

How Churches Can Apply for CARES Act Relief

Church Law & Tax continues monitoring the rapidly evolving situation regarding the [COVID-19 \(coronavirus\) outbreak](#). That includes the \$2.2 trillion CARES Act, which features a variety of potentially valuable relief options, including the Paycheck Protection Program (PPP) and its loans for small employers.

The PPP, administered by the US Small Business Administration (SBA), offers eight-week loans worth 2.5 times a small employer's average monthly payroll—and, more significantly, it converts those loans into nontaxable grants at the end of the eight weeks if certain criteria are met.

The CARES Act specifically includes language indicating tax-exempt organizations are eligible to participate in this valuable program and other relief-related provisions. Attorney and senior editor Richard Hammar's [detailed summary](#) noted this eligibility, as did his presentation about the law (available as a [free on-demand webinar](#)).

But as last Friday's launch date for the PPP approached, many churches contacted Church Law & Tax and said their SBA-approved lenders turned them away.

Late Friday night, SBA finally cleared the air, putting out new guidance confirming [churches are eligible](#) for PPP and other relief-related aid under the CARES Act. This news came on the heels of the SBA's other guidance earlier in the day, in which the agency said it would [relax certain nondiscrimination rules](#) required of borrowers in order to accommodate religious beliefs and practices.

Churches wanting assistance through the PPP should apply now—and this [step-by-step article](#) can help.

Also this week:

Our team continues making [daily updates](#) to our coverage. If you haven't checked it out recently, you may have missed these important pieces:

- Fully updated and expanded explanations from Hammar on what the CARES Act [means for churches](#);
- What churches should know before [breaking a contract](#), whether with a venue for an upcoming event, a hotel for a booked stay associated with a conference, or a landlord; and
- New updates on the temporarily expanded [paid leave and sick leave](#) requirements affecting churches.

Have a question or issue related to the pandemic that needs an answer? [Tell us about it](#)—we’re logging entries and working as best we can to help.

Looking for additional guidance, encouragement, and help ministering during this crisis? [David Fletcher](#), one of Church Law & Tax’s advisors at large, is hosting a five-week course, “[Overcoming the Pandemic](#).” Register using the code **CT** to get a \$25 discount.

The Lord bless you and keep you,



A handwritten signature in black ink that reads "Matthew". The signature is written in a cursive, slightly slanted style.

[Matthew Branaugh](#)

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