



Administration Team Guidance on Federal Aid for Churches

from the
Presbytery of Great Rivers

*We are called to share Christ's love by partnering in service,
uniting in worship, and risking in ministry.*

April 8, 2020

Friends,

We pray you and yours are well.

As many of us witnessed during the 2008/2009 economic crisis, providing the best data and forecasts we can in assisting leadership with the discernment of "next steps", both in the short and long terms, is crucial.

We are grateful that there are many options for assistance in response to the current COVID-19 crisis that include but are not limited to those offered by Presbyterian Disaster Assistance, the Board of Pensions, the Presbyterian Investment & Loan Program (PILP), and also the Small Business Administration's (SBA) Paycheck Protection Program loans with limited resources being offered to roughly 30.2 million businesses, many of which have been closed for weeks.

The Paycheck Protection Program (PPP) is designed to keep small businesses, including qualifying non-profit organizations, afloat during mandated Coronavirus Disease 2019 ("COVID-19") related closures.

This new loan program will make potentially forgivable loans available to qualifying small businesses. Most non-profit organizations, that generally have less than 500 employees, are eligible to apply. In evaluating eligibility for such loans, lenders are to consider: (1) whether the borrower was operational on February 15, 2020, and (2) whether the borrower was paying salaries and payroll taxes for employees and independent contractors at that time.

PPP loans can be forgiven to the extent that the loan proceeds have been used for the following costs incurred and payments made during the eight-week period after the loan is made: payroll costs; mortgage interest (but not prepayments or principal payments) and rent payments on mortgages and leases in existence before February 15, 2020; certain utilities, including electricity, gas, water, transportation, and phone and Internet access for service that began before February 15, 2020. (see

attachment entitled: Summary of CARES Act Provisions for more information). These loans must be applied for through your lending institution or bank.

How then do congregational leaders face this daunting task of sifting through these options while providing pertinent information through which discernment can be made?

The presbytery is encouraging congregations to consider doing a cash flow analysis as a first step before making decisions about how to move forward on requests for payment assistance or funding of the mission and ministry of the congregation. If, after doing this cash flow analysis, you find that your church should be able to withstand then next several months, then please consider whether you should apply for a loan. Since there is a finite amount of money available, we hope those that need it most will have access to it.

To assist you with forecasting cash-flow, attached please find a spreadsheet that can be used to estimate monthly and year-end cash balances available to support your ongoing ministries for planning purposes.

During these unprecedented times, there hasn't been an overabundance of hard data available to serve as a basis for discernment. Although the attached spreadsheet includes worksheets for 12-months and an annual statement for 2020, I've used this spreadsheet to develop multiple forecasts - focusing on receipt estimates to include a range from 1) a possible severe decrease, 2) a less severe percentage decrease, and 3) to no impact on giving for the months of April, May and June 2020, with gifts and receipts for the months following June slowly beginning to normalize. Likewise, scenarios regarding expenditures can be made to provide a full range of options.

The objective is to provide estimated information and data for your leadership and possibly to share with your partners at the presbytery as we help you evaluate available resources and other potential sources of assistance.

Please note that the fields highlighted in "yellow" on the spreadsheet require your input of the data for your church family. Other fields should calculate automatically.

If you feel you should apply for a PPP loan, please contact your bank or lending institution to begin the process. We've included several attachments including a Q&A for faith based orgs and an application form. The information about this loan program is changing daily and your bank or lending institution should provide the most up to date info.

If we can be of further assistance and/or you have questions about completing the form, please don't hesitate to call or email.

Peace,

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Click the Valuable Links Below for More Information:

[Your Responsibilities In Applying for SBA Loan](#)

[Application Form for SBA Loan](#)

[Q&A for churches about SBA loans](#)

[Example Cash Flow Spreadsheet Tool](#)

[Info about the Paycheck Protection Program](#)

[CARES Act Summary](#)

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