



The Fauquier Bank

Guide to forgiveness of SBA Paycheck Protection Loans:

The following information has been taken directly from Small Business Administration information guidelines, as part of the CARES Act's Paycheck Protection Program (PPP), which is to be administered by the Small Business Administration. The Fauquier Bank presents this information only as a guideline and makes no representation or warranties around the program or the eligibility of borrowers, or the forgiveness of any loan funds.

Qualifying employers can acquire a forgivable loan to cover payroll costs they incurred for an eight-week period within the span from February 15 to June 30, 2020. The eight-week period begins on the date the lender makes the first disbursement of the PPP loan to the borrower. The lender must make the first disbursement of the loan no later than ten calendar days from the date of loan approval.

An employer who receives a PPP loan must apply for loan forgiveness within 90 days after the end of the 8-week covered period (i.e., 8-week period after the loan is disbursed).

To apply for the forgivable loan, the employer must provide a lender authorized to service the loan with documentation verifying its number of full-time employees and amounts of payments during periods relevant to calculating the amount of the loan that may be forgiven, including payroll tax filings submitted to the Internal Revenue Service and state income, payroll, and unemployment insurance filings; documents verifying mortgage payments, lease obligations, and utility costs covered by the loan; a document from an authorized representative of the employer certifying that the documents the employer submitted to the lender are accurate and that the loan was used for permitted purposes; and any other documentation that the administration determines to be necessary for submission.

Eligible payroll costs that may be covered by the forgivable loan include the amounts of salaries, wages, commissions, or similar compensation; payments of cash tips or equivalents of such tips; payments for vacation, parental, family, medical, or sick leave; allowances for dismissals or separations from employment; payments, such as insurance premiums, that are required for providing group health care benefits, including the continuation of such benefits during periods of paid family, medical, or sick leave; retirement benefit payments; and payments of state taxes or local taxes assessed on compensation paid to employees. There are certain exclusions, please refer to guidelines issued by the Small Business Administration.

Helpful Information that may be needed to request forgiveness

1. Payroll Processor Records for the 8 weeks following the funding of the PPP loan.
2. Evidence borrower maintained the same number of employees or rehired employees by June 30, 2020.
3. Cancelled Checks for other eligible expenses (utilities, rent, mortgage interest).
4. Documentation for health insurance premiums paid by the company over the 8 weeks following the funding of the PPP loan.
5. Documentation for retirement plan funding by the employer for the 8 weeks following the funding of the PPP Loan.
6. Formal request to lender to recommend forgiveness of the PPP loan with all confirmed documentation attached.

*****All businesses should refer to their tax advisor for any specific guidance on tax payments**