Below are some suggestions, tips, and a list of preferred documentation that will help Silicon Valley Bank more efficiently and effectively complete the review of your PPP forgiveness application.

This document will be evolving as more direction comes from Congress and the SBA. Where any differences exist between this guide and SBA documentation, you should follow the SBA documentation.

1. Provide the “highly recommended” documents where possible.
2. Scan and upload to SVB Online Banking all similar documentation together
3. Clearly label all uploaded documents
4. Use a highlighter to identify values that correspond to the inputs in your application
5. Provide your expense proration calculations (if any) that tie to the uploaded documents

What Application Should You Complete?

1. **Form 3508S**: If you are eligible to apply for forgiveness using the abbreviated SBA Form 3508S, please refer to page 6 of the SBA Form 3508S for the list of documents that must be maintained but are not required to be submitted with your application.
2. **Form 3508EZ**: There are some small differences on documentation requirements between the standard form and the EZ (easy) form. Please refer to page 5 instructions to confirm your eligibility for the EZ form here. The EZ Form Document Details start on page 7 below.
3. **Form 3508**: This form is available for all loans exceeding $150,000 value. The Standard Form Documentation Details are below.

### Payroll Expenses

<table>
<thead>
<tr>
<th>Type</th>
<th>Relevant Line Item</th>
<th>Highly Recommended</th>
<th>Not Recommended</th>
<th>Period Needed</th>
<th>Helpful Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash</strong></td>
<td><em>Line 1: Payroll Costs</em></td>
<td><strong>Payroll Service Reports (PEO reports)</strong> customized to show the payroll costs paid or incurred during Covered Period or Alternative Payroll Covered Period</td>
<td><em>Federal Payroll Tax forms that you have or will report to the IRS (e.g. Form 941)</em></td>
<td>Covered Period</td>
<td><strong>Do include</strong></td>
</tr>
<tr>
<td></td>
<td><em>PPP Schedule A Line 1, Line 3, &amp; Line 4</em></td>
<td><strong>Payroll Service Reports (PEO reports)</strong> customized to show the payroll costs paid or incurred during Covered Period or Alternative Payroll Covered Period</td>
<td><em>State Payroll Tax forms</em></td>
<td></td>
<td>Gross salary, wages, tips, commissions, paid leave (including vacation family medical leave, sick leave), dismissal or separation pay, capped at the equivalent of $100,000 annual salary per FTE ($15,385 for 8-week and $46,154 for 24-week). This amount should be prorated if you are requesting forgiveness for a Covered Period in between 8-24 weeks – i.e., $30,770 if applying after 16 weeks (100,000/52 = 1,923*16).</td>
</tr>
<tr>
<td><strong>Compensation</strong></td>
<td></td>
<td><strong>Payroll Service Reports (PEO reports)</strong> customized to show the payroll costs paid or incurred during Covered Period or Alternative Payroll Covered Period</td>
<td><em>Unemployment filings</em></td>
<td></td>
<td><strong>Do not include</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Payroll Service Reports (PEO reports)</strong> customized to show the payroll costs paid or incurred during Covered Period or Alternative Payroll Covered Period</td>
<td><em>Cancelled checks</em></td>
<td></td>
<td>Independent contractors</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Payroll Service Reports (PEO reports)</strong> customized to show the payroll costs paid or incurred during Covered Period or Alternative Payroll Covered Period</td>
<td><em>Bank statements</em></td>
<td></td>
<td>Costs related to Families First Corona Virus Response Act</td>
</tr>
<tr>
<td>Type</td>
<td>Relevant Line Item</td>
<td>Highly Recommended</td>
<td>Not Recommended</td>
<td>Period Needed</td>
<td>Helpful Details</td>
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</table>
| Health Insurance & Retirement Benefits         | • Line 1: Payroll Costs<br>• PPP Schedule A Line 6 & Line 7                      | Payroll Service Reports (PEO reports) customized to show the health insurance and retirement benefits paid or incurred during Covered Period or Alternative Payroll Covered Period | • Payment receipts<br>• Cancelled checks<br>• Bank statements                  | Covered Period | Do include –<br>  ‣ Employer contribution expenses  
Do not include –<br>  ‣ Owner-employee’s expenses (they are captured in owner compensation) |
| State and Local Taxes                          | • Line 1: Payroll Costs<br>• PPP Schedule A Line 8                              | Payroll Service Reports (PEO reports) customized to show the payroll costs paid or incurred during Covered Period or Alternative Payroll Covered Period | • Payment receipts<br>• Cancelled checks<br>• Bank statements                  | Covered Period | Do not include –<br>  ‣ Federal taxes                                           |

