



# **Paycheck Protection Program (PPP)**

## **FORGIVENESS HANDBOOK**

Home Grown Child Care in Partnership with  
Civitas Strategies & Nielsen Training and Consulting

# Introduction

The Paycheck Protection Program (PPP) is a national effort to support small businesses through the COVID-19 epidemic. The PPP is a forgivable loan program where you receive a loan equal to 2.5 times your average monthly payroll in 2019 and then have an 8- to 24-week period to have the loan forgiven. Funds spent on payroll and (for up to 40% of the total amount forgiven) rent, utilities, and mortgage interest can be forgiven.

Home Grown Child Care is offering this PPP Forgiveness Guide to help home-based child care providers navigate the process of getting their PPP loans forgiven. Home Grown partnered with Civitas Strategies and Nielsen Training and Consulting to bring providers this important information.

For an updated list of FAQs on PPP loan forgiveness, please visit the [Home Grown website](#). If you have questions, don't hesitate to email Civitas Strategies at [ppp@civstrat.com](mailto:ppp@civstrat.com).



# Getting Started

## YOU CAN APPLY FOR FORGIVENESS:

- If you have spent as much as or more than your PPP loan amount (even if you are still in the 8- or 24-week forgiveness period).

– OR –

- Any time up to ten weeks after your 8- or 24-week forgiveness period ends.

You will apply for forgiveness through the bank which provided your loan. It is likely they will use an online form of their own, but we recommend first filling out the official SBA form (per the guidance in this document) ahead of time so you can more easily complete the bank's application (which will be very similar to the SBA form).

## GATHER KEY INFORMATION

Before filling out the SBA form per the guidance in this Handbook, gather key information about your PPP loan and spending during the forgiveness period including:

- 1 Your original PPP application.
- 2 Your loan closing documents.
- 3 Your 2019 taxes for your organization or your Schedule C for self-employed or sole proprietors.
- 4 Checks or bank statements showing your own payroll if you are NOT a W-2 employee.
- 5 Payroll reports for any employees (including yourself if you are a W-2 employee).
- 6 If you normally deduct the business use of your home or a center on your taxes:
  - Utility payments (verified with the invoice for the utility and canceled checks or other payment records).
  - Rent payments made (verified with canceled checks or other payment records) and a copy of your lease.
  - Mortgage interest payments made (verified with canceled checks or other payment records) and a copy of your mortgage amortization schedule.
- 7 If you provide retirement or health benefits through your organization: invoices/statements and canceled checks showing payment.

## NEXT, DETERMINE WHICH FORGIVENESS FORM YOU NEED TO USE.

If at all possible, you will want to use the **FORM 3508 EZ** since it is simpler and less time consuming to fill out.

If you answer “yes” to any of the following questions, go to the section on filling out **FORM 3508 EZ**:

- 1 Are you self-employed, an independent contractor, or a sole proprietor **and** did you not include any employee salaries in the computation of the average monthly salary when you applied for the PPP?
- 2 Were your employees’ salaries or wages not reduced by more than 25% compared to your pay rates from January 1, 2020 and March 31, 2020 **and** did you not reduce the total number of employees or average hours worked between January 1, 2020 and the end of the covered period?

**NOTE:** If you made an offer and the employee refused to return to work, you can ignore them in answering this question.

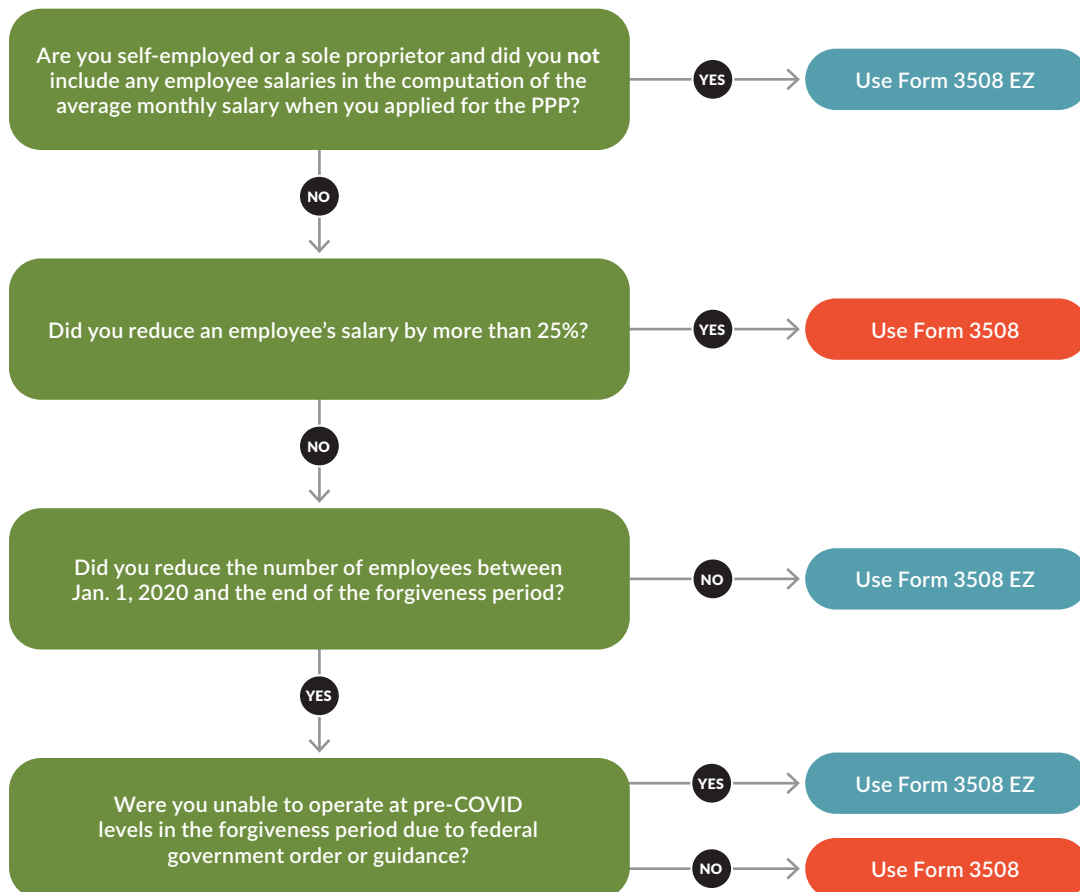
**NOTE:** This only includes employees who normally made less than \$100,000 per year in 2019.

- 3 Were your employees’ salaries not reduced by more than 25% compared to your pay rates from January 1, 2020 and March 31, 2020 **and** were you unable to operate at the same level of business activity as before February 15, 2020 due to compliance with requirements or guidance issued by the US Health and Human Services, CDC, or Occupational Safety and Health Administration related to the maintenance of standards of sanitation, social distancing, or any other work or customer safety requirement related to COVID-19?

