



For information on programs and federal assistance available to faith-based organizations, please see the links below and consult [federal guidelines](#).

Department	Resource	Link
Centers for Disease Control and Prevention (CDC)	Resources for Community- and Faith-Based Leaders	https://www.cdc.gov/coronavirus/2019-ncov/community/organizations/index.html
	Checklist for Community and Faith Leaders	https://www.cdc.gov/coronavirus/2019-ncov/community/organizations/checklist.html
	FAQs for Administrators and Leaders at Community- and Faith-Based Organizations	https://www.cdc.gov/coronavirus/2019-ncov/community/community-faith-based/faq.html
Small Business Administration (SBA)	Primary COVID-19 Background Information	https://www.sba.gov/disaster-assistance/coronavirus-covid-19
	Guidance and Loan Resources	https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources
Internal Revenue Service (IRS)	Primary COVID-19 Background Information	https://www.irs.gov/coronavirus
	Economic Impact Payments	https://www.irs.gov/newsroom/economic-impact-payments-what-you-need-to-know
Department of Labor (DOL)	Primary COVID-19 Background Information	https://www.dol.gov/coronavirus
	Employee Paid Leave Rights	https://www.dol.gov/agencies/whd/pandemic/ffcr-employee-paid-leave

For additional information related to COVID-19 and resources available, [visit my website here](#).

Governor Wolf’s Declaration on Life-Sustaining Business Activities

On March 19, Governor Wolf ordered the closure of the physical locations of businesses that are not critical to sustaining life in a pandemic. However, nothing in this policy shall be construed to affect the operations of religious institutions. Religious leaders are encouraged to find alternatives to in-person gatherings and to avoid endangering their congregants. Individuals should not gather in religious buildings or homes for services or celebrations until the stay at home order is lifted. [Read more from the Governor’s office >>>](#)

CARES Act and Faith Based Organizations

The Coronavirus Aid, Relief, and Economic Security Act (the CARES Act), signed into law by President Donald Trump on March 27, 2020, provides \$2.2 trillion of emergency appropriations in response to the COVID-19 pandemic. Certain provisions under the CARES Act are also applicable to religious institutions, including various loans along with other items such as unemployment benefit reimbursements, an employee retention credit for the employer's share of employment taxes, a delay in the payment of payroll taxes and the increased ability for credit unions to provide credit to other nonprofit organizations.

The new Paycheck Protection Program permits loans directly to any "nonprofit organization" – defined to include tax-exempt organizations described in Internal Revenue Code (IRC) Section 501(c)(3), including religious institutions. Therefore, making religious institutions eligible for loans during the covered period of Feb. 15, 2020 through June 30, 2020, as long as the organization does not have more than 500 employees and was operational as of March 1, 2020. The CARES Act makes religious institutions subject to the SBA's "affiliation" rules in determining size, meaning that the organization must take into account the number of its own employees as well as any related organizations, whether nonprofit or for-profit. These affiliation rules and regulations are far-reaching and complex, and careful analysis of them is required.

Faith based organizations may use the loan amount approved for only: payroll costs, rent, utilities, mortgage interest, and interest on other debt obligations incurred before Feb. 15, 2020. In addition, these organizations are eligible to have loans forgiven, effectively turning the loans into grants, if additional requirements are met.

Frequently Asked Questions

Are faith-based organizations, including houses of worship, eligible to receive SBA loans under the PPP and EIDL programs?

YES – Faith-based organizations are eligible to receive SBA loans regardless of whether they provide secular social services. No otherwise eligible organization will be disqualified from receiving a loan because of the religious nature, religious identity, or religious speech of the organization. [Read more from the SBA >>>](#)

If I employ more than 500 employees in my faith-based organization, what assistance is offered to me?

