

“The information or documents transmitted or shared on this WebEx are intended only for the authorized person(s) invited to the WebEx exclusively by Fulton Bank and may contain confidential and/or non-public personal information. This WebEx is not being recorded and Fulton Bank does not consent to and strictly prohibits any recording of this WebEx session. Any review, retransmission, dissemination or other use of the information or documents, or taking of any action in reliance upon the information or documents, by any persons or entities other than the intended recipient(s) is prohibited. If you have joined this WebEx in error, please disconnect immediately. By proceeding with this WebEx, you: (1) represent you are authorized to join and participate in this WebEx; (2) consent to the receiving and sharing of your or your entity’s confidential and/or non-public personal information during the WebEx with all those participating in the WebEx; (3) represent that only authorized persons are viewing this WebEx from your location; (4) have appropriately secured your location and electronic device to protect the privacy of any information shared during the WebEx; and (5) understand that no warranty, express or implied, is made regarding the accuracy, adequacy, completeness, reliability or usefulness of the information shared during this WebEx and that any reliance you place on such information is therefore strictly at your own risk. Please keep in mind that if you have a personal financial product with Fulton Bank or obtain a financial product from Fulton Bank during this WebEx, Fulton Bank will only use and/or share any of your personal information that it has collected in accordance with its [Privacy Notice](#), as applicable.”

# Small Business Administration Paycheck Protection Program

Applying for Forgiveness for your 2020 PPP loan  
SBA Form 3508

**Fulton Bank**

# Tips on Completing Your Application

---

- Review the accuracy of your calculations
- Provide your lender with required information
- Do not rush the application
- Ensure your Tax ID and business information is correct
- View a demonstration »

# Supporting Documentation

---

Visit [SBA.gov](https://www.sba.gov) for instructions and a list of supporting documentation that will be required.

Prepare these documents and keep them somewhere easily accessible before applying for forgiveness.

[Sample payroll documents »](#)

# Payroll Expenses

---

- Bank account statements or a report from your payroll provider documenting payments to employees
- Tax forms (or equivalent payroll provider reports) including:
  - Payroll tax filings reported (typically Form 941)
  - State quarterly business and individual employee wage reporting
  - Unemployment insurance tax filings
- Payment receipts, cancelled checks, or bank account statements showing employer contributions to group employee benefits plans
- If you checked the box indicating you kept headcount and salaries the same on the instructions form, you will still be required to report the average number of full-time equivalent employees on payroll on January 1, 2020 and at the end of the covered period. This can be done with payroll reports covering January 1 and the last payroll of your covered period.

# Non-Payroll Expenses

---

- **Business mortgage interest payments:** a copy of the amortization schedule with corresponding receipts OR mortgage statements from February 2020 and the months of the covered period.
- **Business rent or lease payments:** a copy of the current rent/lease agreement with receipts verifying payments OR lease statements from 2020 and from the covered period through one month after the end of the covered period.
- **Business utility payments:** a copy of invoices from February 2020 and those paid during the covered period with corresponding receipts or account statements.
- **Covered operations expenditures:** a copy of invoices, orders, or purchase orders paid during the covered period with corresponding receipts or account statements.
- **Covered property damage costs:** a copy of invoices, orders, or purchase orders paid during the covered period with corresponding receipts or account statements. Documentation will need to be provided to prove that the costs were related to property damage and vandalism or looting due to public disturbances that occurred during 2020 and were not covered by insurance or other compensation.
- **Covered supplier costs:** a copy of contracts, orders, or purchase orders in effect at any time before the covered period (except for perishable goods), copy of invoices, orders, or purchase orders paid during the covered period with corresponding receipts or account statements.
- **Covered worker protection expenditures:** a copy of invoices, orders, or purchase orders paid during the covered period with corresponding receipts or account statements. Documentation will need to be provided that proves that the expenditures were used by the borrower to comply with applicable COVID-19 guidance during the covered period.

# A Closer Look at the Application

---

SBA Form 3508 – first or second draw borrowers with loans of \$150,000 or more

# SBA Form 3508

---

- We will complete what we know for your basic company information on the main Loan Forgiveness Calculation form. Confirm what we have is correct, make changes if necessary, and add any missing information
- Complete Schedule A Worksheet to see if you meet the headcount and pay requirements
- Complete Schedule A to find your payroll and compensation costs
- Complete the rest of the Loan Forgiveness Calculation Form to determine your total eligible costs and our forgiveness amount



# SBA Form 3508 Schedule A Worksheet

## Table 1

List every single employee on your payroll during the Covered Period (or the Alternative Payroll Covered Period). Do not include anyone who does not live in the US, any independent contractors, yourself, or your partners. Also do not include anyone who received an annualized pay rate of more than \$100,000 in 2019. Those employees are to be listed on Table 2.

