CARES ACT-PAYROLL PROTECTION PROGRAM
FOURSQUARE ADMINISTRATIVE TRAINING
Signed into law over the weekend – Designed to help employers retain employees

Church can apply on Friday, April 3rd

Provides Funds to Churches 2.5 times the amount of their average monthly payroll

Loan can be 100% forgivable if used for grant purposes
Where Do I apply?
Find a 7(a) SBA lender. Only 800 banks are currently SBA lenders, but more are being added.

When should I apply?
Funds are on a first come, first serve basis. Funds will exhaust quickly. If you choose to apply, we recommend you do not wait.
How Do I Calculate the Amount of the Loan

Please see the Foursquare Website for a excel spreadsheet to help you calculate the amount.

- You will need 12 months of payroll information:
  - Salaries & Housing* (100,000 max)
  - Employer share of:
    - Retirement contributions
    - State and local taxes
    - Group health insurance
  - Independent Contractor Costs
  - Multiply the average monthly total * 250%

Housing hasn’t specifically been included, but we recommend you include it.
PAYROLL PROTECTION PROGRAM

EXAMPLE:

Please see the Foursquare Website for a excel spreadsheet to help you calculate the amount.

Example: A church with a total payroll of $19,250 during 2019 would have an average monthly payroll of $1,604 ($19,250/12 months)

The church would qualify for a loan of $4,010 ($1,604 * 250%)

It is currently unclear whether you include or exclude independent contractors.
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What can the money be spent on?

PAYROLL COSTS
(including benefits as outlined earlier)

INTEREST ON MORTGAGE PAYMENTS
(not principal payment)

RENT OR LEASE PAYMENTS

UTILITIES
(electricity, heat, gas, water, telephone, internet access)

Loans, rent and utilities costs must have been in place prior to February 15, 2020

Must be spent within an eight week period from when the loan began
What if we spend the money on something else? Federal government may pursue criminal charges!
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How do we get the loan 100% forgiven?

1. Spend all the money on the stated loan purpose
2. Do not reduce your full time work staff
3. Do not reduce wages more than 25% for employees earning $100,000 or less.

If you have let employees go or reduced their wages during the period from February 15th, 2020 to April 26, 2020, but you rehire or restore their wages by June 30, 2020, the amount of loan forgiveness will be determined without regard to the reduction.
<table>
<thead>
<tr>
<th>Loan Terms</th>
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</thead>
<tbody>
<tr>
<td>2 years</td>
</tr>
<tr>
<td>.5% fixed rate</td>
</tr>
<tr>
<td>No prepayment penalty</td>
</tr>
<tr>
<td>No personal guarantee required</td>
</tr>
<tr>
<td>No collateral required</td>
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<td>Only good faith certification</td>
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Principal and interest payments are deferred for six months, but interest will still accrue
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WHAT ARE THE RISKS

SBA does not deal with churches.

SBA definition of affiliates is a for profit business term. We do not know how they will interpret this with regard to our structure.

Our best advice
Check no on question 3
Do not draw attention to our corporate structure or polity
WHAT ARE THE RISKS

SBA DOES NOT DEAL WITH CHURCHES

Tax Exemption

Reports that lenders may reject application of churches without their own 501(c)(3) determination.

CONGRESS MEMBERS ARE TRYING TO ADDRESS THIS ON BEHALF OF CHURCHES.

Foursquare does have a group exemption that we all share this might add confusion to lenders
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WHAT ARE THE RISKS

SBA DOES NOT DEAL WITH CHURCHES

Lots of risks from LARGE to small

Minor Risk—being denied

LARGER RISK—BEING REQUIRED TO RETURN THE MONEY OR DENIAL OF FORGIVENESS BECAUSE CHURCH WAS NOT ELIGIBLE TO APPLY
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WHERE DO I BEGIN

Visit the COVID 19 on the Foursquare Webpage and navigate to the CARES Act

Step 1
Calculate current payroll costs and loan eligibility.

Download the Excel file now

Step 2
Identify an SBA approved lender.

To find a lender contact your local bank or visit the SBA PPP website

Click for a list of documents

Step 3
Compile the required documents for the application packet.

Step 4
Submit application, spreadsheet and payroll documentation to an approved lender.
WHERE DO I BEGIN

DOCUMENTS NEEDED TO APPLY:

• Fillable PPP Application (PDF)
• Completed payroll spreadsheet from step 1
• Copies of 1099s, W2s, housing allowance approvals, and IRS Quarterly 941s for Q1-Q4 2019 and Q1 2020
• Church EIN Letter (if no copy available contact April Torres)
WHERE DO I BEGIN

ORGANIZATIONAL DOCUMENTS REQUIRED FOR THE PAYCHECK PROTECTION PROGRAM

RESOURCES TO COMPLETE THE APPLICATION:

- Sample PPP application with answers for Foursquare churches (PDF)
- PPP Borrower Information Fact Sheet
- FAQ document

OTHER ITEMS TO HAVE ON HAND (JUST IN CASE):

- Church fictitious business name/trade name filing (if applicable)
- Church council resolution
Visit the COVID 19 on the Foursquare Webpage and navigate to the CARES Act