

**From
Mel Himes & Associates
Insurance Agency, Inc**

“Is My Church covered for That”

During these difficult times as we all work through the details of the coronavirus, it may be a good time to also review your Insurance Program – is there coverage for ‘loss of income’, is ‘Extra Expense’ a coverage that will help, what about our General Liability IF we hold services and someone has the coronavirus – can we be sued?

We are here to help you understand your Insurance coverage even IF we do not insure your Church through our Agency. Coverage varies from Company to Company and during these difficult times, asking the right questions may help you determine what your policy may cover. So, call our office – We are here to serve YOU -

**How churches, pastors are eligible for
relief in stimulus package**

This is information that our Agency has received that may be helpful to your Church concerning the Stimulus Package signed into law March 27, 2020 by President Trump.

On April 3rd, most lenders began processing the “Paycheck Protection Program” (“PPP”) relief loans throughout the country. These lenders were authorized by the “Phase 3” coronavirus relief legislation known as the CARES Act, that \$349 billion in the PPP program will grant forgivable Small Business Administration (“SBA”) loans to small businesses and nonprofits for hardship they have suffered because of the coronavirus-inflicted economic shutdown. These loans are to cover eight weeks of necessary expenses during the coronavirus crisis.

Also, in addition with the launch of the program, the SBA published an interim final rule, effective immediately, with further guidelines for lenders and borrowers—including guidance on religious freedom. The SBA also issued an interim final rule on affiliation clarifying that faith-based organizations are exempt from SBA affiliation rules if those rules would burden religious exercise. Finally, the SBA published a list of Frequently Asked Questions (“FAQs”) regarding the ability of faith-based organizations to access these loans—and Economic Injury Disaster Loans (“EIDL”).

The final text of the CARES Act and subsequent guidance makes it very clear that a tax-exempt nonprofit organization—described in section 501(c)(3) of the Internal Revenue Code (IRC)—is eligible to apply for relief. Under IRS guidance, the 501(c)(3) definition generally includes churches—even if they have not registered with the IRS—as long as they meet 501(c)(3) requirements.

Members of Congress wanted to ensure the program included *all* churches and houses of worship, even those unregistered churches without a letter of determination from the IRS. So to make this clear, a bipartisan group of members headed by Republican Whip Steve Scalise (R-La.) and Representative Mike Johnson (R-La.) sent a letter to key agencies to clarify that these churches are included within the program. Based on the most recent information published, it is clear that they are included.

Also, some questions have come up about church eligibility for different types of loans under the CARES Act. The PPP created a new SBA loan program based on existing Section 7(a) small business loans, which changed eligibility to include all 501(c)(3) nonprofits, including churches, which previously were not eligible for these small business loans. It had appeared that EIDL loans, which provide working capital for organizations during a time of declared disaster, were only available for small businesses and private nonprofits, which does not include public charities like churches.

However, the documents make it clear that faith-based entities can receive both EIDL and PPP loans, and do not need a determination letter from the IRS to do so.

The bottom line: All churches, even unregistered ones, can qualify for both EIDL and PPP loans.

IF your Church wants an application for these loans, we have them available through our Agency as well as other information from various religious organizations across the country such as GuideStone, The Family Research Council, The Southern Baptist Convention, LifeWay and others.

Please contact our office for more information or for an application for the Paycheck Protection Program.

Insuring those who serve,

Mel Himes Jr