Employee's Full Name

Employee Identifier Last 4 digits of SSN (Social Security Number)

Cash Compensation

The employee's compensation over your Covered Period, which includes:

- gross salary
- gross wages
- gross tips
- gross commissions
- paid leave (vacation, family, medical or sick leave, not including leave covered by the Families First Coronavirus Response Act)
- allowances for dismissal or separation paid or incurred during the Covered Period or the Alternative Payroll Covered Period

Each individual's compensation cannot exceed an annualized salary of \$100,000.

# SBA Form 3508 Calculating Average FTE

---

Calculate the average number of hours paid per week, divide by 40, and round to the nearest tenth. Maximum value of 1.0. For simplicity, you can choose to use 1.0 for anyone who works 40 hours or more, and 0.5 for anyone else.

# SBA Form 3508 Salary / Hourly Wage Reduction

This is where you calculate if you've met the forgiveness requirements for maintaining pay.

For each employee, complete the following steps:

## **Step 1: Determine if pay was reduced more than 25%**

Compare the employee's pay during the covered period (or alternative payroll period) to the pay between January 1 to March 31. If pay decreased by less than 25%, enter 0. Otherwise, proceed to the next step

## **Step 2: Determine if the Salary/Hourly Wage Reduction Safe Harbor is met**

- The employee meets the Safe Harbor requirements if these two conditions apply:
  - 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
  - The average annual salary or hourly wage between February 15 and April 26 was lower than it was on February 15

If those conditions apply, the employee has met the Safe Harbor requirements. Enter 0. Otherwise, proceed to the next step.

# SBA Form 3508 Salary/Hourly Wage Reduction Continued

## Step 3: Determine the Salary/Hourly Wage Reduction

- Determine the difference in salary/wage by subtracting the pay the employee's pay during the covered period (or alternative payroll period) from 75% of the pay between January 1 to March 31
- For hourly workers:
  - Multiply the calculated difference by the average number of hours worked per week between January 1 and March 31. Multiply by 24 to get the full 24-week equivalent (multiply by 8 if you are using an 8-week Covered Period). Enter this amount.
- For salaried employees:
  - Enter the 24-week equivalent of the difference in salary by multiplying by 24/52 (use 8/52 if you are using an 8-week Covered Period).

### *FTE Reduction Exceptions*

If you had any employees you could not hire back, their FTE can be included here. They can be included if the position was not filled by a new employee and they meet one of the following conditions:

- The employee rejected your good-faith, written offer to rehire them at the same pay rate/hours as before
- They were fired for cause
- They voluntarily resigned
- They voluntarily requested and received a reduction of their hours

# SBA Form 3508 Table 2

---

Follow the same process as Table 1, but only considering employees who were paid an annualized rate of more than \$100,000 for any pay period in 2019.

## FTE Reduction Safe Harbor

This is where you calculate if you've met the forgiveness requirements for maintaining pay.

Calculate the following FTEs. We'll do the required calculations later on.

- Total average FTE between February 15 and April 26. Record on Step 1
- Total FTE in your pay period that includes February 15. Record on Step 2
- Total FTE on June 30. Record on Step 4

# SBA Form 3508 Schedule A

Self-employed individuals without payroll can skip lines 1 through 8.

Line 1 - From the worksheet, Box 1.

Line 2 - From the worksheet, Box 2.

Line 3 - From the worksheet, Box 3. If all your employees were paid at least 75% of their original pay (between January 1 and March 31), check the box and enter 0.

Line 4 - From the worksheet, Box 4.

Line 5 - From the worksheet, Box 5.

Lines 6 to 8 - Enter the employer-paid expenses for employee health insurance, retirement plans, and state and local taxes on payroll.

Line 9 - Enter the compensation paid to yourself and your partner(s). For self-employed individuals, this is where you can enter your owner compensation replacement. Partnerships (or in general, if any other individuals were compensated as an owner), include a separate table that lists how the compensation was paid out (names and amounts).

Line 10 - Sum lines 1, 4, 6, 7, 8, and 9.

- Line 11 - Average FTE for one of the following periods
- February 15, 2019 to June 30, 2019
- January 1, 2020 to February 29, 2020

Seasonal employers can use either period, or any consecutive twelve-week period between May 1, 2019 and September 15, 2019.

Line 12 - From the worksheet, the sum of Box 2 and 5.

Line 13 - If you did not satisfy the FTE reduction exemptions, divide line 12 by line 11 and enter the result. If the result is greater than 1.0, enter 1.0.

## Full-Time Equivalency (FTE) Reduction Calculation

If you satisfy any one of the following three criteria, check the appropriate box to claim the Safe Harbor, skip lines 11 and 12, and enter 1.0 on line 13.

### **No reduction in employees or average paid hours**

You did not reduce the number of employees or the average number of paid hours of your employees between January 1 and the end of your Covered Period

# Safe Harbor

---

## FTE reduction Safe Harbor 1

Between February 15 and the end of your Covered Period, you were unable to operate at the same level of business activity as before February 15 because you were in compliance with health guidelines or requirements set out by government health agencies (the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration).

