

**Checklist of Financial Options
for San Gabriel Presbytery Churches**
April 7, 2020

Because there are so many details regarding financial resources to help you through this time of physical distancing, the checklist below attempts to outline actions that your church might consider. Remember that this crisis is likely to be fairly short-term, hopefully a matter of a few months, as you assess your financial need.

Note: the www.sangabpres.org website has a resource section for COVID-19 that is constantly being updated. This checklist does not include every option available to churches as employers or even as non-profits, but highlights some of the key options for our churches. The presbytery fund and the government aid have both been designed to help churches as employers to continue to pay their staff, so that you uphold your commitment to those whose livelihoods depend on the church, and when you are ready to restart your ministries, your staff is already in place to move forward.

This checklist is not at all mandatory, and does not constitute legal or financial advice. If you have specific questions, contact a licensed financial advisor.

1. Assess your financial position

- Has your income (offerings, rental income, etc.) been severely impacted?
- Is it likely that the income will be restored once the Coronavirus has passed?
- Do you have reserves that can allow you to maintain your current staff?
- What is the new shortfall you are experiencing? In March 2020, did your expenses including all staff outweigh your available funds, and by how much?

2. Confirm your decision-making process

- Who decides if a church applies for a loan? For loans that do not involve real property (buildings and land), usually the Session can decide, unless the church's bylaws require otherwise.
- Does your church have a policy in place for virtual meetings (by phone, videoconferencing, etc.)? Virtual meetings should allow for access by all members, and for live discussion (ie, it is difficult to "discuss" by email).

Current bills/accounts payable

- If you are short of cash, consider speaking with your creditors, such as credit card companies, utilities, etc. Many companies are willing to delay payment at this time.
- Board of Pensions is offering three months of dues relief for churches under 300 members with one pastor, and two months for others. The help is not automatic, so if you are experiencing financial need, call Employer Services at 800-773-7752.
- If you have a PILP loan, you can call them at (800) 903-7457.
- If you have Property Tax due this month, the County Tax Collector stated:
We have no authority to extend the April 10 deadline, as outlined by State Law. However, beginning on April 11, the day after property taxes are due, people unable to pay on time for reasons related to COVID-19 may submit a request for penalty cancellation online. The department has set up a special team to process these requests for those who demonstrate they were affected by the outbreak.

The County may allow for extensions without penalty, but you have to wait until after the due date. If you want to make the request, go to <https://ttc.lacounty.gov/penalty-cancellation-request-2/>

3. On-Line Giving

- Are your people continuing with their tithes and offerings?
- Have you invited people to send in their offerings by postal mail? Send them stamped, self-addressed envelopes to make it easy for them to give!
- Consider the options at <https://sangabpres.org/responding-to-covid-19/> under “Stewardship and Online Giving.”
- You can also use the Presbytery’s online giving function by directing folks to the Presbytery giving page at <https://sangabpres.org/donate/> (or go to sangabpres.org and find “DONATE” at the top of the screen). Choose “to An Individual Church” and—this is important—*have them type the name of your church and city* in the “Comments” section. That’s how we will know where to send the money. We will forward you the proceeds minus service fees (all on-line giving has them):
 - For credit/debit cards, the fee is 2.9% of the amount given + \$.30/transaction
 - For ACH transfers (direct withdrawals from a checking account), the fee is 1.0% of the amount given + \$.25/transaction.

So encourage your folks to give regularly (they can give one time, weekly, every two weeks, monthly), and by ACH and you’ll receive more!

4. Presbytery COVID-19 Financial Relief Fund

- Look at (or complete) your 2019 financial statement, including revenues and expenses, and assets and liabilities, including current assets and endowments.
- Session should meet to decide if to request a grant and how much (up to \$5,000). Please make the request only if needed, so that we may be able to help all the churches who may be at risk.
- Session should decide if additional funds are required, through a loan of up to \$5,000. The loan is 0% interest, payable in 12 monthly installments in 2021.
- If Session decides to apply, complete the application and have the Pastor (or Moderator of Session) and the Clerk of Session email the application and 2019 financial statement to wendytajima@sangabpres.org by June 30, 2020. They should send it from their own email addresses so we can verify.
- A small committee will act on requests as they come in, so it's likely you will receive cash faster from this than the Paycheck Protection Program loan. You can apply for both, but if the church is short on cash, go to the Presbytery first.

5. Paycheck Protection Program Loan

- Has your Session determined, in good faith, that “Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant (Church)”? And remember, the purpose of the loan is to pay your staff, so the loans should be used primarily for that. If so, seek approval as required by your bylaws (usually Session). Presbytery approval is not required for these loans.
- Contact your bank **immediately** and confirm that they are an SBA-approved lender and will process “Paycheck Protection Program” loans. If so, ask them for materials to apply and ask that you be put in line for processing. If they are not, consult with the SBA at www.sba.gov or <https://gosbaloans.com/gosbas-50-best-los-angeles-sba-lenders-in-2020/> for local lenders.
- Gather the needed data to complete the application, including payroll-related expenses for the past 12 months, and calculate the monthly average for:
 1. Salary or wages (capped at \$100,000 on an annualized basis for each employee)
 2. Employee benefits including payments required for the provisions of group health care benefits including insurance premiums; payment of any retirement benefit; costs for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal
 3. State and local taxes assessed on compensation.

- ❑ The loan amount will be your monthly average over the past 12 months * 2.5.
- ❑ Note that while the loan can be used for payroll costs, mortgage interest payments, rent payments, and utilities, it is expected that only 25% of loan forgiveness will be allowed from non-payroll expenses. Note that the intent is for the church to maintain your current level of staffing at least through 8 weeks after the loan is given. You will go back to the same bank to request that the loan be forgiven. If you have to pay back any portion of the loan, payments will be due after 6 months.
- ❑ On the application, under “Applicant Ownership,” it’s not clear what to do. Either leave it blank (you will have checked “Non-Profit” at the top of the application) or list the president and secretary of the church corporation; ignore the % owned column and use the church’s EIN. Have the president or pastor sign as an authorized representative. If your bank says otherwise, follow their advice, but it’s likely banks will have difficulty keeping up with questions on this loan.

Breathe, be blessed, and look out for all your employees and your ministries.

If you have questions, please contact wendytajima@sangabpres.org.

She may not have the answers, but will research them with you!