

COVID-19 Financial Guidance - January 8, 2021

This week much news has come out regarding a new round of the Paycheck Protection Program, being termed - Second Draw Loans (PPP-SD). The following is an update on the various additions or changes to federal programs that parishes, schools, and Archdiocesan organizations can further benefit from.

1. The original PPP loans – Most location received these loans in early spring of 2020 and have either finished the forgiveness process and received full forgiveness of the loan from the Small Business Administration (SBA) or are in the process of applying for forgiveness through their bank. Regional Controllers are keeping track of the forgiveness status, completing the applications and helping with any issues that may come up.
2. The newly enacted Economic Aid Act authorized the SBA to guarantee additional PPP-SD loans. Anyone who received a PPP loan is eligible for another loan if they meet certain financial conditions. Eligibility is determined by demonstrating at least a 25% reduction in gross receipts from any calendar quarter in 2020 from the comparable quarter in 2019.

What you need to know about PPP-SD

- a. The fiscal team of Regional Controllers and Internal Auditors are currently calculating this for every parish and school. If your location is eligible for an additional loan, the fiscal team will directly contact you and help with the application.
 - b. Although the PPP-SD is open, it is not expected that any bank will be ready to accept applications until January 13 at the earliest. The loan program will remain open through March 31, 2021.
 - c. If you are eligible, all supporting documents related to payroll, taxes and financials will be provided by Central Service staff from the Regional Controller and Human Resources personnel. The team will help you work with your bank consistent with how it was completed in the original PPP process.
3. Employee Retention Credit (ERC) – the fiscal team is currently in the process of reviewing eligibility for our parishes and schools to claim an ERC. This credit may also be available retroactively for the quarter that ended December 31. The Fiscal and HR team will help prepare the necessary tax forms for any parish/school that is eligible.

There are no actions required on the part of parish and school administration at this time. If you have any questions please reach out to your Regional Controller.