

## FAQ Cares Act 2020

As many of you are aware, the United States government passed the CARES Act on March 27, 2020. It includes provisions for monetary relief during the COVID-19 pandemic. One of those provisions is the Paycheck Protection Program (PPP) which may allow employers to acquire a Small Business Administration (SBA) loan to help cover specific costs.

The following are some quick answers to some Frequently Asked Questions. For a more specific summary of the CARES Act, please see the [summary produced by Wespath](#). The United State Treasury also provides [detailed information here](#).

### **Do churches qualify for these loans?**

Yes. Any 501c3 organization, which includes churches, with fewer than 500 employees.

### **Where do I apply for these loans?**

You should contact your local financial institution to see if they will be participating in this program. They are expected to have the loan documents available very soon, so you should contact your local financial institution quickly. A copy of the loan application can be found on the U.S. Treasury link listed above.

### **Do I need outside help in applying for these loans?**

The United States government has indicated that the loan application will be user-friendly and simple to complete. However, if you have questions regarding the loan application or the process, please contact the Conference Treasurer at [ddobbs@michiganumc.org](mailto:ddobbs@michiganumc.org) or the President of the Council on Finance & Administration, the Rev. Brad Bartelmay at [bradbartelmay@gmail.com](mailto:bradbartelmay@gmail.com). You will be referred to someone who will help you navigate the process free of charge. It is recommended that you do not contract with any third party to provide you with these services at some cost to you.

### **What are these loans for?**

These loans can be used for:

- Payroll
- Group health care benefits
- Mortgage interest
- Rent
- Utilities
- Interest on other debt obligations

### **What is the maximum loan amount?**

The maximum loan amount is 2.5 times the average total monthly payroll costs incurred during the year prior to the loan date. There are specific items that are included in what makes up payroll costs and also specific items that are excluded. For a listing of these items, please see either the Wespath document or United States Treasury link both of which are listed above.

### **Are these loans forgivable?**

Yes, these loans are forgivable. However, there are requirements that must be met. The specifics are listed in the United States Treasury link listed above. Some basic stipulations: 1) the funds can only be used for the items listed above; 2) the expenses must be specifically accounted for; and 3) the number of FTE's (Full Time Equivalent Employees) has to be the same as the previous year.

~ prepared by David Dobbs, March 31, 2020