If you do not meet one of the criteria above, please go the section on filling out **FORM 3508**.

The flowchart on this page is a visual representation of the information above and can be used to clarify which form to use. If you have questions, email us at [ppp@civstrat.com](mailto:ppp@civstrat.com).

### WHICH FORGIVENESS FORM IS RIGHT FOR YOU?



# Filling Out the Form 3508 EZ

## DOWNLOAD THE FORM

Start by downloading the form [here](#).

You can see an example of a **FORM 3508 EZ** in **ATTACHMENT 1** of this Handbook.

## PAGE 1

**Business Legal Name ("Borrower"):** Enter the same name used on your PPP application and your tax returns (if you are a sole proprietor or self-employed this is your name).

**Business Address/Business TIN (EIN, SSN):** Use the EIN for your organization or your SSN (this should be the same as the one on your PPP application).

**Business Phone/Primary Contact/E-mail Address:** Use the same information as on your PPP application unless you have moved.

**SBA PPP Loan Number (also known as the E-Tran number):** This is the official loan number issued by the SBA (it should be on your loan documents from your bank).

**Lender PPP Loan Number:** This is the number your bank issued for your loan (it should be on your loan documents from your bank).

**PPP Loan Amount:** This is the full loan amount you received in your account per the bank records.

**PPP Loan Disbursement Date:** This is the day the funds were received in your bank account.

**Employees at Time of Loan Application/Employees at Time of Forgiveness Application:** This is the total number of employees at the time you received this loan. If you are the owner or only employee, you just enter "1." If you have other W-2 employees (not contractors or employees paid in cash) enter a number for each one, even if they are part-time. For example, if your business has you and two part-time employees, you will enter "3."

**EIDL Advance Amount:** If you received an EIDL advance (it will be from \$1,000 to \$10,000), enter it here.

**EIDL Application Number:** If you received an EIDL loan, add the number here.

**Payroll Schedule:** Check the box for how often you pay yourself and your employees. If it is just you, indicate how often you paid yourself in the forgiveness period.

**Covered Period:** Enter the date you entered that you received the loan and then the date 8 or 24 weeks after (depending on which forgiveness period you want to use). If you are unsure, use 24 weeks. For example, if you received your loan on June 1, 2020, the field would read "June 1, 2020 to November 15, 2020."

**Alternative Payroll Covered Period:** If you run weekly or bi-weekly payroll, you can start your forgiveness period on the following pay period. For example, if you received your loan on June 1, 2020 but your next biweekly payroll period started on June 15, 2020, field would read "June 15, 2020 to November 29, 2020." **NOTE: You will use either the Covered period or Alternative period, not both.**

**If Borrower (together with affiliates, if applicable) received PPP loans in excess of \$2 million:** If you received more than a \$2 million PPP, check the box. Otherwise do not check it.

## Line 1 Payroll Costs

Payroll costs are probably the most difficult calculation in the EZ form. Payroll is calculated in two different ways.

- 1 If you are not an owner/operator who is not a W-2 employee (this is typical for self-employed and sole-proprietors), you will enter your pay here using the Owner Compensation Calculation. This calculation uses your 2019 net profit on your Schedule C from your taxes (Line 31 on the Schedule C). Take that number and multiply it by 0.1538 for an 8-week forgiveness period or 0.4615 for a 24-week forgiveness period. Your compensation is capped at a maximum of \$15,385 for 8-weeks of forgiveness and \$20,833 for a 24-week period.
- 2 For W-2 employees (including yourself if you are a W-2 employee): Add up all of the gross salary and wages paid (including tips and commissions, but likely you won't have these) and paid leave (such as vacation and sick leave, but not time off paid by the Families First Coronavirus Response Act).

Also add in any employer contributions to health insurance or employee retirement plans for up to 2.5 months as well as state or local employment taxes (typically found on your state quarterly tax filing).

## Line 2

### Business Mortgage Interest

Enter the amount of business mortgage interest payments paid or incurred during the Covered Period for any business mortgage obligation on real or personal property incurred before February 15, 2020. Remember, this is mortgage interest, not principal. Use the same method of calculation you use in your taxes each year.

## Line 3

### Business Rent or Lease Payments

Enter the amount of business rent or lease payments paid or incurred for real or personal property during the Covered Period, pursuant to lease agreements in force before February 15, 2020. Remember, use the same method of calculation you use in your taxes each year.

## Line 4

### Business Utility Payments

Enter the amount of business utility payments paid or incurred during the Covered Period, for business utilities for which service began before February 15, 2020. Remember, use the same method of calculation you use in your taxes each year.

## Line 5

Add Lines 1 through 4. Enter the total.

## Line 6

Enter the PPP Loan Amount that you entered earlier above.

## Line 7

Divide the amount on Line 1 by 0.60 (60%) and enter the amount. This determines whether at least 60% of the potential forgiveness amount was used for payroll costs. If you have used less than 60% of the forgiveness funds on payroll, you may want to reassess the amount of forgiveness for rent, utilities, and mortgage interest.

## Line 8

Enter the smallest of Lines 5, 6, or 7. This is the amount forgiven. It will likely be the full amount of your PPP loan if you used the 24-week forgiveness period and used 60% or more of the funds on wages.

## PAGE 2: ATTESTATIONS

These are your attestations that you used the funds appropriately. Each needs to be initialed and you need to sign and date at the bottom.

## PAGE 3: DEMOGRAPHIC INFORMATION

This is optional and is intended to help the government better understand who received loans.

### That's it!

You have completed the form and are ready  
for your bank's forgiveness process!

You can see an example of a **FORM 3508 EZ** in **ATTACHMENT 1** of this Handbook.

# Filling Out Form 3508

## DOWNLOAD THE FORM

Start by downloading the form [here](#).

You can see an example of a **FORM 3508** in **ATTACHMENT 2** of this Handbook.

**Note:** If you completed **Form 3508 EZ**, you do not need to complete this form.

## PAGE 1

**Business Legal Name (“Borrower”):** Enter the same name used on your PPP application and your tax returns (if you are a sole proprietor or self-employed, this is your name).

**Business Address/Business TIN (EIN, SSN):** Use the EIN for your organization or your SSN (this should be the same as the one on your PPP application).

**Business Phone/Primary Contact/E-mail Address:** Use the same information as on your PPP application unless you have moved.

**SBA PPP Loan Number (also known as the E-Tran number):** This is the official loan number issued by the SBA (it should be on your loan documents from your bank).

