

PAYCHECK PROTECTION PROGRAM (PPP)

Organizing Payroll for Loan Forgiveness

All rules are subject to change by the SBA and Susquehanna Community Bank has no control over the information required. This information is only a guide and is subject to change. **PLEASE NOTE: SBA requires 75% of the loan to be used for payroll cost. The other 25% can be used for other expenses such as mortgage interest, utility payments, etc. All funds used for purposes other than those outlined must be repaid by the borrower.**

Gather all necessary payroll documents

These documents can include, but are not limited to:

- Annual federal unemployment tax returns (IRS Form 940)
- Quarterly federal tax returns (IRS Form 941)
- Breakdown of payroll benefits, including Paid Time Off, group healthcare benefits, and retirement benefits
- Payroll summary reports with corresponding bank accounts
- Payroll expense verification documents

Keep the timeline in mind

Remember, the funds should be spent **within 8 weeks** of loan origination. If it is not spent during that time, you will need to pay it back.

Keep track of Paid Time Off (PTO)

Employee PTO is a part of the PPP payroll cost. This includes sick leave, family leave, and vacation. When documenting this time off, make sure you include the employee and PTO type used. Any Family Leave is covered by the Families First Coronavirus Response Act and is not a part of the eligible PPP cost. Please record that leave separately.

Employee wages and timesheets

Make sure all wages are accurately recorded. Include timesheets and hours worked. Be sure to verify that you've paid each employee and haven't reduced hours or pay.

Consider a separate payroll account

Opening a separate checking account to manage payroll can make tracking those expenses easier. To open an account, speak with your Relationship Manager.

Business Account Options

- Business Advantage Checking
- Business FREEdom Checking