**Full Time Employees (FTE)**

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<thead>
<tr>
<th>Type</th>
<th>Relevant Line Item</th>
<th>Highly Recommended</th>
<th>Not Recommended</th>
<th>Period Needed</th>
<th>Helpful Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE Count for Covered Period</td>
<td>PPP Schedule A Line 2 &amp; Line 5</td>
<td>Payroll Service Reports (PEO reports) customized to show the payroll costs paid or incurred during Covered Period or Alternative Payroll Covered Period</td>
<td>• Federal Payroll Tax forms that you have or plan to report to the IRS (e.g. Form 941)&lt;br&gt;  • State Payroll Tax forms that have been or will be reported&lt;br&gt;  • Unemployment insurance tax filings</td>
<td>Covered Period</td>
<td>FTE Counts need to be split based on the criteria above Schedule A Worksheet Tables 1 &amp; 2, respectively.</td>
</tr>
</tbody>
</table>
| FTE Count for chosen reference period          | PPP Schedule A Line 11                                                           | Payroll Service Reports (PEO reports) customized to show the payroll costs paid or incurred during Covered Period or Alternative Payroll Covered Period | • Federal Payroll Tax forms that you have or plan to report to the IRS (e.g. Form 941)<br>  • State Payroll Tax forms that have been or will be reported<br>  • Unemployment insurance tax filings | Reference period options include:<br>  From Feb 15 to June 30, 2019  
  Or  
  From Jan 1 to Feb 29, 2020  
  Or  
  For seasonal workers, a 12-week period between May 1 and Sept 15, 2019 that matches the one used in the PPP loan application to justify the maximum loan amount | FTE Count is the average FTEs from the selected reference period  
Please review SBA Form 3508 Schedule A and Schedule A Worksheet to assess if any of the FTE Reduction Safe Harbors apply to you. |
Owner-Employees, Sole Proprietor, Independent Contractor, Self Employed, Partners

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<tr>
<th>Type</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Income paid to owners</td>
<td>Line 1: Payroll Costs</td>
<td>2019 Form 1040 Schedule C</td>
<td>Federal Payroll Tax forms that you have or will report to the IRS (e.g. Form 941)</td>
<td>For documents submitted to the IRS please submit 2019*</td>
<td>Please review the text below the table for specific guidance and limitations on owner-employee compensation for certain entity types. If those limitations are not applicable, then the following caps apply: The lower of $20,833 for each individual or the 2.5-months of salary from your 2019 or 2020 payroll (whichever was used to calculate your loan).</td>
</tr>
<tr>
<td>(owner-employees, a self-employed individual, or general partners)</td>
<td>PPP Schedule A Line 9</td>
<td>2019 Form 1099-MISC</td>
<td>Payment receipts</td>
<td>For proof of payment, please submit during covered period</td>
<td></td>
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<td></td>
<td></td>
<td>IRS Form 1065 for 2019 (including Schedule K-1s)</td>
<td>Cancelled checks</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>List of individuals and amount paid to each</td>
<td></td>
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</tr>
</tbody>
</table>

The SBA provides additional guidance and limits for owners of certain entity types:

- **C-Corp:** Capped to 2.5/12 times the amount of their 2019* compensation (incl. cash, taxes and employer contributions to health insurance and retirement). Payments other than cash compensation do not count towards the $20,833 limit
- **S-Corp:** Capped to 2.5/12 times the amount of their 2019* compensation (incl. cash and taxes). Employer contributions to health insurance and retirement can only be included if the employee has less than 2% stake in the business (same applies for family members) – if they have more than 2% of the business, that would count as cash compensation. Payments other than cash compensation do not count towards the $20,833 limit
- **Self-employed:** Capped to 2.5/12 times the 2019* net profit, as reported on IRS Form 1040 Schedule C. Separate payments for health, retirement or taxes cannot be included
- **General Partners:** Capped to 2.5/12 times their 2019* net earnings from self-employment (computed from 2019 IRS Form 1065 Schedule K-1 and multiplied by 0.9235). Payments for health insurance, retirement or taxes are not eligible
- **LLC:** must follow the instructions that apply to how their business was organized for tax filing purposes for tax year 2019*

