

Date: April 6, 2020
To: Clergy, Wardens and Treasurers
Subject: Payment Protection Program

As you no doubt know, a week ago Congress passed, and the President signed the Corona Virus Relief and Economic Security Act. The CARE ACT was emergency legislation to provide financial relief to businesses and employees whose activities have been disrupted by the virus. While the Care Act offers a number of different support mechanisms, we want to call your attention to a section of the act called The Payroll Protection Program (PPP) which provides up to \$350 Billion in Government guaranteed loans to businesses, nonprofits and nonprofit religious organizations.

All our parishes and the Diocese qualify to access borrowings in the amount of 2 1/2 times their respective monthly payroll expense. The loans will operate as a bridge for us and our employees for 8 weeks in order preserve jobs. Most importantly, should we retain our employees that we had as of February 15th until the maturity of the loan, the loan and any interest will be forgiven. The loans will be coming from lenders and will be guaranteed 100% by the Small Business Administration.

We recommend that you approach your current bank and determine if they participate in this program (we believe most will). The bank will evaluate your eligibility for the program and will seek information on the number of employees you had before February 15. The amount of the loan will cover salary expense, health and life insurance costs, pension expenses, mortgage interest payments and utility payments. Please note that salaries above \$100,000 will not be eligible. The Bank will ask you to complete an SBA "Paycheck Protection Program Borrower Application Form". In addition, the bank will ask that you complete their own worksheet which will ask several questions about payroll history, your tax-exempt status etc. for them to verify that you qualify for the money you are requesting. In terms of the salary component we recommend that you use box 2 wages as reported on your Form 941. Please note that your "contract employees" cannot be included in your application.

WE STRONGLY RECOMMEND THAT YOU APPLY FOR THIS LOAN AS SOON AS POSSIBLE!

The diocese stands ready to help you as you work your way through the process. Please direct any questions to Art Kendall, Finance Administrator (art@dioceseofeaston.org) or Charlie Bohn, Diocesan Treasurer (charlie.bohn@gmail.com).

Charlie Bohn
Treasurer
Diocese of Easton