## FTE Reduction Safe Harbor 2

Refer back to the FTE Reduction Safe Harbor section on the Schedule A Worksheet. If Step 2 is less than Step 1, complete lines 11, 12, and 13. Otherwise, if Step 4 is greater than Step 2, check the box and enter 1.0 on line 13. Otherwise, complete lines 11, 12, and 13.

# PPP Loan Forgiveness Calculation Form

---

Line 1: Payroll Costs - From Schedule A, line 10.

Line 2: Business Mortgage Interest Payments - Enter the sum of interest payments on any business mortgages that were in effect before February 15, 2020. Prepayments are not allowed. You do not need to report any expenses you don't want to claim for forgiveness.

Line 3: Business Rent or Lease Payments - Enter the sum of business rent or lease payments, where the rent/lease agreement was in effect before February 15, 2020. You do not need to report any expenses you don't want to claim for forgiveness.

Line 4: Business Utility Payments - Enter the sum of business utility payments, where the utility agreement was in effect before February 15 2020. You do not need to report any expenses you don't want to claim for forgiveness.

Line 5: Covered Operations Expenditures - Enter the sum of any software, cloud computing, or other human resources and accounting needs (like Bench). You do not need to report any expenses you don't want to claim for forgiveness.

Line 6: Covered Property Damage Costs - Enter the sum of any costs from damages due to public disturbances occurring in 2020 and not covered by insurance. You do not need to report any expenses you don't want to claim for forgiveness.



# PPP Loan Forgiveness Calculation Form Continued

Line 7: Covered Supplier Costs - Enter the sum of any purchase order or order of goods made prior to receiving a PPP loan essential to operations. You do not need to report any expenses you don't want to claim for forgiveness.

Line 8: Covered Worker Protection Expenditures - Enter the sum of any personal protection equipment or property improvements to remain COVID compliant from March 1, 2020 onwards. You do not need to report any expenses you don't want to claim for forgiveness.

Line 9: Total Salary/Hourly Wage Reduction - From Schedule A, line 3.

Line 10: Sum the amounts on lines 1 through 8, then subtract the amount entered in line 9

This is the preliminary amount of eligible forgivable expenses, accounting for any reduction due to not meeting the 75% pay requirement, but not yet accounting for the FTE requirement.

Line 11: FTE Reduction Quotient - From Schedule A, line 13.

Line 12: Modified Total - Multiply line 10 by line 11. - This is the final amount of eligible forgivable expenses, accounting for any reductions due to not meeting the FTE or pay requirement.

Line 13: PPP Loan Amount - The same value you listed previously.

Line 14: Payroll Cost 60% Requirement - Divide line 1 by 0.60 to determine the maximum forgivable amount possible.

Line 15: Forgiveness Amount - Enter the smallest of lines 12, 13, and 14.

# Fulton Bank's Forgiveness Process

	Phase 1 Loan Forgiveness Application	Phase 2 Lender Review and Loan Forgiveness Decisioning	Phase 3 SBA Review and Remittance of Forgiveness Funds
<b>What it is</b>	Formal submission of the loan forgiveness application.	Formal review by Fulton Bank of the loan forgiveness application and required supporting documents.	SBA will, subject to any SBA review of the loan or loan application, remit the appropriate forgiveness amount to the Lender.
<b>Timeframe</b>	Borrower has up to 10 months from the end of your covered period (typically 8 weeks or 24 weeks from funding) to apply for forgiveness; however, we encourage you to complete your application within 60 days from the date you receive our invitation to apply.	Fulton Bank has up to 60 days to review the completed application and issue a loan forgiveness decision to the SBA.	SBA has up to 90 days from the receipt of Fulton Bank's loan forgiveness decision to remit the requested forgiveness amount to Fulton Bank.
<b>What you do</b>	Complete the appropriate loan forgiveness application.	Nothing unless Fulton Bank requires additional information or identifies incomplete information on your application.	Nothing unless you disagree with Fulton Bank's loan forgiveness decision in which case you have 30 days to submit a request to the SBA to review Fulton Bank's decision. An escalation process is still being finalized by the SBA for these cases.
<b>What we do</b>	Fulton Bank will send a "loan forgiveness application" invitation email to PPP borrowers to initiate the forgiveness process. Upon receipt of your completed application, Fulton Bank will email confirmation of receiving your application.	Review application and supporting documents for completeness. Issue a loan forgiveness decision based on the calculations of payroll and non-payroll when entered in to the application. <b>Fulton Bank notifies you of this decision.</b>	Nothing unless the SBA requires additional information or supporting documents for a particular loan. <b>Fulton Bank notifies you of the forgiveness amount paid by the SBA to Fulton Bank.</b>
<b>What the SBA does</b>	Nothing in this phase.	Nothing in this phase.	Remits requested loan forgiveness amount to Fulton Bank. Reserves right to randomly review any PPP loan in detail.

# Additional Resources

Visit our [website](#)

[Contact Us](#)

[SBA FAQs](#)