



**DIOCESE OF SUPERIOR**  
**DEPARTMENT OF FINANCE AND ACCOUNTING**

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Current

## **Guideline for PPP and EIDL**

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**As of 5/11/2020** Subject to change

Remember to maintain all records, preferably in both digital and paper form. As new understanding and guidelines appear, our records are the surest way to document our activity.

### **Paycheck Protection Program (PPP) Loans**

#### **How can I use the PPP funds?**

1. Payroll costs
  - a. Salaries, wages, commissions, vacation and sick pay (not to exceed \$100K per employee) paid during 2019
  - b. Group Health Insurance
  - c. Retirement Benefit Costs, including SPPF
  - d. State/Local Taxes on Employee Compensation
2. Interest on any other debt obligations \*

\* Rent, utilities, and interest only count if you entered into the obligation prior to Feb 15, 2020

### **Economic Injury Disaster Loan (EIDL)**

#### **How can I use the EIDL funds?**

There are only broad guidelines here

1. Fixed debts (rent, etc.)
2. Payroll
3. Accounts payable
4. Some bills that could have been paid had the disaster not occurred.
5. SPPF not covered by PPP loan

#### **The EIDL is a loan**

The EIDL comes in two parts.

1. The first part is an Advance of up to \$10,000. This should be forgivable if guidelines above are followed. Remember to keep all documentation as backup in the event verification is needed.
2. Part two is a SBA predetermined amount. This amount will be offered to you in the coming days or weeks. Please, for now, defer acceptance of the additional funds. You will be given a 60 days delay. This additional time will be used to evaluate the changing situation and needs.

### **St. Pius Priest Fund (SPPF)**

#### **Where to account for the cost of the SPPF**

The SPPF is a retirement benefit cost. Therefore, the best place to account for expense of the SPPF is in the PPP loan. If the bank allows the cluster to use the SPPF from the cluster parish, it is advisable to do so. Details are being worked out to create the support documentation where banks allow this.

If your bank does not allow the cluster SPPF retirement costs to be included, the non-payroll parish that did not get the PPP loan, can use the EIDL to cover this expense.

Your SPPF bill came as a quarterly bill so take the bill divide by 91. There are 91 days in the quarter. This gives you a daily average. Then multiply this daily average by 56, since there are 56 days in the 8 weeks. This is the SPPF amount you can include in your forgiveness calculations.

## **Ineligible Uses of Loans**

1. Utilities expenses from other parishes in your cluster should not be used in any of your parish calculations.
2. Do not use any amounts you can get credit on or count someplace else(see double dipping below)
3. Expansion of facilities or acquisition of fixed assets
4. Repair or replacement of physical damages
5. Refinancing long term debt
6. Paying down (including regular installment payments) or paying off loans provided, or owned by another Federal agency (including SBA) or a Small Business Investment Company
7. Payment of any part of a direct Federal debt, (including SBA loans) except IRS obligations
8. Relocation

## **Avoid double dipping**

Please be extra careful and aware of accepting income from two mutually exclusive sources in this SBA process, especially combining the forgiveness portion of the PPP, the EIDL and the FFCRA. At **no time** will it be allowed to:

- Count any cost in more than one location for the forgiveness process
- Count Payroll costs forgiven in the FFCRA in the PPP or EIDL forgiveness
- Count any expense in more than one program

If you any questions here, please contact Larry French

## **Partial Forgiveness of your Loan**

The PPP and the EIDL loans are incentives to help maintain payroll and pay bills during this economy uncertainty and help get us back into a normal mode of operation. The SBA has made most if not all the PPP and the EIDL advance forgivable. If guidelines are followed, most, if not all amounts will be forgiven.

In the event there are loan amounts not forgiven, it advisable to pay back the balance immediately. There will be a small interest on the balance. This interest should also be paid. If loan balances cannot be paid back immediately, a plan to pay these amounts off must be implemented and shared with the Diocese.