



May 21, 2020

Dear SBA PPP Loan Recipient:

Thank you for allowing Alabama Teachers Credit Union, (ATCU), to assist you in participating in the Paycheck Protection Program (PPP) facilitated by the Small Business Administration via the CARES Act.

The forgiveness portion of these PPP loans will begin in the near future. For access to the PPP Loan Forgiveness Application, applicable disclosures, and current forgiveness guidance, please go to www.atcu.com/business/sba-ppp.html. It is anticipated that SBA changes will continue in the coming days and weeks; therefore, ATCU will post updates from the SBA on this specific page of our website.

Also, please seek the advice of your professional advisors for help with answers to your specific questions. If you don't have a payroll provider, bookkeeper or CPA, now may be the time to consider hiring one.

IMPORTANT GUIDELINES:

- You have 8 weeks to spend the loan proceeds. Please see additional links to the US Department of Treasury website located at www.atcu.com/business/sba-ppp.html for details as to when your 8 week time frame should begin.
- Again we encourage you to familiarize yourself with the PPP Loan Forgiveness Application located via the link found at www.atcu.com/business/sba-ppp.html. Detailed instructions and guidance is provided throughout the required 11 page application.
- The earliest you can submit the application along with supporting documentation to request forgiveness is 06/30/20 regardless of when the 8 week period ends. The forgiveness period only includes expenses paid and/or incurred during your 8 week period.
- At least 75% of the loan proceeds are to be spent on payroll and related costs.
- The remaining 25% can be spent on other costs such as:
 - Interest expense on mortgage payments
 - Rent expense under lease agreements in force before 02/15/20
 - Utility expense for service that began before 02/15/20
- Consult with your payroll provider or a CPA to complete the calculations required in Schedule A of the PPP Loan Forgiveness Application. This will be a critical component in determining eligibility of the forgiveness portion of your loan amount.
- **KEEP ALL RECEIPTS OF FUNDS SPENT FROM YOUR SBA PPP LOAN PROCEEDS!** This includes your bank statements, copies of rent/lease agreements, verification of interest paid on mortgage payments, utility bills, and all other detailed documentation.
- Once you have the PPP Loan Forgiveness Application completed and your supporting documentation collected, please submit all completed information to sbapp@atcu.com for further review. For the safety of the confidential information we encourage you to submit your documentation via an encrypted email. If any additional information is needed you will receive communication from this same email address. Please make sure to mark this email address as a "safe recipient" so it will not be sent to your SPAM folder.

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DOCUMENTS EACH BORROWER MUST SUBMIT WITH ITS PPP LOAN FORGIVENESS APPLICATION:

- Bank statements for the account established to track the loan proceeds.
- Detailed documentation on all transactions.

PAYROLL RELATED DOCUMENTS

- Payroll reports documenting compensation paid to employees:
 - Payroll reports by employee for 02/15/19 through 06/30/19
 - Payroll reports by employee for 01/01/19 through 12/31/19
 - Payroll reports by employee for 01/01/20 through 02/29/20
 - Payroll reports by employee for 01/01/20 through 03/31/20
 - Payroll reports by employee for 8 week period starting with the date the loan proceeds were received
 - List of employees who earned more than \$100,000 in 2019
- Tax forms:
 - Payroll tax filings for 2019 & 2020
 - State quarterly business and individual employee wage reporting and unemployment insurance tax filings
- Payment receipts, cancelled checks, or statements documenting the amount of any employer contributions to employee health/dental/vision insurance and retirement plans for 01/01/20 through 03/31/20.
- Payment receipts, cancelled checks, or statements documenting the amount of any employer contributions to employee health/dental/vision insurance and retirement plans for 8 week period starting with the date the loan proceeds were received.
- Self-employed and sole proprietors – canceled check copies to self or bank statement verifying transfer from business to personal account.

NON PAYROLL DOCUMENTS

- Copies of invoices for any amounts paid for the following during the 8 week period starting with the date the loan proceeds were received:
 - Mortgage Interest on debt incurred prior to 2/15/2020
 - Rent on agreements signed prior to 2/15/2020
 - Utilities (electricity, gas, water, phone, internet, transportation) - on services in place prior to 2/15/2020

Finally, your best resource to keep up with any current information ATCU has related to changes or updated guidance for the PPP Loan Program can be found at www.atcu.com/business/sba-ppp.html. You can also direct any additional questions to sbapp@atcu.com.

Sincerely,

Jamie McGlaughn
AVP Business Services

Learn. Together.