* For loans funded in 2020, the owner-employee limitations are tied back to your 2019 compensation. For loans funded in 2021, the owner-employee limitations can tie back to either 2019 or 2020.
The SBA’s guidelines state that you can include Non-Payroll costs **paid** or **incurred** during the Covered Period.

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<thead>
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<th>Type</th>
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</table>
| **Business Mortgage Interest Payments**   | Line 2: Business Mortgage Interest Payments | Monthly Statement for February 2020 and Monthly Statements for the months during the Covered Period through the month after and Proration Calculations (if applicable) | • Amortization schedules  
• Receipts  
Why monthly mortgage statements during your Covered Period? These support your forgiveness amount. Remember to show proof of payment  
When do I need to include the statement for the month after Covered Period ends? If you are submitting expenses that were incurred during your Covered Period but paid after your Covered Period, then you will need to submit the statement that includes that expense. This expense should be prorated to exclude the portion incurred after your Covered Period ended. |
| **Business Rent or Lease Payments**       | Line 3: Business Rent or Lease Payments | Monthly Statement for February 2020 and Monthly Statements for the months during the Covered Period through the month after and Proration Calculations (if applicable) | • Payment receipts  
• Cancelled checks  
• Bank statements  
• Lease documents | February 2020 and Covered Period | Why February 2020? Provides the baseline that your lease existed on or before February 15, 2020.  
Why monthly lease statements during your Covered Period? These support your forgiveness amount. Remember to show proof of payment  
When do I need to include the statement for the month after Covered Period ends? If you are submitting expenses that were incurred during your Covered Period but paid after your Covered Period, then you will need to submit the statement that includes that expense. This expense should be prorated to exclude the portion incurred after your Covered Period ended. |
<table>
<thead>
<tr>
<th>Business Utility Payments (electricity, gas, water, transportation, telephone, or internet access)</th>
<th>Line 4: Business Utility Payments</th>
<th>Monthly Statements for February 2020 and Monthly Statements for the months during the Covered Period through the month after and Proration Calculations (if applicable)</th>
<th>• Payment receipts • Cancelled checks • Bank statements</th>
<th>February 2020 (for each utility account) and Covered Period</th>
<th>Why February 2020? Provides the baseline that your utilities existed on or before February 15, 2020. Why monthly statements during your Covered Period? These support your forgiveness amount. Remember to show proof of payment When do I need to include the statement for the month after Covered Period ends? If you are submitting expenses that were incurred during your Covered Period but paid after your Covered Period, then you will need to submit the statement that includes that expense. This expense should be prorated to exclude the portion incurred after your Covered Period ended.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Covered Operations Expenditures (software and cloud services)</td>
<td>Line 5: Covered Operations Expenditures</td>
<td>Invoices/Orders/Purchase Orders from the Covered Period and Proof of Payment</td>
<td>Covered Period</td>
<td>What is Eligible? Payments for any business software or cloud computing service that facilitates business operations, product or service delivery, the processing, payment, or tracking of payroll expenses, human resources, sales and billing functions, or accounting or tracking of supplies, inventory, records and expenses</td>
<td></td>
</tr>
<tr>
<td>Covered Property Damage Costs (repairs due to vandalism or looting)</td>
<td>Line 6. Covered Property Damage Costs</td>
<td>Invoices/Orders/Purchase Orders from the Covered Period and Proof of Payment</td>
<td>Covered Period</td>
<td>What is Eligible? Costs related to property damage and vandalism or looting due to public disturbances that occurred during the covered period in 2020 that was not covered by insurance or other compensation</td>
<td></td>
</tr>
<tr>
<td>Covered Supplier Costs (Supplier of Goods)</td>
<td>Line 7: Supplier Costs</td>
<td>Statement prior to the start of the Covered Period and Invoices/Orders/Purchase Orders from the Covered Period and Proof of Payment</td>
<td>Prior to Covered Period and Covered Period</td>
<td>What is Eligible? A covered supplier cost means an expenditure made by a borrower to a supplier of goods for the supply of goods that: • are essential to the operations of the borrower at the time at which the expenditure is made; and • is made pursuant to a contract, order, or purchase order in effect at any time before the covered period with respect to the applicable covered loan; OR with respect to perishable goods, in effect before or at any time during the</td>
<td></td>
</tr>
</tbody>
</table>
Example of how Non-Payroll Expenses are counted

