



Evangelical Lutheran Church in America  
God's work. Our hands.

### Paycheck Protection Program FAQ

1. **Are churches eligible?** Yes. There is some misinformation out there, and some lenders are confused, but churches are eligible.
2. **Where do we apply for Paycheck Protection Act (forgivable) loans?** At a Small Business Administration-approved lender, which includes most financial institutions.
3. **What does the application entail?** See here: <https://www.sba.gov/sites/default/files/2020-03/Borrower%20Paycheck%20Protection%20Program%20Application.pdf>
4. **What is the application period for Paycheck Protection Plan loans/grants?** The application window opens April 3, 2020, and will stay open until at least June 30, but because the pool of money is limited and will be distributed on a first-come, first-served basis, applicants should start soon.
5. **How much can we borrow?** As a general rule, up to 2.5 times your average monthly payroll costs.
6. **What is included in "payroll costs"?** See here: [https://www.uschamberfoundation.org/sites/default/files/C3\\_COVID\\_EmergencyLoanGuide.pdf](https://www.uschamberfoundation.org/sites/default/files/C3_COVID_EmergencyLoanGuide.pdf)
7. **How can the loan proceeds be used?** Loan proceeds may be used to cover payroll costs, excluding the prorated portion of any compensation above \$100,000 per year for any person; mortgage interest and rent payments; utility bills; and interest on debt that existed as of Feb. 15, 2020.
8. **How is the loan forgiven?** The loan can be forgiven to the extent that the proceeds have been used to cover the following costs incurred and payments made *during the eight-week period after the loan is made*: payroll costs, excluding the prorated portion of any person's compensation above \$100,000 per year; mortgage interest (but not prepayments or principal payments) and rent payments on mortgages and leases in existence before Feb. 15, 2020; and certain utilities — including electricity, gas, water, transportation, and phone and Internet access — that began before Feb. 15, 2020. At least 75% of the loan must be used for payroll costs.
9. **What happens if we reduce staff or compensation?** The loan forgiveness will be reduced or eliminated.
10. **Do we have to submit to an audit to qualify for loan forgiveness?** Not likely. However, you will have to document, through payroll records, canceled checks, etc., that you spent the money as allowed.
11. **The application asks about ownership; who is the owner of the congregation/synod?** NO ONE. The space on the application for declaring ownership of 20% or more of the entity does not apply to congregations/synods and should be left blank. The ELCA does NOT own synods or congregations. Synods do NOT own congregations.
12. **Do congregations, synods or the ELCA share common management or ownership (question three on the application)?** No.
13. **Do we need a congregational meeting to approve borrowing money?** Unclear under C12.05. If your congregation takes the position that it intends to fully comply with the qualifications for loan forgiveness, or that these expenses were budgeted, then council action is sufficient and no congregational meeting is necessary. If the congregation decides to hold a meeting, one option is to meet remotely; our guide to remote meetings is [here](#). If timing is an issue, the congregation

can start the application process and ratify when it can hold a remote meeting. If no meeting is held now, we recommend having a later meeting when the congregation can ratify the action.

**14. Where can I learn more?**

- a. [https://www.uschamberfoundation.org/sites/default/files/C3\\_COVID\\_EmergencyLoanGuide.pdf](https://www.uschamberfoundation.org/sites/default/files/C3_COVID_EmergencyLoanGuide.pdf)
- b. [https://www.sbc.senate.gov/public/\\_cache/files/9/7/97ac840c-28b7-4e49-b872-d30a995d8dae/F2CF1DD78E6D6C8C8C3BF58C6D1DDB2B.small-business-owner-s-guide-to-the-cares-act-final-.pdf](https://www.sbc.senate.gov/public/_cache/files/9/7/97ac840c-28b7-4e49-b872-d30a995d8dae/F2CF1DD78E6D6C8C8C3BF58C6D1DDB2B.small-business-owner-s-guide-to-the-cares-act-final-.pdf)
- c. <https://home.treasury.gov/system/files/136/PPP--IFRN%20FINAL.pdf>