Congregations are facing financial difficulties on top of ministry challenges brought on by the coronavirus. The US government has taken steps to help relieve this financial strain. The recently enacted CARES Act (Coronavirus Aid, Relief, and Economic Security Act) has provisions which will help churches during the current crisis. While several forms of help are provided by CARES, for churches the most substantial is the Paycheck Protection Program (PPP).

The PPP is effectively at grant program designed to help keep the doors of small businesses open and employees paid. Churches are eligible for this program. The program is overseen through the Small Business Administration and delivered by means of an SBA loan which is setup to be forgiven (converted into a grant) after eight weeks. Because it is administered in this way, 1) your church will need to apply for the loan through an SBA approved lender, 2) track eight weeks of payroll and other eligible expenses, and 3) after eight weeks submit the request for forgiveness. As long as the money is used for approved expenses, the money will be considered a grant rather than a loan. There will be no payments required.

What to do to receive PPP financial help:

1. The congregation’s treasurer or administrator should contact their bank to determine if the bank is participating in the program. If not, then an alternative bank should be contacted. *(In Minnesota, US Bank is the leading SBA lender. It and most likely other large banks are handling the application process online. IMPORTANT These funds are limited and are available on a first-come basis. It is likely a paper application will not process quickly enough to be competitive.)*
2. Gather information needed to complete the application. These include: Legal Name, Tax ID Number, Full-Time Employee Equivalents per Month, Salaries paid, Hourly wages paid, 1099 workers, vacation/family leave/sick pay, Retirement Benefit Paid, Health Care Benefits. *(Your lending institution may want proof of payments (canceled checks or other records.)* The amount of your loan/grant will be no more than 2.5 X the average monthly spending (based on the last 12 months). Eligibility is capped at $100,000/year per employee.
3. Because of the short window for application, complete the application and submit.
4. Hold a remote meeting with Council to obtain their ratification (blessing) on receiving this money. *(Because this program begins as a loan and turns into a grant and because it comes at a time when people are told not to gather, normal procedures such as congregational votes have been interpreted by the ELCA legal counsel as optional. It remains important to keep congregation members informed and when they are able to gather to ratify action taken to secure federal help.)*
5. Wait for approval and for the funds to be deposited in the churches account. Keep payroll records and records of other qualifying expenses for eight weeks and apply for forgiveness.