The SBA’s guidelines state that you can include Non-Payroll costs paid or incurred during the Covered Period, with the following example:

“Your covered period begins on June 1 and ends on July 26. You pay the May and June electricity bill during the covered period and pay its July electricity bill on August 10, which is the next regular billing date. You may seek loan forgiveness for the May and June electricity bills, because they were paid during the covered period. In addition, you may seek loan forgiveness for the portion of the July electricity bill through July 26 (the end of the covered period), because it was incurred during the covered period and paid on the next regular billing date.”
## Payroll Expenses

<table>
<thead>
<tr>
<th>Type</th>
<th>Relevant Line Item</th>
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</table>
| **Cash Compensation**                     | Line 1: Payroll Costs | Payroll Service Reports (PEO reports) customized to show the payroll costs paid or incurred during Covered Period or Alternative Payroll Covered Period | • Federal Payroll Tax forms that you have or will report to the IRS (e.g. Form 941)  
• State Payroll Tax forms  
• Unemployment filings  
• Cancelled checks  
• Bank statements                                                                 | Covered Period | Do include –  
• Gross salary, wages, tips, commissions, paid leave (including vacation family medical leave, sick leave), dismissal or separation pay, capped at the equivalent of $100,000 annual salary per FTE ($15,385 for 8-week and $46,154 for 24-week). This amount should be prorated if you are requesting forgiveness for a Covered Period in between 8-24 weeks – i.e., $30,770 if applying after 16 weeks (100,000/52 = 1,923 * 16).  
• For owner-employee compensation, please see next section below  
Do not include –  
• Independent contractors  
• Costs related to Families First Corona Virus Response Act |               |                                                                                   |                                                                                   |               |                      |
| **Health Insurance & Retirement Benefits**| Line 1: Payroll Costs | Payroll Service Reports (PEO reports) customized to show the health insurance and retirement benefits paid or incurred during Covered Period or Alternative Payroll Covered Period | • Payment receipts  
• Cancelled checks  
• Bank statements                                                                 | Covered Period | Do include –  
• Employer contribution expenses  
Do not include –  
Owner-employees expenses (they are captured in owner compensation) |               |                                                                                   |                                                                                   |               |                      |
| **State and Local Taxes**                 | Line 1: Payroll Costs | Payroll Service Reports (PEO reports) customized to show the payroll costs paid or incurred during Covered Period or Alternative Payroll Covered Period | • Payment receipts  
• Cancelled checks  
• Bank statements                                                                 | Covered Period | Do not include –  
• Federal taxes |               |                                                                                   |                                                                                   |               |                      |
### Full Time Employees (FTE)

<table>
<thead>
<tr>
<th>Type</th>
<th>Relevant Line Item</th>
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<th>Not Recommended</th>
<th>Period Needed</th>
<th>Helpful Details</th>
</tr>
</thead>
</table>
| FTE Count for January 1, 2020 | Line 1: Payroll Costs | Payroll Service Reports (PEO reports) customized to show the payroll costs paid or incurred during Covered Period or Alternative Payroll Covered Period | • Federal Payroll Tax forms that you have or plan to report to the IRS (e.g. Form 941)  
• State Payroll Tax forms that have been or will be reported  
• Unemployment insurance tax filings | January 1, 2020 | If you have selected the EZ form, you can only use Jan 1, 2020 as the FTE Count comparison point. |
| FTE Count for End of Covered Period (or End of Alternative Payroll Covered Period) | Line 1: Payroll Costs | Payroll Service Reports (PEO reports) customized to show the payroll costs paid or incurred during Covered Period or Alternative Payroll Covered Period | • Federal Payroll Tax forms that you have or plan to report to the IRS (e.g. Form 941)  
• State Payroll Tax forms that have been or will be reported  
• Unemployment insurance tax filings | Last day of Covered Period | |
Owner-Employees, Sole Proprietor, Independent Contractor, Self Employed, Partners