**Lender PPP Loan Number:** This is the number your bank issued for your loan (it should be on your loan documents from your bank).

**PPP Loan Amount:** This is the full loan amount you received in your account per the bank records.

**PPP Loan Disbursement Date:** This is the day the funds were received in your bank account.

**Employees at Time of Loan Application/Employees at Time of Forgiveness Application:** This is the total number of employees at the time you received this loan. If you are the owner or only employee, you just enter “1.” If you have other W-2 employees (not contractors or employees paid in cash) enter a number for each one, even if they are part-time. For example, if your business has you and two part-time employees, you will enter “3.”

**EIDL Advance Amount:** If you received an EIDL advance (it will be from \$1,000 to \$10,000) enter it here.

**EIDL Application Number:** If you received an EIDL loan, add the number here.

**Payroll Schedule:** Check the box for how often you pay yourself and your employees. If it is just you, indicate how often you paid yourself in the forgiveness period.

**Covered Period:** Enter the date you entered that you received the loan and then the date 8 or 24 weeks after (depending on which forgiveness period you want to use). If you are unsure, use 24 weeks. For example, if you received your loan on June 1, 2020 the field would read “June 1, 2020 to November 15, 2020.”

**Alternative Payroll Covered Period:** If you run weekly or bi-weekly payroll, you can start your forgiveness period on the following pay period. For example, if you received your loan on June 1, 2020 but your next biweekly payroll period started on June 15, 2020, field would read “June 15, 2020 to November 29, 2020.” **NOTE: You will use either the Covered period or Alternative period, not both.**

**If Borrower (together with affiliates, if applicable) received PPP loans in excess of \$2 million:** If you received more than a \$2 million PPP, check the box. Otherwise do not check it.

Skip the rest of Page 1 for now. We'll come back to it after completing the worksheets on Pages 3 and 4.



## PAGE 2: ATTESTATIONS

These are your attestations that you used the funds appropriately. Each needs to be initialed and you need to sign and date at the bottom.

## PAGES 3 & 4: SCHEDULE A

This is the most difficult part of **FORM 3508**. Take your time and ensure the numbers are correct throughout.

To start, go to Page 4 and fill out the Worksheet table. We will then use the information on the table to fill out Page 3.

### Fill out Table 1 on Page 4

List every employee you paid during the forgiveness period. Only include W-2 employees — do not include 1099 contractors, employees paid in cash only, or yourself (if you are not a W-2 employee). Also, don't list anyone with a payrate of over \$100,000 a year (they will be put in Table 2).

**Employee's Name:** Their full legal name

**Employee Identifier:** Last 4 digits of the employee's Social Security Number.

**Cash Compensation:** Total compensation for the employee during the 8- or 24-week forgiveness period including: gross salary and wages paid (including tips and commissions, but likely you won't have these) and paid leave (such as vacation and sick leave, but not time off paid by the Families First Coronavirus Response Act). Each individual's compensation cannot exceed an annualized salary of \$100,000.

**Average FTE:** This is the average Full Time Equivalent. That is different than how many employees you had (where full and part time employees both count as an employee) Here, the question is their average number of hours per week divided by 40 hours (the "typical" full time weekly hours worked). Anyone who works at least 40 hours, that is works full time, should get the value "1" in this box. If you have someone who works only 20 hours, they would get 0.5 (that is, 20 hours typically worked/40 hours a week).

**Salary/Hourly Wage Reduction:** This is another tough calculation.

- Start by comparing the employee's pay during the forgiveness period to the pay between January 1 to March 31. If the hourly rate or annualized salary during the forgiveness period was the same or more as their pay between January 1 to March 31 or decreased by less than 25%, enter "0." If the decrease was more than 25% you need to determine if the Salary/Hourly Wage Reduction Safe Harbor is met.
- The employee meets the Safe Harbor requirements if either:

The average annual salary or hourly wage on June 30 is equal to or greater than the average annual salary or hourly wage on February 15.

— OR —

The average annual salary or hourly wage between February 15 and April 26 was lower than it was on February 15.

If either are true, enter "0." If both are not true, you need to determine the salary/hourly wage reduction.



**If the person is hourly:** Multiply the average hourly wage paid between January 1 and March 31 by 0.75 (75%). Subtract this amount from the average hourly wage during the forgiveness period.

Then determine the average weekly hours worked between January 1 and March 31 and enter the number in the table. Multiply this number by the hourly wage amount you just calculated. Then multiply that number by 8 or 24, depending on the forgiveness period you are using, and enter the number in the box for that employee.

#### Example – Hourly Worker

Let's say you have an hourly worker you paid \$25 per hour and worked an average of 20 hours a week between January 1 and March 31. During the forgiveness period, they were only paid \$15 per hour. You would:

- 1 Multiply the previous hourly rate, \$25, by 0.75 for a total of \$18.75.
- 2 Now subtract it from the current rate of \$15, for an hourly total of \$3.75.
- 3 Multiply the rate of \$3.75 times the average number of hours worked between January 1 and March 31 (in this example 20 hours a week) for a total of \$30.75 per week.
- 4 Then multiply \$30.75 by 8 for the 8-week forgiveness period (for a total of \$246.00) or 24 for the 24-week forgiveness period (\$738.00)
- 5 Enter \$246.00 in the box if you are using an 8-week forgiveness period or \$738 if you are using a 24-week forgiveness period.

**If the person is salaried:** Multiply the average weekly salary based on the pay between January 1 and March 31 by 0.75. Subtract this amount from the average weekly salary for the forgiveness period. Multiply this number by 8 or 24 depending on the forgiveness period you are using and enter the number in the box for that employee.

#### Example – Salaried Worker

Your salaried worker made on average \$769.20 a week between January 1 and March 31 and then was reduced to an average of \$550.00 a week during the forgiveness period. You would:

- 1 Multiply the previous average weekly salary, \$769.20, by 0.75 for a total of \$576.90.
- 2 Now subtract it from the current average pay of \$550.00 a week from the \$576.90 for a weekly total of \$26.90.
- 3 Multiply \$26.90 by 8 for the 8-week forgiveness period (for a total of \$215.20) or 24 for the 24-week forgiveness period (\$645.60)
- 4 Enter \$215.20 in the box if you are using an 8-week forgiveness period or \$645.60 if you are using a 24-week forgiveness period.

**FTE Reduction Exceptions:** You can include the FTE count for any employee if:

- You tried to re-hire an employee and they rejected your good-faith, written offer to rehire them at the same pay rate/hours as before.
- They were fired with cause, voluntarily resigned, or requested and received a reduction of their hours.

## NEXT, LET'S FILL OUT SCHEDULE A ON PAGE 3

### Line 1

**Enter Cash Compensation (Box 1) from PPP Schedule A Worksheet, Table 1**

Enter the amount in Table 1, Box 1.

