

R2022-05: A resolution to exclude PPP Loan/Grants from the estimated 2023 mission share calculation

Whereas, the Diocese of Southern Ohio encouraged congregations to apply for Paycheck Protection Program loans/grants for the sake of continuing ministry of the Gospel and just compensation of employees (Luke 10:7, Matthew 10:10) during the Covid-19 pandemic, *and*

Whereas, 32 congregations applied for and received PPP monies totaling \$2,005,030, *and*

Whereas, these monies were spent in 2020 and 2021, thus not available in 2023, and upon becoming grants inflating the monies reported in Box A of the 2021 Parochial Report, *and*

Whereas, PPP loan/grants made in 2020 and 2021 were emergency funds but determined to be Normal Operating Income reported in Box A of the Parochial Report by The Episcopal Church, *and*

Whereas, The Episcopal Church does instruct dioceses and congregations on how to complete the parochial report, but it does not have the authority to determine how a particular diocese calculates its mission share, cf. every diocese having a different name and formula for congregational contributions to its diocesan budget, *and*

Whereas, other dioceses including, but not limited to, the Dioceses of East Tennessee, Hawaii, Kansas, Atlanta, and Spokane, chose not to assess PPP funds so that congregations could realize the full benefit of emergency assistance, *and*

Whereas, congregations are still dealing with the effects of the global pandemic and the challenges that brought to both the financial and human resources of the congregations, *and*

Whereas, the financial resources of the Diocese of Southern Ohio will not be noticeably reduced by excluding PPP loans/grants in the 2023 mission share calculation, *therefore be it*

Resolved, that the 2022 Diocesan Convention of the Diocese of Southern Ohio instruct the Finance Office to exclude PPP Loans/Grants received by congregations reported in Box A of the Parochial Report for 2021 from the calculation of estimated Mission Share assessments for 2023.

Explanation

Example: St. Bills To Pay in Over Yonder, OH took two PPP loans in 2020 and 2021 in an effort to retain their staff during the worst of the COVID-19 pandemic. The congregation spent this money on salaries and qualified for the loans to be transformed into grants in 2021. The Episcopal Church required the congregation to report the reception of these funds on their 2021 Parochial Report as Normal Operating Income if converted to a grant. Thus, they were accounted as normal operating income in 2021 even though most of the money was spent in 2020. Furthermore, since they were accounted as normal operating income in 2021, they would normally be included in the calculation of estimates of 2023 Mission Share Assessments because the formula utilizes Box A of the Parochial Report.

Keeping this figure in the calculation will inflate congregations' 2023 mission share rate and monies requested. Consequently, the diocesan true-up process will be convoluted and disproportionate in the 2023 and 2024 budgeting cycles. More importantly, some congregations will be asked to pay more than their actual fair amount of mission share at a moment in time when they need all their financial and Human Resources to build (or rebuild) their mission and ministry in their communities.

Impact

Congregations will be better able to pay their full Mission Share because they will not be using new revenue to pay for an inflated mission share calculated from old expenditures. Furthermore, the diocesan true-up process will be simplified because 2023 Mission Shares will not be overestimated against 2022 actual normal operating income. Consequently, we will have more accurate estimates for diocesan budgeting by excluding the PPP loan/grants. Of the \$2.5 million in diocesan revenue, we estimate a decrease of a little over \$200,000 as a result of this change. Adopting this resolution will benefit a significant number of congregations across the diocese and simplify diocesan accounting/operations.

Presented By

The Rev. Jason Emerson, St. Patrick's, Dublin
The Rev. Allison English, Calvary, Cincinnati
The Rev. Gia Hayes-Martin, St. John's, Worthington
The Rev. Benjamin Phillips, St. George's, Dayton

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The Rev. Canon Sallie Schisler, Missioner for the River Cities
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