The SBA provides additional guidance and limits for owners of certain entity types:

- **C-Corp:** Capped to 2.5/12 times the amount of their 2019 compensation (incl. cash, taxes and employer contributions to health insurance and retirement). Payments other than cash compensation do not count towards the $20,833 limit
- **S-Corp:** Capped to 2.5/12 times the amount of their 2019 compensation (incl. cash and taxes). Employer contributions to health insurance and retirement can only be included if the employee has less than 2% stake in the business (same applies for family members) – if they have more than 2% of the business, that would count as cash compensation. Payments other than cash compensation do not count towards the $20,833 limit
- **Self-employed:** Capped to 2.5/12 times the 2019 net profit, as reported on IRS Form 1040 Schedule C. Separate payments for health, retirement or taxes cannot be included
- **General Partners:** Capped to 2.5/12 times their 2019 net earnings from self-employment (computed from 2019 IRS Form 1065 Schedule K-1 and multiplied by 0.9235). Payments for health insurance, retirement or taxes are not eligible
- **LLC:** Must follow the instructions that apply to how their business was organized for tax filing purposes for tax year 2019

* For loans funded in 2020, the owner-employee limitations are tied back to your 2019 compensation. For loans funded in 2021, the owner-employee limitations can tie back to either 2019 or 2020.

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**Reference Guide:** PPP – Loan Forgiveness Documentation Guide

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<thead>
<tr>
<th>Type</th>
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</thead>
<tbody>
<tr>
<td>Income paid to owners (owner-employees, a self-employed individual, or general partners)</td>
<td>Line 1: Payroll Costs</td>
<td>2019 Form 1040 Schedule C 2019 Form 1099-MISC IRS Form 1065 for 2019 (including Schedule K-1s) List of individuals and amount paid to each</td>
<td>Federal Payroll Tax forms that you have or will report to the IRS (e.g. Form 941) Payment receipts Cancelled checks</td>
<td>For documents submitted to the IRS please submit 2019* For proof of payment, please submit during covered period</td>
<td>Please review the text below the table for specific guidance and limitations on owner-employee compensation for certain entity types. If those limitations are not applicable, then the following caps apply: The lower of $20,833 for each individual or the 2.5-months of salary from your 2019 or 2020 payroll (whichever was used to calculate your loan).</td>
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</tbody>
</table>
Non-Payroll Documentation

- The SBA’s guidelines state that you can include Non-Payroll costs **paid** or **incurred** during the Covered Period.
- Alternative Payroll Covered Period is **not** applicable for non-payroll expenses. You must use a Covered Period that starts on the date that your PPP loan was disbursed.

