Q&A from Zoom meeting with Marc O’Brien, April 6, 2020

1. Q: Will the loan be forgiven if employees are not laid off or furloughed? A: Yes, you have to keep your employees for at least 8 weeks (this maybe extended, we don’t know). You can reduce salary by 25%, but you have to keep them employed.
2. Q: Who should sign the loan documents? A: The Wardens, but always ask your banker.
3. Q: On the loan form, what does applicant ownership mean? A: This is a term applicable to businesses, not churches or non-profits. This question asks who the shareholders or partners are. Because it’s a church, there are no owners and you can fill in the name of the church.
4. Q: Can a mission apply for this loan on their own? A: If a mission has it’s own payroll and it’s own tax payer ID, then they can apply on their own.
5. Q: Our church was formed in 1854, before Illinois was a state, where we can we look for Articles of Incorporation? A: They may not exist, or they may be found at the recorder of deeds. Can also check any safe deposit boxes you might have, fire proof safe, etc. If you do not have them, work with your bank individually.
6. Q: If a church has cash reserves that equal the amount of the loan, should the church still apply for the loan? A: Sure. It’s free money, there is no reason not to apply.
7. Q: Now that 1099 workers are excluded from this loan, how can we still seek help for them? A: For all 1099 workers, they need to fill out their own application.
8. Q: What about employees who make over $100,000. A: You can only include up to $100,000, the rest will not be covered.
9. Q: What if a rector is self-employed? A: We will get back to you with more guidance, it is currently unclear.
10. Q: Are merged parishes likely to have new articles of incorporation dating from the year of the merger? A: Yes, they should.
11. Q: Does the churches full legal name need to be used on the application? A: Yes.
12. Q: How do we do this when we’re sheltering in place or if some banks are closed? A: The forms can all be completed online. Call your banker.
13. Q: Does payroll include FICA/SUTA? A: Those are not allowed expenses, but you can include state taxes.
14. Q: Questions around calculating 2.5x salary, averages, percentages, etc. A: We will add excel spreadsheets with formulas to our website.
15. Q: Do you recommend opening a new checking account to deposit the loan and for proper record keeping? A: It’s not required, but it could be helpful for record keeping. You won’t necessarily need to show that you used the funds to pay employees, you will just need to show that you kept those employees on payroll over the period of eight weeks.
16. Q: What if the rector is only self-employed for social security, but is an employee of the church, and yes the rector receives a W-2. A: They are counted as an employee.
17. Q: Is housing allowance included for rectors in their salary? A: Cash housing allowance that is part of compensation is allowed.
18. Q: For HSA’s, do you included a prorated portion of the prepaid amount or what is actually paid? A: Include what you have paid up until this point, if you have an unpaid portion do not include it.
19. Q: What period of time do you use to calculate your payroll total? A: Banks may differ on this. Chase asked for calendar year last year, January 1st-December 31st. Ask your banker. SBA has already changed the dates at least once.
20. Q: What if I already reduced a staff person to 50%, can we restore them to 100%? A: Yes, you can.
21. Q: How long will it take to receive the loan payment? A: The application period ends June 30th, payments are not expected to be made until after then. There is currently no guidance.
22. Q: The forms refers to Employee Head Count and FTE (Full-time employees), do we include ALL employees even if they’re part time, or do only FTE qualify? A: Include the total number of employees, regardless of whether they’re full time or part time.
23. Q: If an employee retired last year and was not replaced, can we include their payroll in the maximum loan amount? A: This can be tricky if the employee had a high compensation and they’re no longer on the payroll. You may want to take their pay out of your average.
24. Q: Can unused funds be returned? A: Your loan will either move into the forgiveness category and you don’t have to pay it back, or it will be a loan with 1% interest you will pay back, there is no early payment penalty.
25. Q: If we let go of employees can we rehire them in anticipation of receiving the loan? A: If it was recently due to the pandemic then yes, you would have to rehire them immediately (Have to have been on payroll up until February 15, 2020). You may not see the money until June and you have to consider if you can make payroll until then.
26. Q: Can you apply for less than the maximum amount? A: Yes.
27. Q: Can you apply for the PPP and the clergy pension waiver? A: Yes, the two are not related.