### Line 2

**Enter Average FTE (Box 2) from PPP Schedule A Worksheet, Table 1**

Enter the amount in Table 1, Box 2.

### Line 3

**Enter Salary/Hourly Wage Reduction (Box 3) from PPP Schedule A Worksheet, Table 1**

Enter the number in Table 1, Box 3 (it may be 0, if you had a 25% or less change in salary and wages).

### Line 4

**Enter Cash Compensation (Box 4) from PPP Schedule A Worksheet, Table 2**

Enter the amount in Table 2, Box 4.

### Line 5

**Enter Average FTE (Box 5) from PPP Schedule A Worksheet, Table 2**

Enter the amount in Table 2, Box 5.

### Line 6

**Total Amount Paid or Incurred by Borrower for Employer Contributions for Employee Health Insurance**

Enter your total amount paid for the employer costs associated with a company health insurance program within the 8- or 24-week forgiveness period.

### Line 7

**Total Amount Paid or Incurred by Borrower for Employer Contributions to Employee Retirement Plans**

Enter your total amount paid for the employer costs associated with a company retirement plan within the 8- or 24-week forgiveness period.

### Line 8

**Total amount paid or incurred by Borrower for employer state and local taxes assessed on employee compensation**

Enter your total amount paid for state and local employment taxes (typically found on your quarterly state payroll returns) within the 8- or 24-week forgiveness period.

### Line 9

**Total Amount Paid to Owner-Employees/ Self-Employed Individual/General Partners**

If you are not a W-2 employee (this is typical for self-employed and sole proprietors), you will enter your pay here using the Owner Compensation Calculation. This calculation uses your 2019 net profit on your Schedule C from your taxes (Line 31 on the Schedule C). Take that number and multiply it by 0.1538 for an 8-week forgiveness period or 0.4615 for a 24-week forgiveness period. Your compensation is capped at a maximum of \$15,385 for 8 weeks of forgiveness and \$20,833 for a 24-week period.

### Line 10

**Payroll Costs**

Add Lines 1, 4, 6, 7, 8, and 9. Now you have your total payroll.

## DETERMINING YOUR FTE SAFE HARBOR

You may have a reduction in your PPP forgiveness if you didn't employ the same number of FTEs as you did before the pandemic.

There are two ways to get out of this penalty.

### 1 FTE Reduction Safe Harbor 1:

If between February 15, 2020 and the end of the Covered Period you were unable to operate at the same level of business activity as before February 15, 2020 due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020, by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration related to the maintenance of standards for sanitation, social distancing, or any other worker or customer safety requirement related to COVID-19, you can check the box and now go back to Page 1 without penalty.

Likely, many of you, if not everyone, will qualify for this Safe Harbor since your operations were likely closed fully or in part or you have experienced a reduced level of services allowed (such as a decrease in the number of children you can serve).

### 2 FTE Reduction Safe Harbor 2:

If you don't meet Safe Harbor 1 (and again, most, if not all of you will) you will need to complete the Safe Harbor 2 worksheet on Page 4.

## FILLING OUT THE SAFE HARBOR 2 WORKSHEET

### Step 1

Enter the borrower's total average FTE between February 15, 2020 and April 26, 2020. Follow the same method that was used to calculate Average FTE in the PPP Schedule A Worksheet Tables. Calculate the sum across all employees and enter:

Add Table 1, Box 2 and Table 2, Box 5 and enter the amount here.

### Step 2

Enter the borrower's total FTE in the Borrower's pay period inclusive of February 15, 2020. Follow the same method that was used in Step 1:

Add together the average FTE as of the pay period that included February 15, 2020. You can do this by taking the hours everyone worked in the pay period that included February 15 and dividing by the appropriate number of total hours (i.e., for weekly pay 40 hours, biweekly 80 hours, etc.).

### Step 3

If the entry for Step 2 is greater than Step 1, proceed to Step 4. Otherwise, FTE Reduction Safe Harbor 2 is not applicable, and the Borrower must complete Line 13 of PPP Schedule A by dividing Line 12 by Line 11 of that schedule.

### Step 4

Enter the borrower's total FTE as of the earlier of December 31, 2020, and the date this application is submitted. Again, use the total hours divided by the appropriate number of total hours (i.e., for weekly pay 40 hours, biweekly 80 hours, etc.).

### Step 5

If the entry for Step 4 is greater than or equal to Step 2, enter 1.0 on Line 13 of PPP Schedule A. The FTE Reduction Safe Harbor 2 has been satisfied.

Otherwise, FTE Reduction Safe Harbor 2 does not apply, and the Borrower must complete Line 13 of PPP Schedule A by dividing Line 12 by Line 11 of that schedule.

**Now fill out the rest of Page 1.**

## LET'S FINISH PAGE 1

With all the calculations done, we can now return to and finish Page 1.

### Line 1 Payroll Costs

You will enter the amount from PPP Schedule A, Line 10.

### Line 2 Business Mortgage Interest

Enter the amount of business mortgage interest payments paid or incurred during the Covered Period for any business mortgage obligation on real or personal property incurred before February 15, 2020. Remember, this is mortgage interest, not principle. Use the same method of calculation you use in your taxes each year.

### Line 3 Business Rent or Lease Payments

Enter the amount of business rent or lease payments paid or incurred for real or personal property during the Covered Period, pursuant to lease agreements in force before February 15, 2020. Remember, use the same method of calculation you use in your taxes each year.

### Line 4 Business Utility Payments

Enter the amount of business utility payments paid or incurred during the Covered Period, for business utilities for which service began before February 15, 2020. Remember, use the same method of calculation you use in your taxes each year.

### Line 5 Total Salary/Hourly Wage Reduction

Enter the number from PPP Schedule A, Line 3. This amount reflects the loan forgiveness reduction required for salary/hourly wage reductions in excess of 25% for certain employees as described in PPP Schedule A.

### Line 6

Add the amounts on Lines 1, 2, 3, and 4, then subtract the amount entered in Line 5. Add Lines 1 through 4, subtract Line 5, enter the total. If this amount is less than zero, enter a zero.

### Line 7 FTE Reduction Quotient

Enter the number from PPP Schedule A, Line 13.

### Line 8 Modified Total

Enter the amount on Line 6 multiplied by the amount on Line 7. This calculation incorporates the loan forgiveness reduction required for any full-time equivalency (FTE) employee reductions as described in PPP Schedule A.

### Line 9 PPP Loan Amount

Enter the PPP Loan Amount that you entered earlier on Page 1.

