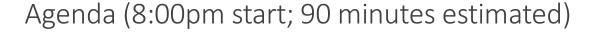


METROPOLIS OF SAN FRANCISCO

METROPOLIS PARISH FINANCE SUPPORT TREASURER'S MEEETING (JUNE 16, 2020)





- > PPP Loan and CARES Act Updates
- ➤ EIDL Program
- > Parish Council Governance & Duties of Treasurers UPR Awareness
- ➤ Ministry Allocation Discussion where your dollar goes
- ➤ Alternative/Unique Funding Ideas Giving Kiosk in Narthex
- > Open forum/discussion

Paycheck Protection Program Flexibility Act of 2020 (PPP Loan and CARES Act Updates)



- Enacted into law June 5, 2020; provides greater relief in terms of forgiveness and extends repayment period
- ➤ Deadline for new PPP loan applications continues to be June 30, 2020
- Post-June 5 PPP borrowers must use a covered period of 24 weeks after the loan proceeds are received
- Current borrowers have the option to extend the 8-week period to 24 weeks
- The 75% payroll expenditure requirement is reduced to 60% (Details next slide)
- > Opportunity to avoid FTE Reduction penalties if headcount is restored by December 31 instead of June 30
- New exceptions for FTE reduction provided
- Repayment period extended to five years for Post-June 5 PPP borrowers
- Application for Forgiveness must be submitted within 10 months after the end of 8 or 24 week period
- Ex-Felons can apply if convections is older than one year (5 years for fraud, robbery, embezzlement or falsification of loan application)

Paycheck Protection Program Flexibility Act of 2020 (PPP Loan and CARES Act Updates)



The 60% "Payroll Costs" Rule is not Cliff

- ➤ Payroll Testing period is 8 or 24 week
- Costs include payroll, state and local payroll taxes, group health insurance and retirement plan
- >Up to 2/3 of above can be spent on rent, interest and utility expense
 - Example: Parish received \$50,000 PPP loan

Parish spends \$27,000 in payroll expenses (54% of burrowed amount or 90% of payroll expense)

Parish can spend up to \$18,000 (\$27,000 * (2/3))

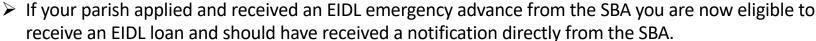
Parish forgivable amount is \$45,000 or 90%

Paycheck Protection Program Flexibility Act of 2020 (PPP Loan and CARES Act Updates)



- Message to Parishes: If you can spend the borrowed amount during the 8-weeks within the SBA guidelines, then apply for the forgiveness and have the loan off your Balance Sheet. Otherwise, the 24-week period is advantageous to satisfy the 60% test. If you haven't applied for a PPP loan, consider applying; call your designated, or any, member of the Metropolis Parish Finance Support Team with additional questions or to discuss specific situations
- Resources: AICPA; SBA Joint Statement; Treasury Joint Statement; Journal of Accountancy

Economic Injury Disaster Loans (EIDL) - Revisited





- > EIDLs are not forgivable except for the EIDL advance of up to \$10,000 previously received.
 - ➤ If you also received a PPP loan, the EIDL emergency advance is deducted from the PPP loan forgiveness amount.
- > EIDL loans bear interest at 2.75% per annum and have maturities of up to 30 years.
- ➤ Personal guarantees for loans up to \$200,000 and the requirement of the inability to obtain credit elsewhere are waived. Because of this "lack of encumbrance", only Parish Council is required not Parish Assembly and not Metropolis [see UPR Article 16, Section 3; Article 29, Section 1 G&H]

Action Step:

Parishes should consider <u>taking advantage of the EIDL program</u> given the low interest rate and extended repayment terms if they have a financial need.

Parish Council Governance & Duties of Treasurers UPR Awareness



- > See Archdiocesan Regulations, as Amended, January 2019
- Most relevant Articles and Sections:
 - Chapter 2: Parish Council (Articles 24 29 in their entirety)
 - > Chapter 3: Parish Administration and Finance (Articles 30 34 in their entirety)
- > Other Parish Council Resources: direct from Archdiocesan webpages

Alternative/Unique Funding Ideas — Giving Kiosk in Narthex (Experience of Resurrection Greek Orthodox Church, Castro Valley, CA)



- > Installed pre-Covid to enhance Stewardship program, as well as giving to other ministries
- Parish has seen an increase in funds received as a result.
- System used is Vanco Give+ Kiosk and integrates with parish software (PDS)
- ➤ More information at the following links:
- https://www.vancopayments.com/egiving/church-kiosk
- https://connect.vancopayments.com/hubfs/Downloadable Assets/Vanco Give+ Kiosk Overview.pdf?t=1502914210575
- ➤ Direct additional questions to <u>George Efstathiou</u> (Treasurer, Resurrection Castro Valley and Parish Finance Support Team Member)

Open Discussion

