

Q&A

Why is our parish receiving CARES Act loans through the Paycheck Protection Program?

Our parish has experienced a significant decrease in operating income resulting from the absence of regular offertory contributions due to the suspension of weekend Masses and public liturgies. Additionally, our parish has experienced financial losses from the absence of a physical Easter collection, which provides an important part of our overall annual offertory. Our parish has also had to cancel fundraising events, such as Block Party, which contribute material amounts of monetary support to our budget each year and our ability to hold those fundraising events in the future is in doubt.

The Paycheck Protection Program (PPP) loan has enabled us to keep our employees employed and not furloughed so that they can support the ongoing operations of our parish during this difficult period. In accordance with the provisions of the CARES Act, our parish must only use the PPP funds to pay for payroll and utility expenses over the next two months.

With public Masses suspended, what has been the financial impact on our parish?

Sunday offertory is projected to be \$120,000 below the weekly average since March through the end of our fiscal year in June. With our low operating margins, any reduction in offertory is significant and severely affects our ability to meet payroll and normal operating expenses.

What services is our parish providing during this time?

Our parish employees are providing a significant number of services and resources during this time, including but not limited to:

- Providing daily livestreamed Masses, Rosary, Adoration, and Musical Reflections and Prayer Opportunities;
- Facilitating virtual prayer groups and faith formation opportunities online;
- Conducting outreach to the community, parish families and senior citizens, such as collecting food, providing emotional and spiritual support, communicating through bulletins and Enewsletters, sending Hero Letters and Letters to the Hospitalized, staying in contact with the Homebound;
- Continuing to serve the suffering through Anointing and small Funeral Services;
- Continuing to maintain the buildings and grounds across both properties;
- Educating 600 students in our Faith Formation program and parish school.

Why is our Catholic school receiving CARES Act loans through the Paycheck Protection Program (PPP)?

Most Catholic schools in our system receive subsidies from their parishes to satisfy operational expenses because their costs per-student exceed the price of tuition. The decrease in parish offertory contributions resulting from the suspension of public Masses, together with a drop in tuition payments and cancellation of fundraising initiatives because of COVID-19, has had a negative impact on our school's finances. Our Catholic school staff and educators continue to work each school day to provide quality online instruction to our students and the PPP loan will support the payroll needs of our school staff and educators for a 2-month period.

Do faith-based organizations such as the parishes and schools of the Archdiocese of Chicago qualify for a Paycheck Protection Program (PPP) loan?

Yes. The CARES Act contains specific provisions, which make our parishes and schools eligible for PPP loans. Each parish and school maintains its own budget for staff payroll and operating expenses. Given the current economic uncertainty and long-term negative financial impact of COVID-19, the PPP loan request is necessary to support ongoing operations of our parishes and schools.

Are we using any parish savings?

Yes, our parish has had no choice but to access available savings to address operating expenses. In addition, the Paycheck Protection Program loan was sought because of current economic uncertainty about our ability to satisfy payroll and other operating expenses, as well as the uncertainty surrounding the long-term negative financial impact resulting from decreased offertory and the cancellation of fundraising events over the coming months.

How much money did our parish receive through the Paycheck Protection Program (PPP) loan?

Based on the rules of the CARES Act, all PPP loan applications are based on a 2.5 month multiple of our average payroll expenses for the previous 12 months, which for our parish equates to \$463,616. This money is to be used for payroll and utility expenses only. If there are any excess loan proceeds that cannot be applied to payroll and utilities within the 8-week loan period, those loan proceeds will be promptly returned.