### Line 10 Payroll Cost 60% Requirement

Divide the amount on Line 1 by 0.60 and enter the amount. This determines whether at least 60% of the potential forgiveness amount was used for payroll costs. If you have used less than 60% of the forgiveness funds on payroll you may want to reassess the amount of forgiveness for rent, utilities, and mortgage interest.

### Line 11 Forgiveness Amount

Enter the smallest of Lines 8, 9, or 10. **Note: If applicable, SBA will deduct EIDL Advance Amounts from the forgiveness amount remitted to the Lender.** This is the amount forgiven. It will likely be the full amount of your PPP loan if you used the 24-week forgiveness period and used 60% or more of the funds on wages.

### That's it!

You have completed the form and are ready for your bank's forgiveness process!

You can see an example of a **FORM 3508** in **ATTACHMENT 2** of this Handbook.

# Attachment 1: Example of Form 3508 EZ

Samantha Murphy is a home-based care provider in Omaha, NE. Samantha is the only employee, but she also uses a contractor, Gail Jones. Her net profit was \$38,000 in 2019 per her Schedule C, Line 31.

Her PPP loan was for 2.5 times her monthly average pay in 2019. Her pay of \$34,000 meant a monthly average of \$3,166 which when multiplied by 2.5 was \$7,915. She could not include Gail, since she is a contractor and not a W-2 employee.

Samantha chose the 24-week forgiveness period when she received her loan on June 2, 2020. She spent all the funds within 10 weeks, so on August 11, 2020 she applied for forgiveness.

For her payroll costs, she has to use owner compensation calculation, which was 2.5 times the average monthly profit in 2019. Her pay (from her Schedule C Line 31 on her 2019 taxes) was \$34,000. When divided by 12 you get a monthly average of \$3,166 which when multiplied by 2.5 was \$7,915. That is the same number as her loan above (since it is the same calculation) — \$7,915, which she entered on Line 1 of the form. She also reports a portion of her rent and utilities using the time/space method and found she had paid \$350 in eligible rent and \$210 in utilities, which she put in Lines 3 and 4.

Her total PPP spending was \$8,475 (Line 5 of the form) but her total loan was only \$7,915 (Line 6), so her total forgiveness was the entire loan, \$7,915 (Line 8).



**Paycheck Protection Program  
PPP Loan Forgiveness Application Form 3508EZ**

OMB Control No. 3245-0407  
Expiration date: 10/31/2020

Business Legal Name ("Borrower")		DBA or Tradename, if applicable	
Samantha Murphy			
Business Address		Business TIN (EIN, SSN)	Business Phone
646 North Street		000-00-0000	555) 555. 5555
Omaha, NE		Primary Contact	E-mail Address
		Samantha Murphy	smurphy81@yahoo.com

SBA PPP Loan Number: 853674 Lender PPP Loan Number: 24536

PPP Loan Amount: \$7,915 PPP Loan Disbursement Date: June 2, 2020

Employees at Time of Loan Application: 1 Employees at Time of Forgiveness Application: 1

EIDL Advance Amount: \$0 EIDL Application Number: N/A

**Payroll Schedule:** The frequency with which payroll is paid to employees is:

☒ **Weekly**    ☐ **Biweekly** (every other week)    ☐ **Twice a month**    ☐ **Monthly**    ☐ **Other** \_\_\_\_\_

Covered Period: June 2, 2020 to November 16, 2020

Alternative Payroll Covered Period, if applicable: \_\_\_\_\_ to \_\_\_\_\_

If Borrower (together with affiliates, if applicable) received PPP loans in excess of \$2 million, check here: ☐

**Forgiveness Amount Calculation:**

Payroll and Nonpayroll Costs

Line 1. Payroll Costs: \_\_\_\_\_ \$7,915

Line 2. Business Mortgage Interest Payments: \_\_\_\_\_ \$0

Line 3. Business Rent or Lease Payments: \_\_\_\_\_ \$350

Line 4. Business Utility Payments: \_\_\_\_\_ \$210

Potential Forgiveness Amounts

Line 5. Add the amounts on lines 1, 2, 3, and 4: \_\_\_\_\_ \$8475

Line 6. PPP Loan Amount: \_\_\_\_\_ \$7,915

Line 7. Payroll Cost 60% Requirement (divide Line 1 by 0.60): \_\_\_\_\_ \$13,192

Forgiveness Amount

Line 8. Forgiveness Amount (enter the smallest of Lines 5, 6, and 7): \_\_\_\_\_ \$7,915



**Paycheck Protection Program  
PPP Loan Forgiveness Application Form 3508EZ**

**By Signing Below, You Make the Following Representations and Certifications on Behalf of the Borrower:**

The Authorized Representative of the Borrower certifies to all of the below by **initialing** next to each one.

- \_\_\_\_\_ The dollar amount for which forgiveness is requested:
- was used to pay costs that are eligible for forgiveness (payroll costs to retain employees; business mortgage interest payments; business rent or lease payments; or business utility payments);
  - includes payroll costs equal to at least 60% of the forgiveness amount;
  - if a 24-week Covered Period applies, does not exceed 2.5 months' worth of 2019 compensation for any owner-employee or self-employed individual/general partner, capped at \$20,833 per individual; and
  - if the Borrower has elected an 8-week Covered Period, does not exceed 8 weeks' worth of 2019 compensation for any owner-employee or self-employed individual/general partner, capped at \$15,385 per individual.
- \_\_\_\_\_ I understand that if the funds were knowingly used for unauthorized purposes, the federal government may pursue recovery of loan amounts and/or civil or criminal fraud charges.
- \_\_\_\_\_ The Borrower did not reduce salaries or hourly wages by more than 25 percent for any employee during the Covered Period or Alternative Payroll Covered Period compared to the period between January 1, 2020 and March 31, 2020. For purposes of this certification, the term "employee" includes only those employees that did not receive, during any single period during 2019, wages or salary at an annualized rate of pay in an amount more than \$100,000.
- \_\_\_\_\_ The Borrower has accurately verified the payments for the eligible payroll and nonpayroll costs for which the Borrower is requesting forgiveness.
- \_\_\_\_\_ I have submitted to the Lender the required documentation verifying payroll costs, the existence of obligations and service (as applicable) prior to February 15, 2020, and eligible business mortgage interest payments, business rent or lease payments, and business utility payments.
- \_\_\_\_\_ The information provided in this application and the information provided in all supporting documents and forms is true and correct in all material respects. I understand that knowingly making a false statement to obtain forgiveness of an SBA-guaranteed loan is punishable under the law, including 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.
- \_\_\_\_\_ The tax documents I have submitted to the Lender are consistent with those the Borrower has submitted/will submit to the IRS and/or state tax or workforce agency. I also understand, acknowledge, and agree that the Lender can share the tax information with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of ensuring compliance with PPP requirements and all SBA reviews.
- \_\_\_\_\_ I understand, acknowledge, and agree that SBA may request additional information for the purposes of evaluating the Borrower's eligibility for the PPP loan and for loan forgiveness, and that the Borrower's failure to provide information requested by SBA may result in a determination that the Borrower was ineligible for the PPP loan or a denial of the Borrower's loan forgiveness application.

