

To: Congregation Leadership

From: Frank Daniels, Treasurer
Finance Committee of Diocesan Council

Re: Review of Acceptance Formula for 2022 with Respect to PPP Loans Turned to Grants

Date: November 15, 2021

Knowing that several congregations had applied for and received a PPP loan, the Finance Committee ~~we~~ wanted to understand the full impact of this on our many congregations with respect to the Diocesan Acceptance Formula. Therefore, during this past summer, the Finance Committee wanted to know who received a PPP loan and its effect on the Diocesan Acceptance Formula.

The Canon for Finance and Administration conducted a review of the 2020 Parochial Reports to identify who had applied for a PPP loan in 2020, and of those that did, how many were forgiven in 2020. Given the information collected, we learned that many of the Parishes who received a PPP loan in 2020 had yet to request conversion to a grant, meaning that those loans will be forgiven in 2021 and into 2022. According to the directions provided by the Episcopal Church for completion of the Parochial Report, a forgiven loan that becomes a grant will be included in annual income in the parochial report.

The Committee reviewed what Executive Council of General Convention had decided about the loan forgiveness of Diocese in the calculation of the annual assessment. By Canon Law, any loan forgiven and turned into a grant is to be included in income.

Upon completion of this review, and in consultation with the bishop, the Finance Committee recommended that the 2021 Acceptance Calculation remain unchanged. As such, if a congregation received forgiveness on a PPP loan, ~~then~~ that amount should be included in the calculation of total operating income.

Council received this recommendation at their September meeting and agreed.