

→ **Required documentation
for the **Employee Retention
Credit**, explained.**

As your business begins its journey toward recovering a tax refund, you may have questions about the documents you are required to upload. We're here to help you at every step so you can get your business' Employee Retention Credit (ERC) refund processed smoothly.

The ERC is a refundable tax credit designed for businesses like yours that continued paying employees while shutdown due to the pandemic or had significant declines in gross receipts.

To get your ERC application approved, there are a few key documents needed.

More info



You can find these documents saved in the accounting application you use to manage your business' books.

If you need assistance locating the documents or need help with further information regarding the ERC filing process, reach out to your Refund Specialist. They'll help get your filings up and running as soon as possible.

Due to the high number of ERC claims, the IRS may need additional time to process the refund. So the sooner you upload the documents, the sooner we can send the amended payroll forms, and the sooner your business will receive its refund.

→ Quartely Profit & Loss Statement

What is it: The profit and loss (P&L) statement is a financial statement that summarizes the revenues, costs, and expenses incurred during a specified period. The P&L statement is one of three financial statements public companies issue quarterly and annually, along with the balance sheet and the cash flow statement. You'll need a statement uploaded for each quarter of 2020 and the first three quarters of 2021 that you wish to claim.

Why your business needs it: The P&L statement indicates your business was affected during the pandemic and meets the qualifications for the refund.

→ IRS Form 941

What is it: The employer's quarterly federal tax return includes income taxes, Social Security tax, or Medicare tax withheld from employees' paychecks.

Why your business needs it: This is required to show all taxes withheld for the IRS to determine the potential refund amount, as well as it will be what is amended to claim the ERC.

→ Monthly Payroll Ledger

What is it: The Monthly Payroll Ledger was used to complete your Form 941s, reflecting gross pay, deductions/taxes, hours worked, and net pay for each employee. A payroll ledger is standard practice for recordkeeping and a tool used by businesses of all sizes. It keeps track of payment information for each employee, contractor, or business entity that receives funds from an employer's payroll department.

Why your business needs it: The Monthly Payroll Ledger is used to check that the IRS Form 941 is accurate and can be used to make adjustments as needed.

→ Monthly Group Healthcare Statement

What is it: The Monthly Group Healthcare Statement includes premium amounts paid per employee.

Why your business needs it: The Monthly Group Healthcare Statement shows the healthcare costs your business covered for its employees throughout the pandemic. It is optional to provide — but if applicable — doing so may help your business get a higher ERC refund.

→ PP1 Loan Forgiveness Application

What is it: The PPP first and second round Loan Forgiveness Application (Form 3508) is received when your business applied for forgiveness of your Payroll Protection Program Loan.

Why your business needs it: This document shows that you applied for and received forgiveness of your PPP Loan. The Tax Team will use the information from this form to determine eligible wages for the ERC Claim.

The number of documents you'll upload may vary depending on the status of your PPP and Healthcare statements. Keep in mind, the accuracy and completeness of the documents affects how quickly and how much your business can expect to receive from the Employee Retention Credit. Read on if you have more general ERC questions.

How do I upload my documents?

You can easily upload all of your business' documents through our online portal.

You can also return to the upload page at any time to submit additional documents and see what you've already completed.

What if I have questions about my ERC refund?

For general questions, check out our [ERC FAQ](#).

We tackle several Employee Retention Credit topics including:

- [The ERC and qualifications](#)
- [Refund estimates](#)
- [Associated fees](#)

Innovation Refunds is with you for every ERC doc upload

We're excited to help your business take its first step towards recovering a tax refund! Once you've submitted all necessary documentation, we can take it from there.

If you have any question, you can contact us or reach out to your Refund Specialist. We've got your back!

[Contact Us](#)