<table>
<thead>
<tr>
<th>Type</th>
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<th>Helpful Information</th>
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</thead>
<tbody>
<tr>
<td><strong>Business Mortgage Interest Payments</strong> <em>(interest only, no principal payments)</em></td>
<td>Line 2: Business Mortgage Interest Payments</td>
<td>Monthly Statement for February 2020 and Monthly Statements for the months during the Covered Period through the month after and Proration Calculations (if applicable)</td>
<td>• Amortization schedules • Receipts • Cancelled checks</td>
<td>February 2020 and Covered Period</td>
<td><strong>Why February 2020?</strong> Shows the mortgage existed on or before February 15, 2020. <strong>Why monthly mortgage statements during your Covered Period?</strong> These support your forgiveness amount. Remember to show proof of payment. <strong>When do I need to include the statement for the month after Covered Period ends?</strong> If you are submitting expenses that were <strong>incurred during</strong> your Covered Period but <strong>paid after</strong> your Covered Period, then you will need to submit the statement that includes that expense. This expense should be prorated to exclude the portion incurred after your Covered Period ended.</td>
</tr>
<tr>
<td><strong>Business Rent or Lease Payments</strong></td>
<td>Line 3: Business Rent or Lease Payments</td>
<td>Monthly Statement for February 2020 and Monthly Statements for the months during the Covered Period through the month after and Proration Calculations (if applicable)</td>
<td>• Payment receipts • Cancelled checks • Bank statements • Lease documents</td>
<td>February 2020 and Covered Period</td>
<td><strong>Why February 2020?</strong> Provides the baseline that your lease existed on or before February 15, 2020. <strong>Why monthly lease statements during your Covered Period?</strong> These support your forgiveness amount. Remember to show proof of payment. <strong>When do I need to include the statement for the month after Covered Period ends?</strong> If you are submitting expenses that were <strong>incurred during</strong> your Covered Period but <strong>paid after</strong> your Covered Period, then you will need to submit the statement that includes that expense. This expense should be prorated to exclude the portion incurred after your Covered Period ended.</td>
</tr>
<tr>
<td>Category</td>
<td>Line</td>
<td>Documentation</td>
<td>Eligibility</td>
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<td>------------------------------------------------------------------------------</td>
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</tbody>
</table>
| Business Utility Payments                    | 4    | Monthly Statements for February 2020 and Monthly Statements for the months during the Covered Period and Proration Calculations (if applicable) | - Payment receipts  
- Cancelled checks  
- Bank statements  
February 2020 (for each utility account)  
and  
Covered Period  
Why February 2020? Provides the baseline that your utilities existed on or before February 15, 2020.  
Why monthly statements during your Covered Period? These support your forgiveness amount. Remember to show proof of payment  
When do I need to include the statement for the month after Covered Period ends? If you are submitting expenses that were incurred during your Covered Period but paid after your Covered Period, then you will need to submit the statement that includes that expense. This expense should be prorated to exclude the portion incurred after your Covered Period ended. |
| Covered Operations Expenditures              | 5    | Invoices/Orders/Purchase Orders from the Covered Period and Proof of Payment   | Covered Period  
What is Eligible? Payments for any business software or cloud computing service that facilitates business operations, product or service delivery, the processing, payment, or tracking of payroll expenses, human resources, sales and billing functions, or accounting or tracking of supplies, inventory, records and expenses |
| Covered Property Damage Costs                | 6    | Invoices/Orders/Purchase Orders from the Covered Period and Proof of Payment   | Covered Period  
What is Eligible? Costs related to property damage and vandalism or looting due to public disturbances that occurred during the covered period in 2020 that was not covered by insurance or other compensation |
| Covered Supplier Costs                       | 7    | Statement prior to the start of the Covered Period and Invoices/Orders/Purchase Orders from the Covered Period and Proof of Payment | Prior to Covered Period  
and  
Covered Period  
What is Eligible? A covered supplier cost means an expenditure made by a borrower to a supplier of goods for the supply of goods that:  
- are essential to the operations of the borrower at the time at which the expenditure is made; and  
- is made pursuant to a contract, order, or purchase order in effect at any time before the covered period with respect to the applicable covered loan; OR with respect to perishable goods, in effect |
Example of how Non-Payroll Expenses are counted

The SBA’s guidelines state that you can include Non-Payroll costs paid or incurred during the Covered Period, with the following example:

“Your covered period begins on June 1 and ends on July 26. You pay the May and June electricity bill during the covered period and pay its July electricity bill on August 10, which is the next regular billing date. You may seek loan forgiveness for the May and June electricity bills, because they were paid during the covered period. In addition, you may seek loan forgiveness for the portion of the July electricity bill through July 26 (the end of the covered period), because it was incurred during the covered period and paid on the next regular billing date.”
Any aspect of the Paycheck Protection Program, including loan forgiveness, is subject to the documentation evidencing and relating to the PPP loan program and the Paycheck Protection Program guidelines and SBA regulations. SVB is not offering legal advice or any guarantee of applicability of any aspect of the PPP regulations or SBA guidance to you. SVB is not acting as your adviser, counsel, or representative to the Small Business Administration, and all obligations related to the Paycheck Protection Program guidelines and regulations are the responsibility of the borrower on the loan. For more details about SVB’s Paycheck Protection Program, please visit https://www.svb.com/paycheck-protection-program.

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