In addition, the Authorized Representative of the Borrower must certify by **initialing at least ONE** of the following two items:

- \_\_\_\_\_ The Borrower did not reduce the number of employees or the average paid hours of employees between January 1, 2020 and the end of the Covered Period (other than any reductions that arose from an inability to rehire individuals who were employees on February 15, 2020, if the Borrower was unable to hire similarly qualified employees for unfilled positions on or before December 31, 2020, and reductions in an employee's hours that a borrower offered to restore and were refused).
- \_\_\_\_\_ The Borrower was unable to operate between February 15, 2020, and the end of the Covered Period at the same level of business activity as before February 15, 2020 due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020, by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration, related to the maintenance of standards of sanitation, social distancing, or any other work or customer safety requirement related to COVID-19.

The Borrower's eligibility for loan forgiveness will be evaluated in accordance with the PPP regulations and guidance issued by SBA through the date of this application. SBA may direct a lender to disapprove the Borrower's loan forgiveness application if SBA determines that the Borrower was ineligible for the PPP loan.

\_\_\_\_\_  
Signature of Authorized Representative of Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name  
SBA Form 3508EZ (06/20)  
Page 2

\_\_\_\_\_  
Title





**Paycheck Protection Program  
PPP Loan Forgiveness Application Form 3508EZ**

**PPP Borrower Demographic Information Form (Optional)**

**Instructions**

1. **Purpose.** Veteran/gender/race/ethnicity data is collected for program reporting purposes only.
2. **Description.** This form requests information about each of the Borrower's Principals. Add additional sheets if necessary.
3. **Definition of Principal.** The term "Principal" means:
  - For a self-employed individual, independent contractor, or a sole proprietor, the self-employed individual, independent contractor, or sole proprietor.
  - For a partnership, all general partners and all limited partners owning 20% or more of the equity of the Borrower, or any partner that is involved in the management of the Borrower's business.
  - For a corporation, all owners of 20% or more of the Borrower, and each officer and director.
  - For a limited liability company, all members owning 20% or more of the Borrower, and each officer and director.
  - Any individual hired by the Borrower to manage the day-to-day operations of the Borrower ("key employee").
  - Any trustor (if the Borrower is owned by a trust).
  - For a nonprofit organization, the officers and directors of the Borrower.
4. **Principal Name.** Insert the full name of the Principal.
5. **Position.** Identify the Principal's position; for example, self-employed individual; independent contractor; sole proprietor; general partner; owner; officer; director; member; or key employee.

Principal Name		Position
Veteran	1=Non-Veteran; 2=Veteran; 3=Service-Disabled Veteran; 4=Spouse of Veteran; X=Not Disclosed	
Gender	M=Male; F=Female; X=Not Disclosed	
Race (more than 1 may be selected)	1=American Indian or Alaska Native; 2=Asian; 3=Black or African-American; 4=Native Hawaiian or Pacific Islander; 5=White; X=Not Disclosed	
Ethnicity	H=Hispanic or Latino; N=Not Hispanic or Latino; X=Not Disclosed	

**Disclosure is voluntary and will have no bearing on the loan forgiveness decision**

**Paperwork Reduction Act** – You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 20 minutes. Comments about this time or the information requested should be sent to Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416, and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503. **PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.**

# Attachment 2: Example of Form 3508

Rose's Home Care is a home-based child care provider in Omaha, NE. Rose Smith owns the business and before the pandemic had one full-time W-2 employee. Based on her payroll in 2019, she received a loan of \$11,000 on June 2, 2020. Since she had just started a bi-weekly pay period she opted to start her PPP on the next period which began on June 15, 2020.

Rose was able to have her one employee, Laura, come back. As shown on Table 1, Laura was returned to full-time. However, due to the reduced number of children they could have on site, increased costs of cleaning, and PPE, she had to reduce Laura's payroll by 30% from \$10 to \$7. Laura made \$6,720 and had \$2,880 less in wages (which we need to record since it was more than a 25% reduction).

When filling out Schedule A, Rose put Laura's wages in Line 1 and recorded that there was 1 FTE in Line 2. The total reduction was \$2,880 (in Box 3 from the Table on Page 4). She had no employees with annual salaries over \$100,000 so Lines 4 and 5 were "0." She paid \$341 in state compensation taxes so she entered it in Line 8.

For her own pay, she used her net profit from Line 31 of her 2019 Schedule C, which was \$32,000. When she divided \$32,000 by 12, she had an average monthly pay of \$2,667. When multiplied by 2.5 she had total owner compensation of \$6,668 which was entered in Line 9.

She totaled her Schedule A in Line 10 and had \$13,729 in payroll costs.

Rose now goes back to Page 1. She enters the total on Schedule A in Line 10, Page 1, Line 1 for her total payroll (\$13,729).

Her rent and utilities for the forgiveness period were \$1,435 and \$554 which she entered on Lines 3 and 4.

Rose now goes to her adjustments. She reduced Chris' pay so she takes the amount from Box 3 of the table on Page 4 (\$2,880) and enters it into Line 5.

On line 6 she adds together Lines 1 to 4 and subtracts Line 5.

## Here's what she did:

Line 1: \$13,729

Line 2: \$0

Line 3: \$1,435

Line 4: \$554

Total Lines 1 to 4: \$15,718

Now she takes the total \$15,718 and subtracts Line 5 \$2,880 to have \$12,838, which she enters in Line 6.

For her FTE Reduction Quotient on Line 7, she looked at the Safe Harbor questions. She couldn't return her employee to full pay because of the costs of complying with federal and state guidance on class size, cleaning, and PPE, so she checked Safe Harbor 1 and put a "1" on Line 13 on Page 3. She put that "1" on Page 1, Line 7 as well.

For Line 8 she then had \$12,838 (Line 6 multiplied by Line 7). Her total loan of \$11,000 was entered in Line 9. For Line 10 she divided Line 8 (\$12,838) by 0.6 for a total of \$21,397.

Rose's total forgiveness, Line 11, was the lowest number — her total loan, \$11,000.



