941, 940, state income and unemployment tax filing reports) for the 8 week period following the origination of the loan
- 2** - Copies of monthly payroll reports for each pay period for the 8 week period following the origination of the loan. Gross wages including PTO (which might include vacation, sick, and other PTO) should be reflected.
- 3** - Documentation reflecting the health insurance premiums paid by the company under a group health plan including owners of the company for the 8 week period following the origination of the loan should be provided. Copies of the monthly invoices, canceled checks or ACH drafts are acceptable.
- 4** - Documentation of all retirement plan funding by the employer for the 8 weeks following the origination of the loan should be sufficient. Copies of work papers, schedules and remittances to the retirement plan administrator should be available.
- 5** - Copies of all lease agreements for real estate and tangible personal property should be presented along with proof of payment during the 8 week period following the loan origination date.
- 6** - Copies of all statement of interest paid on debt obligations incurred prior to February 15, 2020 indicating payment amounts and proof of payment for the 8 week period following the loan origination date.
- 7** - Copies of cancelled checks, statements, or other evidence of utilities paid during the "covered period" for the 8 week period following the loan origination date.
- 8** - Borrower Certification that all documents provided are true and that Borrower used the forgiveness amount to keep employees and make eligible mortgage interest, rent, and utility payments.
- 9** - PPP Loan Forgiveness Calculator must be completed and correspond to the documentation provided in the checklist above. The second tab on the Calculator spreadsheet provides a tracking log for the use of loan proceeds if you do not already have one.