

Advisory on the Payroll Protection Program

When Congress passed the CARES Act, they included a provision to provide support for payroll for small businesses. For the first time ever, churches have been included as eligible. This provision is being administered through the Small Business Administration with a program called the Payroll Protection Program (PPP). It involves a loan for up to 8 weeks of payroll costs, including benefits. This loan can be fully forgiven if certain parameters are met. The Leader Team believes that this could be a valuable tool for our churches to navigate these very uncertain times. Attached is a very brief flyer from the Treasury Department. Information can also be found at:

- www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources
- www.churchlawandtax.com/web/2020/april/how-churches-can-apply-for-paycheck-protection-program.html

Please bear in mind as you read or watch anything online that this has been a rapidly developing situation and that advice given even only a few days ago can be dated. Here is our best advice (at this point!)

1. If you are interested, start by contacting your church's bank. Banks must be approved by Small Business Administration to process SBA loans in order to administer the PPP. Your bank can help you know what information they require in order to apply for this loan. If your bank is not able to help you, contact the presbytery office. The presbytery staff has talked with the presbytery's bank (PNC Bank) and they will assist congregations that need help. Michael or Erin will connect you to the presbytery's representative at PNC Bank.
2. Contact your bank soon. Applications will be accepted starting April 3, 2020. There is a limited pool of funds available and it is anticipated that the funds will go quickly. Even if you cannot submit your application immediately, we encourage you contact your bank as soon as possible.
3. Decide if this program is right for your congregation. If there is not a need or if
4. You must have session approve this loan. In congregations with a separate board of trustees, the trustees also need to approve the loan. Except where dictated by congregational bylaws, a congregational vote is not necessary, as this is an unsecured loan. Congregational votes are only required by the Book of Order if real property is involved (e.g. a mortgage).
5. If your Manual of Administrative Operations or Bylaws do not contain a provision for electronic meetings (teleconference or videoconference) the Leader Team took action to extend the provisions of the presbytery to each congregation. As well, PA state law provides the ability to hold meetings of non-profits via teleconference or videoconference. We recommend proceeding by calling a conference call or Zoom meeting (or similar technology). It is possible to contact the bank and start the process before official approval, however, official approval will be necessary in order to receive this loan
6. The authorization should include authorization to apply for and receive the loan through the Payroll Protection Program. The names of people authorized to sign for the loan should also be included. Often this is the president of the trustees and the clerk of session. If, for reasons of safety, those persons are not physically available, the session can name other members of the board of trustees and session to be the signatories.

*Note: The Presbytery of Donegal is not a legal or financial adviser
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