

Our Saviour Lutheran Church
Special Meeting of the Congregation
April 22, 2020 at 7:00 PM DST
via Zoom video/telephone conferencing

WHAT IS THE MOTION?

We have convened to consider one item of new business. The following motion comes from the Finance Committee, in agreement with the Congregation Council, and does not require a second:

WHEREAS the COVID-19 pandemic has interrupted the normal conduct of church life; and

WHEREAS, despite the excellent stewardship of our members thus far, giving to the General Fund is likely to suffer; and

WHEREAS the government of the United States has made funds available for small businesses to keep employees working, so that they do not need unemployment insurance;

THEREFORE, be it resolved that Our Saviour Lutheran Church apply for a Paycheck Protection Program loan in the amount of \$59,130. This loan is to be used exclusively for payroll costs, to include salaries and employee benefits, and for utility costs not to exceed 25% of the loan.

FURTHERMORE, at the appropriate time, application shall be made to apply for the forgiveness clause of this loan, and, if necessary, repay any remaining amount owed as soon as possible.

WHY CAN'T THE COUNCIL MAKE THIS DECISION?

Our Constitution (C12.04 D) provides that: "The Congregation Council ... may incur obligations of more than 4% of the annual budget amount per annum only after approval by a Congregation Meeting."

Because the amount of the proposed loan exceeds 4% of the annual Ministry Spending Plan, the congregation must consent before we can take it on.

WHAT ARE THE DETAILS OF THE LOAN?

This loan is offered under the **PAYCHECK PROTECTION PROGRAM (PPP)**, part of the Coronavirus Aid, Relief and Economic Security (**CARES Act**) passed by Congress, which provides government-backed loans to help small businesses pay employees, in order to keep their employees from filing for unemployment, AND to cover certain specific expenses (for OSLC that would include utilities).

At a later date the loan MAY be forgiven by the U.S. Small Business Administration if eligibility criteria are met.

In order to have the possibility of having these loans forgiven, the funds must be used:

- to cover payroll costs (including health insurance and employee benefits)
- maintain the same number of employees on the payroll
- maintain employee salary levels
- pay utilities

Due to the severity of the circumstances, churches have been deemed eligible to apply for these loans. Based on our average monthly payroll for the past year (\$23,652), OSLC is eligible to apply for a loan of \$59,130 (2.5 times average monthly payroll costs).

At the end of the loan period, an application will be made for forgiveness. Any amount not forgiven would need to be repaid at a rate not to exceed 4% over a period yet to be determined. We anticipate using the entire amount of the loan. Therefore, the entire balance should be forgivable.