

# Paycheck Protection Program Forgiveness Resources

By Ellen L. Joseph, CPA

Since the Coronavirus Aid, Relief, and Economic Security (CARES) Act became law on March 27, 2020, there has been – and continues to be – evolving guidance regarding the Paycheck Protection Program (PPP) and forgiveness of the PPP loans. This article is a collection of resources for CPAs and other interested parties to reference while preparing their PPP loan forgiveness applications.

## DUE DATE FOR PPP FORGIVENESS APPLICATIONS

Section 3(c) of the Paycheck Protection Program Flexibility Act of 2020 adds a “rule of construction,” indicating that a PPP borrower must either apply for loan forgiveness within 10 months after the last day of the covered period for the loan or begin making payments of principal interest and fees on the loan beginning on that date 10 months after the end of the covered period. The covered period is the time following the initial funding of the PPP loan, where the borrower must use the loan proceeds for eligible expenses that will qualify the loan for forgiveness.<sup>1</sup> The covered period was also updated under PPP Flexibility Act Section 3(b) and is generally 24 weeks following the initial funding of the loan but cannot end after Dec. 31, 2020. Thus, PPP borrowers whose loans funded on or after July 16, 2020, will have a covered period that ends Dec. 31, 2020, and have until Oct. 31, 2021, to submit their PPP forgiveness applications.

## PPP FORGIVENESS APPLICATION FORMS

At the time of this writing, there are three PPP loan forgiveness applications:

1. Paycheck Protection Program Loan Forgiveness Application (Form 3508 | Instructions)
2. Paycheck Protection Program Loan Forgiveness Application (Form 3508EZ | Instructions): This form can be used if the borrower satisfies at least one of the three listed requirements in the “Checklist for Using SBA Form 3508EZ,” included in the form instructions.
3. Paycheck Protection Program Forgiveness Application (Form 3508S | Instructions): This form can be used if the borrower received a PPP loan of \$50,000 or less. A borrower that, together with its affiliates, received PPP loans totaling \$2 million or more cannot use this form.

Please note that the “expiration date” at the top of the application forms listed above is not a deadline for submit-

ting the forms. As the Small Business Administration (SBA) explained in a Frequently Asked Question guidance on Oct. 13, “The expiration date in the upper-right corner of the posted PPP loan forgiveness application forms is displayed for purposes of SBA’s compliance with the Paperwork Reduction Act, and reflects the temporary expiration date for approved use of the forms. This date will be extended, and when approved, the same forms with the new expiration date will be posted.”

In addition to the three application forms, SBA Form 3509, the Paycheck Protection Program Loan Necessity Questionnaire (For-Profit Borrowers), and SBA Form 3510, the Paycheck Protection Program Loan Necessity Questionnaire (Non-Profit Borrowers), may be required. Lenders will provide these forms to borrowers who, together with affiliates, received PPP loans with an original principal amount of \$2 million or more. PPP borrowers whose loans are less than \$2 million and reviewed by SBA will also be required to complete a loan-necessity questionnaire.

## OTHER RESOURCES

As noted above, PPP forgiveness guidance continues to evolve. Here is a list of resources to help you stay up to date:

- [Small Business Administration’s FAQs on PPP Loan Forgiveness](#)
- [Small Business Administration’s PPP Forgiveness Fact-sheet](#)
- [U.S. Department of the Treasury Small Business Paycheck Protection Program Assistance website](#) (Note: Includes links to SBA forms, FAQs, and resources for the program rules for both borrowers and lenders.)
- [FICPA CARES Act/PPP webpage](#)
- [AICPA SBA PPP resources for CPAs](#) (Note: Includes forgiveness tools, calculators, and FAQs.)
- [FICPA Connect Discussion Board](#) (Note: This is a great member-to-member, knowledge-sharing site free to all FICPA members. Robust PPP discussions can be found on several Connect Groups, including Federal Tax Group and Management of an Accounting Practice Group.)

<sup>1</sup> 15 U.S.C. §636(a)(36)(F)

And, finally, Interim Final Rules issued regarding the PPP Program:

- First Interim Final Rule, effective April 15, 2020, [85 FR 20811](#)
- Affiliate Rules for PPP, effective April 15, 2020, [85 FR 20817](#)
- Third Interim Final Rule, Additional Eligibility Criteria and Requirements for Certain Pledges of Loans, effective April 20, 2020, [85 FR 21747](#)
- Sixth Interim Final Rule, Disbursements, effective May 4, 2020, [85 FR 26321](#)
- First Loan Forgiveness Rule, Requirements for Loan Forgiveness, effective May 28, 2020, [85 FR 33004](#)
- First Loan Review Rule, SBA Loan Review Procedures and Related Borrower and Lender Responsibilities, effective May 28, 2020, [85 FR 33010](#)
- Revisions to First PPP Interim Final Rule, effective March 27, 2020, and published June 16, 2020, [85 FR 36308](#)
- Additional Revisions to First PPP Interim Final Rule, effective June 16, 2020, [85 FR 36717](#)

- Revisions to Third and Sixth Interim Final Rules, with various effective dates, published June 19, 2020, [85 FR 36997](#)
- Additional Eligibility Revisions to First Interim Final Rule, effective June 24, 2020, [85 FR 38301](#)
- Revisions to Loan Forgiveness and Loan Review Procedures Interim Final Rules, with various effective dates, published June 26, 2020, [85 FR 38304](#)
- Treatment of Owners and Forgiveness of Certain Non-payroll Costs, effective Aug. 25, 2020, [85 FR 52881](#)
- Additional Revisions to Loan Forgiveness and Loan Review Procedures Interim Final Rules, effective Oct. 14, 2020, [85 FR 66214](#)

You can also visit this SBA website for additional Interim Final Rules as they are published.

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Ellen L. Joseph is managing member of Ellen L. Joseph CPA Chartered and specializes in Internal Revenue Code § 4980H - shared responsibility for employers regarding health coverage. She uses proprietary software for the related reporting requirements of Forms 1094-C and 1095-C and to help clients reduce or eliminate their proposed Employer Shared Responsibility Payments. Ms. Joseph is also Of Counsel with Sarbey, Kelly & Kaufman, LLC CPAs and is a member of the Florida Institute of CPAs (FICPA) Federal Taxation and Business Technology Committees.



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