

Guidelines for the Administration of the Paycheck Protection Program

If you have been approved for a loan through the SBA's Paycheck Protection Program, we recommend the following guidelines for the maintenance, use and reporting of these loan proceeds in order to qualify for 100% forgiveness.

1. We ask that any parish that has applied and been successfully been approved for one of these loans to send us the following information once loan documents are signed: Name of Bank, Date of Loan, Amount of Loan, Signer on Loan.
2. We recommend opening a new separate bank account for these proceeds, if this is not already required by the bank who approved your loan.
3. Contact any furloughed employees and bring them back onto payroll. Not all employees may be able to complete their normal duties in their normal capacity. Try to develop new ways they could help sustain the operations of the parish in this new environment to do new tasks until current restriction are lifted. If an employee is unable to return to work, you will need to send a letter (we are preparing a draft) and confirm that the employee is unable to return to work at this time. If there are other ways to utilize this money through payroll, this can be done as well. If you are unable to bring back current employees, you do not have to use the money on the same employees, but you do have to sustain the same FTE as the previous twelve month period. (Perhaps there are special projects that can done, updating parish contact information, filing, cleaning, ground maintenance, etc.) However, all personnel in these cases must be paid through payroll.
4. This money must be spent only on the following categories: payroll, health care benefits, mortgage payments and utilities. To be eligible for forgiveness, 75% of these funds must be spent on payroll costs (this includes payroll, health benefits and retirement costs).
5. All payments from this account should be tied directly to one of the above expenses. Money should be transferred out to exactly match your payroll expense. **We recommend that you change the account your payroll gets drafted from to this new account. We have attached a form to make this change.** Health insurance expense for clergy and lay employees should be paid directly from this account even if that expense is only part of an entire bill. Separate checks should be written from this account for clergy health care costs and lay retirement costs ONLY which are included on monthly parish assessment invoice. Clergy payroll expense or PLC payroll expense should be paid directly from this account. Lay health expense invoice should also be paid from this account.
6. All other expenses that may be eligible can be paid from this account, as well. This would include utilities and mortgage payments. However, please be careful how much of these funds are used for these items. **In order to receive forgiveness, 75% of the total proceeds MUST be used for "Payroll Costs" noted in #4 above.**
7. All backup to these expenses as they are paid or transferred (payroll) should be maintained in a separate file for use by the bank in applying for loan forgiveness at the end of this program. This would include bi-weekly payroll reports, clergy payroll invoices, clergy health and lay retirement costs (billed on monthly parish assessment) and lay health invoices. This would also include

utility bills and mortgage payment documentation if used for some of these expenses. These documents will be needed to substantiate how loan proceeds were used.

8. We have attached a spreadsheet to help you track these expenses as a percentage of your loan value to be used as you pay expenses. We will forward that document to you as soon as it is ready.
9. We will be asking each parish who is participating in this program to provide a monthly accounting of these funds through the submission of this spreadsheet. It is important to properly utilize these funds as required by the agreement in order to attain maximum forgiveness.

If anyone has any questions, please do not hesitate to contact the Diocese of Scranton office directly. These funds will go a long way in helping our parishes sustain our employees and our mission during these challenging times. Thank you for all you are doing.