

**Paycheck Protection Program of the CARES Act
Frequently Asked Questions
April 3, 2020**

Based on collective research by the Province 1 Chief Financial Officers, the following guidance is our best understanding of how to complete the PPP Application. Please note: THERE IS A FINAL APPLICATION VERSION JUST RELEASED THIS MORNING on the Department of Treasury website that replaces the form that was available earlier this week !!!!! The link to the Treasury website page with the application is:

<https://home.treasury.gov/policy-issues/top-priorities/cares-act/assistance-for-small-businesses>

Should benefits such as pension, medical and dental employer costs be included in the calculation of the \$100,000 payroll cost?

Yes, pension, medical and dental should be included in calculating the total payroll cost per employee. For employees exceeding the cap, the excess amount should be deducted from their payroll cost resulting in \$100,000 per year for that employee being included in the 12-month payroll cost calculation.

Should a housing allowance be included in the payroll calculation?

If a housing allowance is an allocation for living in a rectory, then no, if a cash housing allowance is paid to clergy, then yes. If a housing allowance is included, document it separately from salary so the bank can make the determination in case the rules change.

Should part-time and full-time employees be included?

Yes, include all staff regardless if they are part-time or full-time.

If an employee is replaced during the coronavirus support window, will this disqualify the church from the 100% forgiveness term of the loan?

No, the requirement to have no layoffs applies to the position, not the individual employee.

What name do I put in the Owner's window on the application?

Non-profits do not have owners, so enter 'Not Applicable – Non-Profit Organization'. The Business Representative can be the Treasurer or a Warden or Priest. Whomever is going to be the primary contact for the bank. Also, include mobile numbers for the bank to contact.

What period should be used to document our payroll history?

The consensus is to document from January 1, 2019 thru March 2020. We recommend segregating by Quarter in case only the 2019 portion is preferred.

I have already submitted the earlier version application, should I re-submit a Final version application?

We recommend not resubmitting a Final version and creating potential confusion or overstated number of applications to the bank. Complete the revised Final version and have it on hand when the bank processes your application so you will have the revised version ready to send to them upon request. If the on-line application tool you use through the bank allows to edit your application, then you can replace your application and send additional documentation if it arrives after you make your submission.

What if our church doesn't have an IRS letter of tax exemption or 501.c.3 status?

The diocese is anticipating a Tax-exempt status documentation to arrive today from The Episcopal Church (TEC). A copy of the certificate will be made available to the churches. You should include this certificate in your documentation upon receipt.

Does the Vestry or Bishop's Committee need a resolution to accept the PPP loan?

YES, a Vestry resolution authorizing the loan will be required. A Word version of the template is available on the diocesan website accessed by clicking through the Grants and Loans banner on the Diocesan website home page. Please do not let the formality of having the unanimous consent delay submission of the application. The bank may want the consent for documentation upon review of the loan application so having it on file will become important later in the process.

The general consensus is the timing to get the application is critical so if you are not certain on how to respond, include as much as possible, but have all numbers documented in a segregated way so you can explain to the bank how you arrived at your application number. You may hear on the news the volume of claims submitted to banks this morning (4/3) is significant, however, there is anticipation that additional funds may be released into the program if the first round of funding is exhausted. So, having your application in place in will important if there is a next round of funds.