

PPP Forgiveness Reference Sheet

Tips to Avoid Common Variances

I. General Tips

- Any data including start/end dates, amounts, and entity names should exactly match the uploaded supporting documentation. Anything that doesn't match or would be confusing to a 3rd party should always have supporting comments in the Document Description field.
- Do not pro-rate the amounts on your documents given the calculator already does this.
- Each proof of payment needs to have a date displaying the date the payment was actually made.

II. Legal Entity Differences

If the name of the PPP borrower and legal name on required documentation do not match (i.e. use of a Sole Prop with DBA or a HoldCo applied for one loan for its subsidiaries), use the following guidance:

- **Cash Comp & FTE Tab:** Evidence of the entity connection (i.e. org chart, DBA org docs, etc.) can be uploaded to this tab as an "Other" document without needing to contribute to your overall loan amount. Save the entry and write down the cash compensation document ID number generated by the Portal. For all payroll and non-payroll documents that you upload, please be sure to explain the connection between the entities and reference the cash comp document ID in the "Document Detail" description box within the portal.
- **Owners Comp & Non-Cash Comp Tab:** If you already uploaded evidence of the legal entity structure in the Owner's Comp & Non-Cash Comp Tab, you do not need to upload the same documentation again. For all payroll documents that you upload, please be sure to explain the connection between the entities and reference the cash comp document ID in the "Document Detail" description box within the portal.
- **Non-Payroll Documents Tab:** If you already uploaded evidence of the legal entity structure in the Owner's Comp & Non-Cash Comp Tab, you do not need to upload the same documentation again. For all non-payroll documents that you upload, please be sure to explain the connection between the entities and reference the cash comp document ID in the "Document Detail" description box within the portal.

III. Cash Compensation and FTE Documentation

- Upload a 941 AND payroll statement or bank account statement – One shows proof of payment and the other includes critical information including payroll provider name (if applicable), borrower name, TIN, and dates covered by document.
- Start/end dates AND dollar amounts should match the payroll statement, not the 941 – Each applicable payroll statement should have its own separate entry.
- If using the full application, you must provide proof of FTE count during your chosen reference period. Payroll registers are the most common document to prove FTE.



Creating Opportunities

- **For Borrowers Using:**
 - i. **3rd-Party Payroll Service Providers** The payroll reports can be either 3rd-party payroll service provider PPP-centric reports (your cash compensation, FTE employee records, and non-cash payroll items) or 3rd-party payroll service provider cash compensation and wage summary reports by pay period for your Covered Period. [TIP: the 3rd-party payroll service provider report file name should include the name of your service provider (e.g., Wage and tax statement from ADP for first pay cycle in covered period)].
 - ii. **Professional Employer Organizations** If you use a PEO, you must include a Form 941 Schedule R. If this document is not available, you must provide a copy of IRS Form 8973, Certified Professional Employer Organization/Customer Reporting Agreement. If neither Schedule R or IRS Form 8973 are unavailable, provide a letter from your PEO that details the PEO arrangement with the name of your business clearly indicated in the letter.
 - iii. **3rd-Party CPA Preparer** If you utilize a third-party CPA preparer, tax advisor, or legal advisor who prepares your payroll documents, upload a letter from your CPA confirming their responsibilities as your provider and confirmation that they prepared the documents you have uploaded.
 - iv. **In-House Payroll** If your payroll administration is performed in-house, you must provide bank statements that clearly indicate the payroll and Federal/State tax payments for each eligible pay period, as well as a PPP cash compensation summary report for your respective Covered Period that reconciles gross to net pay.

IV. Owner's Compensation & Other Payroll Documentation

- Each owner's data must be loaded separately to comply with SBA rules. As a reminder:
 - For C-Corps and S-Corps, only owners with > 5% need to be entered.
 - For partnerships, all owners need to be entered regardless of their ownership %.
- Owner's compensation must be an annual amount. The calculator will adjust for the permitted cap based on the selected covered period.
- All non-owner's compensation documents (i.e. health insurance, retirement contributions, state/local taxes) should have an expense amount that aligns with the supporting documentation provided. Unlike owner's compensation, these are not intended to be annual amounts.

V. Non-Payroll Documents

- For mortgage documentation, the amount included in the expense field should only include interest
- For each non-payroll document, you need:
 - A document evidencing the existence of the obligation prior to 2/15 (uploaded in Step 4)



Creating Opportunities

- A copy of the appropriate bill, as applicable (uploaded in Step 5)
 - Proof of payment (uploaded in Step 5)
- If you have multiple bills during the covered period, you should enter each bill separately; however, each bill must be accompanied by the corresponding proof of payment
 - The Portal allows you to select multiple documents at the same time so the bill and corresponding proof of payment are in one entry for each bill in Step 5
 - Ensure that start / end dates on the bill or invoice match the start / end dates that you enter into the portal. The start/end dates are not your Covered Period start and end dates.
- Rent expense can only include Common Area Maintenance (CAM) to the extent the lease is structured as Base Rent + Common Area Maintenance (“CAM”) – A copy of the lease must be uploaded in Prior Services and Obligations (Step 4) and linked to the expense. Any Prior Services and Obligations document that is not linked to an expense will not be included in your loan forgiveness package.
- Any data including start/end dates, amounts, and entity names should exactly match the uploaded supporting documentation, not the Covered Period.
 - Anything that doesn’t match or would be confusing to a 3rd party should always have supporting comments in the Document Description field.
 - If your document doesn’t have a start date or end date, you will still need to enter the dates it was incurred. If a bill is due monthly, you can use the start of the month and the end of the month (i.e. May rent payment would be 5/1 – 5/31); comments explaining this should be added.
- Do not pro-rate the amounts on your documents to try and align with the Covered Period dates. The calculator does this for you.
- Each proof of payment needs to have a paid date; this should align with the date on the supporting document provided (i.e. if using a cancelled check, the paid date would be the date on the check; if using a bank statement, the paid date would be the date it cleared the bank).
- If you notice that an expense you uploaded has a “0” Qualified Amount, it is most likely because the paid date or incurred date was outside the Covered Period; navigate to the document in Step 3 or Step 5 and click on “view details” (blue downward arrow next to the document) for a full explanation and to see what you entered.
- If you notice that an expense has a Qualified Amount of less than what you entered it is because a portion of the expense was outside the Covered Period; navigate to the document in the appropriate step to view the details.

The tips in this Reference Sheet are intended to provide helpful assistance to customers of BBVA in navigating the PPP Forgiveness Portal (the Portal). Following these tips will not necessarily guarantee that your Paycheck Protection Program (PPP) loan will be forgiven in whole or in part.

BBVA may update this Reference Sheet from time to time.

The tips in this Reference Sheet are not legal or accounting advice. We remind you that, at any time, the Federal



government may (i) change the laws or rules governing the PPP, or its interpretation of existing laws and rules governing the PPP or (ii) provide new laws, rules or interpretations governing the PPP. Therefore, we strongly urge you to consult your own advisors before making any PPP-related decisions.