**Paycheck Protection Program  
Loan Forgiveness Application Revised June 16, 2020**

OMB Control Number 3245-0407  
Expiration Date: 10/31/2020

**PPP Loan Forgiveness Calculation Form**

Business Legal Name ("Borrower")	DBA or Tradename, if applicable	
Rose's Home Care	N/A	
Business Address	Business TIN (EIN, SSN)	Business Phone
123 First Street		( 555 555. 5555
Omaha, NE	Primary Contact	E-mail Address
	Rose Smith	Rose_S_HC@aol.com

SBA PPP Loan Number: 8556124 Lender PPP Loan Number: 223214

PPP Loan Amount: \$11,000 PPP Loan Disbursement Date: June 2, 2020

Employees at Time of Loan Application: 1 Employees at Time of Forgiveness Application: 1

EIDL Advance Amount: \$0 EIDL Application Number: N/A

**Payroll Schedule:** The frequency with which payroll is paid to employees is:

☐ Weekly ☒ Biweekly (every other week) ☐ Twice a month ☐ Monthly ☒ Other \_\_\_\_\_

**Covered Period:** \_\_\_\_\_ to \_\_\_\_\_

**Alternative Payroll Covered Period, if applicable:** June 15, 2020 to November 29, 2020

**If Borrower (together with affiliates, if applicable) received PPP loans in excess of \$2 million, check here:** ☐

**Forgiveness Amount Calculation:**

Payroll and Nonpayroll Costs

Line 1. Payroll Costs (enter the amount from PPP Schedule A, line 10): \_\_\_\_\_ \$13,729

Line 2. Business Mortgage Interest Payments: \_\_\_\_\_ \$0

Line 3. Business Rent or Lease Payments: \_\_\_\_\_ \$1,435

Line 4. Business Utility Payments: \_\_\_\_\_ \$554

Adjustments for Full-Time Equivalency (FTE) and Salary/Hourly Wage Reductions

Line 5. Total Salary/Hourly Wage Reduction (enter the amount from PPP Schedule A, line 3): \_\_\_\_\_ \$2,880

Line 6. Add the amounts on lines 1, 2, 3, and 4, then subtract the amount entered in line 5: \_\_\_\_\_ \$12,838

Line 7. FTE Reduction Quotient (enter the number from PPP Schedule A, line 13): \_\_\_\_\_ 1

Potential Forgiveness Amounts

Line 8. Modified Total (multiply line 6 by line 7): \_\_\_\_\_ \$12,838

Line 9. PPP Loan Amount: \_\_\_\_\_ \$11,000

Line 10. Payroll Cost 60% Requirement (divide line 1 by 0.60): \_\_\_\_\_ \$21,397

Forgiveness Amount

Line 11. Forgiveness Amount (enter the smallest of lines 8, 9, and 10): \_\_\_\_\_ \$11,000



**Paycheck Protection Program**  
**Loan Forgiveness Application Revised June 16, 2020**

OMB Control Number 3245-0407  
Expiration Date: 10/31/2020

**By Signing Below, You Make the Following Representations and Certifications on Behalf of the Borrower:**

The authorized representative of the Borrower certifies to all of the below by **initialing** next to each one.

- \_\_\_\_\_ The dollar amount for which forgiveness is requested:
- was used to pay costs that are eligible for forgiveness (payroll costs to retain employees; business mortgage interest payments; business rent or lease payments; or business utility payments);
  - includes all applicable reductions due to decreases in the number of full-time equivalent employees and salary/hourly wage reductions;
  - includes payroll costs equal to at least 60% of the forgiveness amount;
  - if a 24-week Covered Period applies, does not exceed 2.5 months' worth of 2019 compensation for any owner-employee or self-employed individual/general partner, capped at \$20,833 per individual; and
  - if the Borrower has elected an 8-week Covered Period, does not exceed 8 weeks' worth of 2019 compensation for any owner-employee or self-employed individual/general partner, capped at \$15,385 per individual.
- \_\_\_\_\_ I understand that if the funds were knowingly used for unauthorized purposes, the federal government may pursue recovery of loan amounts and/or civil or criminal fraud charges.
- \_\_\_\_\_ The Borrower has accurately verified the payments for the eligible payroll and nonpayroll costs for which the Borrower is requesting forgiveness.
- \_\_\_\_\_ I have submitted to the Lender the required documentation verifying payroll costs, the existence of obligations and service (as applicable) prior to February 15, 2020, and eligible business mortgage interest payments, business rent or lease payments, and business utility payments.
- \_\_\_\_\_ The information provided in this application and the information provided in all supporting documents and forms is true and correct in all material respects. I understand that knowingly making a false statement to obtain forgiveness of an SBA-guaranteed loan is punishable under the law, including 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.
- \_\_\_\_\_ The tax documents I have submitted to the Lender are consistent with those the Borrower has submitted/will submit to the IRS and/or state tax or workforce agency. I also understand, acknowledge, and agree that the Lender can share the tax information with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of ensuring compliance with PPP requirements and all SBA reviews.
- \_\_\_\_\_ I understand, acknowledge, and agree that SBA may request additional information for the purposes of evaluating the Borrower's eligibility for the PPP loan and for loan forgiveness, and that the Borrower's failure to provide information requested by SBA may result in a determination that the Borrower was ineligible for the PPP loan or a denial of the Borrower's loan forgiveness application.
- \_\_\_\_\_ If the Borrower has checked the box for FTE Reduction Safe Harbor 1 on PPP Schedule A, the Borrower was unable to operate between February 15, 2020 and the end of the Covered Period at the same level of business activity as before February 15, 2020 due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020, by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration, related to the maintenance of standards of sanitation, social distancing, or any other work or customer safety requirement related to COVID-19.

The Borrower's eligibility for loan forgiveness will be evaluated in accordance with the PPP regulations and guidance issued by SBA through the date of this application. SBA may direct a lender to disapprove the Borrower's loan forgiveness application if SBA determines that the Borrower was ineligible for the PPP loan.

\_\_\_\_\_  
Signature of Authorized Representative of Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title



**Paycheck Protection Program  
Loan Forgiveness Application Revised June 16, 2020**

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Expiration Date: 10/31/2020

**PPP Schedule A**

PPP Schedule A Worksheet, Table 1 Totals

Line 1. Enter Cash Compensation (Box 1) from PPP Schedule A Worksheet, Table 1: \$6,720

Line 2. Enter Average FTE (Box 2) from PPP Schedule A Worksheet, Table 1: 1

Line 3. Enter Salary/Hourly Wage Reduction (Box 3) from PPP Schedule A Worksheet, Table 1: 2,880  
If the average annual salary or hourly wage for each employee listed on the PPP Schedule A Worksheet, Table 1 during the Covered Period or the Alternative Payroll Covered Period was at least 75% of such employee's average annual salary or hourly wage between January 1, 2020 and March 31, 2020, check here ☐ and enter **0** on line 3.