The CARES Act provides funding and liquidity in the Federal Reserve System for a new program to provide financing to banks and other lenders that make loans. To be eligible, a religious institution must have between 500 to 10,000 employees and must be a United States entity and must use most of its funds to retain at least 90% of its workforce at full compensation and benefits until September 30, 2020 and that, within four months of the end of the COVID-19 emergency, it intends to restore at least 90 percent of the workforce that it had as of Feb. 1, 2020. In addition, the religious institution must agree to certain limitations on compensation paid to highly compensated employees. [Read more on this program from the Federal Reserve>>>](#)

Are there any limitations on how faith-based organizations can use the PPP and EIDL loan money they receive?

Only the same limitations that apply to all other recipients of these loans (such as that loan forgiveness will cover non-payroll costs only to a maximum of 25% of the total loan to a recipient). The PPP and EIDL loan programs are neutral, generally applicable loan programs that provide support for nonprofit organizations without regard to whether they are religious or secular. The CARES Act has provided those program funds as part of the efforts to respond to the economic dislocation threatened by the COVID-19 public health emergency. [Read more from the SBA >>>](#)

How will churches qualify if they have not been informed of tax-exempt status by the IRS? Do organizations have to request and receive tax exempt status or just meet the requirements of 501(c)(3) status to be eligible?

Churches (including temples, mosques, synagogues, and other houses of worship), integrated auxiliaries of churches, and conventions or associations of churches qualify for PPP and EIDL loans as long as they meet the requirements of Section 501(c)(3) of the Internal Revenue Code, and all other PPP and EIDL requirements. Such organizations are not required to apply to the IRS to receive tax-exempt status. See 26 U.S.C. § 508(c)(1)(A). [Read more from the SBA >>>](#)

Will my organization be sacrificing its autonomy or its First Amendment or statutory rights if it requests and receives a loan?

NO – Simply put, a faith-based organization that receives a loan will retain its independence, autonomy, right of expression, religious character, and authority over its governance, and no faith-based organization will be excluded from receiving funding because leadership with, membership in, or employment by that organization is limited to persons who share its religious faith and practice. [Read more from the SBA >>>](#)

What legal requirements will be imposed on my organization as a result of our receipt of this Federal financial assistance? Will those requirements cease to apply when the loan is either repaid in full or forgiven?

Receipt of a loan through any SBA program constitutes Federal financial assistance and carries with it the application of certain nondiscrimination obligations. Any legal obligations that you incur through your receipt of this loan are not permanent, and once the loan is paid or forgiven, those nondiscrimination obligations will no longer apply. Consistent with certain federal nondiscrimination laws, SBA regulations provide that the recipient may not discriminate on the basis of race, color, religion, sex, handicap, age, or national origin with regard to goods, services, or accommodations offered. 13 C.F.R. § 113.3(a). [For a more comprehensive list of legal requirements, click here.](#)

Is my faith-based organization disqualified from any SBA loan programs because it is affiliated with other faith-based organizations, such as a local diocese?

Not necessarily. Under SBA's regulations, an affiliation may arise among entities in various ways, including from common ownership, common management, or identity of interest. These regulations are applicable to applicants for PPP loans. (They also apply to the EIDL program when determining certain loan terms, although aggregating the number of employees of affiliated organizations does not affect eligibility for EIDL loans.) Some faith-based organizations likely would qualify as "affiliated" with other entities under the applicable affiliation rules. Entities that are affiliated according to SBA's affiliation rules must add up their employee numbers in determining whether they have 500 or fewer employees. But regulations must be applied consistent with constitutional and statutory religious freedom protections. [Read more from the SBA >>>](#)

Does my faith-based organization need to apply for this exemption or include any documentation of its religious beliefs or practices to fall within this affiliation exemption?

No specific process or detailed filing is necessary to claim the benefit of this exemption. If you believe that your organization qualifies for this exemption to the affiliation rules, you should submit with your loan application a separate sheet stating as much. That sheet may be identified as addendum A, and no further listing of the other organizations with which your organization is affiliated, or description of the relationship to those organizations, is required. You are not required to describe your religious beliefs. The SBA has provided an example. [Read more from the SBA >>>](#)

Additional information and frequently asked questions from the SBA related to the Paycheck Protection Program (PPP) and the Economic Injury Disaster Loans (EIDL) [can be found here.](#)