

Some very important laws have recently gone into effect that could have a dramatic impact for the financial situation for our congregations and for the health and well-being of pastors and other employees and their families as we deal with the effects of the coronavirus.

At the end of March, the CARES and the Families First Coronavirus Response Acts were signed into law. These acts are intended to provide significant assistance for employees and small businesses including churches and other religious organizations.

The Families First Act will provide employees with paid sick leave and expanded family and/or medical leave resulting from the COVID-19 virus. Employers will provide for up to 2 weeks of full or partially paid sick leave and potentially an additional 10 weeks of partially paid leave for specific family related reasons. All employers are required to provide notification to their employees of these entitlements. Congregations need to be aware of these provisions to ensure that these benefits are provided to their employees and that they are taken into account for financial management and planning purposes.

A key provision of the CARES Act is the Payroll Protection Program (PPP) that provides assistance for small businesses with fewer than 500 employees to continue to keep their employees at work and to cover some of the basic costs of keeping their doors open. The PPP is available for religious organizations and will support our congregations in continuing to pay pastors and other church staff members. This assistance is available through local lenders in the form of small business loans.

Lenders began accepting applications for these loans on April 3. The amount that can be borrowed is based on the monthly average payroll from 2019 and is roughly equivalent to 2.5 times the monthly average. The most exciting part of this program is that this loan amount can be “forgiven” or will become a grant if the funds from the loan are used to pay for a specific list of items that include payroll, Portico benefits premiums, mortgage interest, rent, utilities, and interest on other debt obligations.

At a time when congregations are unable to gather for worship in person due to the coronavirus, it is possible that giving from our members will decrease as a result. I encourage all congregations within the synod to strongly consider taking advantage of the Payroll Protection Program to help get past the cash flow problems that may result from decreased giving. To begin the process, contact the bank or financial institution that already handles your accounts to see if they are a Small Business Administration lender. If not, there will be other institutions that provide these loans and can assist with the process.

For additional information, there are resources available from the ELCA web site and the Central States Synod web site. I also would be happy to help and I can be reached via e-mail or by contacting the synod office.

Easter Blessings!
Scott Schulte, Synod Treasurer