



Quick PPP Forgiveness Video Series  
Qualifying Other Expenses and Documentation

# Disclaimer

**PPP Forgiveness is an evolving process, subject to change as further guidance comes out from the SBA and US Treasury.**

This presentation is for general information purposes only and should not be relied upon as a substitute for obtaining independent advice or undertaking independent research before starting the process to apply for PPP forgiveness. This presentation does not take into account any particular borrower's situation or needs.

All PPP Borrowers should obtain professional advice based on their unique situation before proceeding with the forgiving process. In addition, any implied projections or views of the hosts are their own personal opinions and are not the official position of CenterState Bank, N.A., Cherry Bekaert LLP or their respective directors or successors or assigns, and may not prove to be accurate. While the information contained herein is believed to be accurate as of the date of production, the information is subject to change and revision.

# Speakers

## Host



Chris Nichols  
CenterState Bank

## Subject Matter Experts



Josh Harris, CPA  
Credit  
Administrator  
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John Carpenter  
Principal  
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# Supporting 100% Forgiveness

## 60%+ Payroll

- Salaries, wages, tips, bonuses, etc.
- Hazard pay
- Vacation & sick pay
- Parental and family leave (not FFCRA wages)
- Group medical (not employee's portion)
- Retirement benefits (e.g. 401k match, SIMPLE IRA) paid by employer

## 40% or Less Other

- Mortgage payments
- Business Lease/rental payments
- Utilities (gas, water, power, etc.)
- Internet
- Transportation costs (e.g. gas for delivery vehicles)

# Rent and Mortgage Interest

- ▶ Rents under leases and interest on mortgages for real or personal property used in the business
- ▶ Only covers rents and mortgage interest for obligations that were in place as of 2/15/20
- ▶ Evidence of leases or promissory notes must be provided
- ▶ Past due amounts can be included
- ▶ Prepaid mortgage interest cannot be included; prepaid rent may be permitted

# Utilities In Place As of 2/15/20

- ▶ Payment for a service to include:

Electricity

Gas (natural gas service)

Water

Telephone (including cell phones),

Internet access

Transportation (gas for business vehicles)

- ▶ Prepayments of next month and past due amounts can be included
- ▶ Evidence of utility obligations must be provided
- ▶ Payments for trash pickup, recycling pickup, outdoor maintenance, VPN service, email service, and other IT support cannot be included

# Documentation requirements

**Bank will approve forgiveness and forward to SBA for further approval**

- Copy of mortgage(s) or lease(s)
- Utility bills or invoices
- +
- Evidence of payment



# Documentation requirements

## Other required loan documentation

- ▶ Remember that **all** borrowers must maintain required documents for 6 years and that SBA may review them, regardless of loan size
- ▶ There is no “safe harbor” from audits for borrowers with loans of less than \$2 million





# How can Borrowers Prepare?

- ▶ Start tracking eligible forgiveness payments at the time of PPP loan disbursement
- ▶ Gather copies of lease agreements, mortgage documents, and evidence of utility services in place as of 2/15/20
- ▶ Save evidence of payments, cancelled checks, and bank statements
- ▶ Careful planning around levels of qualifying expenditures

# What Questions Do You Have?

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