

CoBank does not provide tax, legal or accounting advice. This guide has been prepared for informational purposes only, does not replace the SBA Forgiveness Application or Instructions, and is not intended to provide, and should not be relied on or used as a substitute for, tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction or applying for a loan or loan forgiveness under the Paycheck Protection Program.

## Getting Started - Forgiveness Application

- Choose appropriate SBA Forgiveness Application and review instructions in detail.
  - 3508: [Paycheck Protection Program Loan Forgiveness Application \(06-16-2020\)](#)
    - [Instructions for the Paycheck Protection Program Loan Forgiveness Application](#)
  - 3508EZ: [Paycheck Protection Program EZ Loan Forgiveness Application \(06-16-2020\)](#)
    - [Instructions for the Paycheck Protection Program EZ Loan Forgiveness Application](#)
- Select Covered Period.
  - The Covered Period must be *exactly* 168 days or 56 days, starting with the first date of disbursement. The first date of disbursement & SBA Loan Number is on the CoBank Affirmation Worksheet.
  - Covered Period dates are a requirement for *all* applications. The Alternative Covered Period is applicable only to weekly or biweekly payroll frequency per SBA instructions.
  - While it is acceptable to apply for forgiveness before the end of the 24-week covered period, you must still reflect the **full** 24-week period in the application, even if loan funds were used in a period less than 24 weeks.
  - The covered period does not end on the date all the PPP proceeds have been spent, but at end of covered period, 168 days or 56 days.
    - December 31, 2020 is the final date to claim eligible costs.
- Application Completion Tips:
  - Enter all claimed costs and loan amount with cents included (do not round to nearest dollar) as SBA requires cents.
  - Employees at time of application and employees at time of forgiveness application are based on your employee headcount and SBA requires whole numbers.
- Ensure all appropriate places are initialed, signed and/or dated – electronic/digital signature & initials are accepted.
- The person signing the SBA Forgiveness Application and CoBank Affirmation Worksheet must be the same person that signed original PPP loan application or authorized on a current CoBank incumbency certificate (your CoBank Relationship Manager can help answer questions).

## Document Organization

*The easier it is to understand the supporting documentation the more efficiently CoBank can process forgiveness applications. Your assistance is greatly appreciated.*

- Make sure your documents are not password protected and are in acceptable file formats (PDF or Excel).
- Send only the documents that are necessary.
  - SBA has a total file size limit of 40 MB including SBA Forgiveness Application.
  - Please work with your IT resources to assist with reducing file sizes, if necessary.
  - For example: Monthly utility statements need to include names, dates of service and billed amounts, but the detailed service pages are not necessary.
- Merge documents as appropriate – For example: combine payroll reports into one document.

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- Remove **ALL personal identifying information** from documentation, including full or partial employee social security numbers (SSN).
  - CoBank cannot accept documentation with any personal identifying information and you will be asked to resubmit.
- Please organize supporting documents so that a third party can understand the submission.
  - We need to understand your numbers and how your documents support them
  - Highlight or make comments on your supporting documents to clearly reflect the relevant numbers
  - Enter comments in the CoBank Affirmation Worksheet or submit additional reconciliation (See *Appendix* for examples)
- If you are required to prorate costs due to your covered period dates (both payroll and non-payroll costs), please provide clarification in notes or spreadsheets to explain the difference between costs claimed and the amounts represented in the supporting documentation.

## CoBank Affirmation Worksheet

- Follow detailed instructions provided in the CoBank Affirmation Worksheet.
- Enter comments about supporting documentation, as necessary.
- CoBank has prepopulated the Forgiveness Summary tab with select information you need for the SBA Forgiveness Application. The prepopulated information is already on record with the SBA and must match **exactly** to the data entered on the SBA Forgiveness Application (3508 or 3508EZ). This includes all abbreviations, commas, periods, and dashes.
- Review Documentation Checklist – upload all supporting documentation marked with a “YES” to CoBank.

## Upload Documents to CoBank Portal

- Please use specific subfolders for each document type.

- Name
- ☆  SBA Forgiveness Application
- ☆  Non Payroll Supporting Documentation
- ☆  Payroll Supporting Documentation
- ☆  CoBank Affirmation Worksheet
- ☆  Online Portal Instructions.pdf

- DO NOT upload the SBA Schedule A Worksheet (including Tables 1 and 2).
- Only upload PDF or Excel documents.

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## Appendix: Reconciliation Examples

The examples below show how to communicate the purpose of uploaded documents to ensure a quick review by CoBank and submission to SBA. Borrowers may complete this in Excel (or similar format) & upload the file and/or by making notes in the CoBank Affirmation Worksheet.

### Example: Payroll Costs - 3508EZ Form

Payroll Period	Gross Wages	Cash compensation	\$100K Reduction	Claimed Payroll Costs	Document File Name	File Page
5/31/20-6/13/20	\$269,230.77	\$234,230.77	(\$769.23)	\$268,461.54	Payroll	3
6/14/20-6/27/20	\$269,230.77	\$234,230.77	(\$769.23)	\$268,461.54	Payroll	6
6/28/20-7/11/20	\$269,230.77	\$234,230.77	(\$769.23)	\$268,461.54	Payroll	9
Etc.						
Total	\$807,692.31	\$702,692.31	(\$2,307.69)	\$805,384.62		
Line 1 3508EZ Form				\$805,384.62		

### Example: Utility Costs – Electricity – 3508EZ Form

Invoice / Statement	Amount	File Name	File Page	Payment Date	Payment Document	Payment Amount	Document File Name	File Page	Claim Amount	Comments
Feb 2020 Energy Bill	\$354.24	Electric	2	3/5/2020	Check		Electric	3		Proof of Service
May 2020 Energy Bill	\$405.25	Electric	3	6/5/2020	Check	\$407.55	Electric	4	\$407.55	
June 2020 Energy Bill	\$395.65	Electric	5	7/5/2020	ACH	\$394.77	Bank Stmts	2	\$395.65	
July 2020 Energy Bill	\$501.39	Electric	7	9/5/2020	ACH	\$500.42	Bank Stmts	3	\$452.87	Prorated to 28 days
Total	\$1,302.29					\$1,302.74			\$1,256.07	
Line 4 Utilities - 3508EZ Form									\$1,256.07	