PPP Schedule A Worksheet, Table 2 Totals

Line 4. Enter Cash Compensation (Box 4) from PPP Schedule A Worksheet, Table 2: \$0

Line 5. Enter Average FTE (Box 5) from PPP Schedule A Worksheet, Table 2: \$0

Non-Cash Compensation Payroll Costs During the Covered Period or the Alternative Payroll Covered Period

Line 6. Total amount paid or incurred by Borrower for employer contributions for employee health insurance: \$0

Line 7. Total amount paid or incurred by Borrower for employer contributions to employee retirement plans: \$0

Line 8. Total amount paid or incurred by Borrower for employer state and local taxes assessed on employee compensation: \$341

Compensation to Owners

Line 9. Total amount paid to owner-employees/self-employed individual/general partners: \$6,668  
This amount may not be included in PPP Schedule A Worksheet, Table 1 or 2. If there is more than one individual included, attach a separate table that lists the names of and payments to each.

Total Payroll Costs

Line 10. Payroll Costs (add lines 1, 4, 6, 7, 8, and 9): \$13,729

Full-Time Equivalency (FTE) Reduction Calculation

If you satisfy **any** of the following three criteria, check the appropriate box, skip lines 11 and 12, and enter **1.0** on line 13; otherwise, complete lines 11, 12, and 13:

**No reduction in employees or average paid hours:** If you have not reduced the number of employees or the average paid hours of your employees between January 1, 2020 and the end of the Covered Period, check here ☐.

**FTE Reduction Safe Harbor 1:** If you were unable to operate between February 15, 2020, and the end of the Covered Period at the same level of business activity as before February 15, 2020 due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020, by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration related to the maintenance of standards for sanitation, social distancing, or any other worker or customer safety requirement related to COVID-19, check here ☒.

**FTE Reduction Safe Harbor 2:** If you satisfy FTE Reduction Safe Harbor 2 (see PPP Schedule A Worksheet), check here ☐.

Line 11. Average FTE during the Borrower's chosen reference period: \_\_\_\_\_

Line 12. Total Average FTE (add lines 2 and 5): \_\_\_\_\_

Line 13. FTE Reduction Quotient (divide line 12 by line 11) or enter 1.0 if any of the above criteria are met: 1



**Paycheck Protection Program  
Loan Forgiveness Application Revised June 16, 2020**

OMB Control Number 3245-0407  
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**PPP Schedule A Worksheet**

**Table 1:** List employees who:

- Were employed by the Borrower at any point during the Covered Period or the Alternative Payroll Covered Period whose principal place of residence is in the United States; and
- Received compensation from the Borrower at an annualized rate of less than or equal to \$100,000 for all pay periods in 2019 or were not employed by the Borrower at any point in 2019.

Employee's Name	Employee Identifier	Cash Compensation	Average FTE	Salary / Hourly Wage Reduction
Laura White	2255	\$6,720	1	\$2,880
<b>FTE Reduction Exceptions:</b>				
<b>Totals:</b>		<b>Box 1 \$6,720</b>	<b>Box 2 1</b>	<b>Box 3 \$2,880</b>

**Table 2:** List employees who:

- Were employed by the Borrower at any point during the Covered Period or the Alternative Payroll Covered Period whose principal place of residence is in the United States; and
- Received compensation from the Borrower at an annualized rate of more than \$100,000 for any pay period in 2019.

Employee's Name	Employee Identifier	Cash Compensation	Average FTE
<b>Totals:</b>		<b>Box 4</b>	<b>Box 5</b>

Attach additional tables if additional rows are needed.

**FTE Reduction Safe Harbor 2:**

- Step 1. Enter the borrower's total average FTE between February 15, 2020 and April 26, 2020. Follow the same method that was used to calculate Average FTE in the PPP Schedule A Worksheet Tables. Sum across all employees and enter: \_\_\_\_\_.
- Step 2. Enter the borrower's total FTE in the Borrower's pay period inclusive of February 15, 2020. Follow the same method that was used in step 1: \_\_\_\_\_.
- Step 3. If the entry for step 2 is greater than step 1, proceed to step 4. Otherwise, FTE Reduction Safe Harbor 2 is not applicable and the Borrower must complete line 13 of PPP Schedule A by dividing line 12 by line 11 of that schedule.
- Step 4. Enter the borrower's total FTE as of the earlier of December 31, 2020, and the date this application is submitted: \_\_\_\_\_.
- Step 5. If the entry for step 4 is greater than or equal to step 2, enter 1.0 on line 13 of PPP Schedule A; the FTE Reduction Safe Harbor 2 has been satisfied. Otherwise, FTE Reduction Safe Harbor 2 does not apply and the Borrower must complete line 13 of PPP Schedule A by dividing line 12 by line 11 of that schedule.



**Paycheck Protection Program  
Loan Forgiveness Application Revised June 16, 2020**

OMB Control Number 3245-0407  
Expiration Date: 10/31/2020

**PPP Borrower Demographic Information Form (Optional)**

**Instructions**

1. **Purpose.** Veteran/gender/race/ethnicity data is collected for program reporting purposes only.
2. **Description.** This form requests information about each of the Borrower's Principals. Add additional sheets if necessary.
3. **Definition of Principal.** The term "Principal" means:
  - For a self-employed individual, independent contractor, or a sole proprietor, the self-employed individual, independent contractor, or sole proprietor.
  - For a partnership, all general partners and all limited partners owning 20% or more of the equity of the Borrower, or any partner that is involved in the management of the Borrower's business.
  - For a corporation, all owners of 20% or more of the Borrower, and each officer and director.
  - For a limited liability company, all members owning 20% or more of the Borrower, and each officer and director.
  - Any individual hired by the Borrower to manage the day-to-day operations of the Borrower ("key employee").
  - Any trustor (if the Borrower is owned by a trust).
  - For a nonprofit organization, the officers and directors of the Borrower.
4. **Principal Name.** Insert the full name of the Principal.
5. **Position.** Identify the Principal's position; for example, self-employed individual; independent contractor; sole proprietor; general partner; owner; officer; director; member; or key employee.

Principal Name		Position
Veteran	1=Non-Veteran; 2=Veteran; 3=Service-Disabled Veteran; 4=Spouse of Veteran; X=Not Disclosed	
Gender	M=Male; F=Female; X=Not Disclosed	
Race (more than 1 may be selected)	1=American Indian or Alaska Native; 2=Asian; 3=Black or African-American; 4=Native Hawaiian or Pacific Islander; 5=White; X=Not Disclosed	
Ethnicity	H=Hispanic or Latino; N=Not Hispanic or Latino; X=Not Disclosed	

**Disclosure is voluntary and will have no bearing on the loan forgiveness decision**

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