



Payroll Instructions and Guidance – PPP Loans

May 8 + 11, 2020

Agenda

- Brief updates from Finance Department
- Returning laid off employees to payroll
- Guidance on vacation and sick pay policies
- Instructions on PPP setup in Prime Pay
 - Split payrolls – priests and salaried lay employees
 - First full PPP payroll
 - Reversing these steps
 - Doubling deductions
 - Handling sick and vacation accruals
 - Medicare Primary Part B reimbursements
 - R&B for priests



Finance Department Update

- The SBA has yet to release their final loan forgiveness guidelines and reporting requirements related to the Paycheck Protection Program (PPP) loans. Once those become available, we'll digest the information, design the reporting process and schedule webinars to review the process with you. As stated previously, 36 lenders were utilized to secure loans. Their reporting requirements may differ.
- As you receive your lender's requirements, please submit a copy to the SBA@rcab.org mailbox. Please be sure to identify the lender. This will assist us in developing a reporting process that will (we hope) satisfy most lenders.



Notice to Employees Being Recalled to Payroll – Not On Payroll Now

To be used for those permanently or temporarily laid off due to the virus:

This letter *[email]* confirms that _____ Parish/School has been approved for a Payroll Protection Program loan through the US Small Business Administration (SBA). You will therefore receive compensation and benefits for 8 weeks at the same pay rate and with the same hours that you received prior to the layoff, effective *[date PPP loan proceeds deposited]*. In compliance with the Governor's Executive Orders regarding non-essential workers, you should not return to the premises or begin work until we notify you to do so.

If you choose to reject this offer, please reply to this email or otherwise send your rejection in writing. The SBA has issued guidance stating that employees who reject offers of re-employment may forfeit eligibility for continued unemployment compensation. In addition, rejection of this offer may be considered by the Parish *[School]* when determining whether to return you to your former position once financial and legal restrictions permit.



Notice to Employees Being Recalled to Full Payroll – Hours Reduced Now

To be used for those with reduced hours:

This letter [*email*] confirms that _____ Parish/School has been approved for a Payroll Protection Program loan through the US Small Business Administration (SBA). You will therefore receive compensation and benefits for 8 weeks at the same pay rate and with the same hours that you received prior to the layoff, effective [*date PPP loan proceeds deposited*]. In compliance with the Governor's Executive Orders regarding non-essential workers, if you are not currently working, remotely or on-site, you should not return to the premises or begin work until we notify you to do so.

If you choose to reject this offer, please reply to this email or otherwise send your rejection in writing. The SBA has issued guidance stating that employees who reject offers of re-employment may forfeit eligibility for continued unemployment compensation. In addition, rejection of this offer may be considered by the Parish [*School*] when determining whether to return you to your former position once financial and legal restrictions permit.



How to calculate PPP payroll

- Two goals to achieve with PPP fund utilization:
 1. Use the payroll portion of the funds to match the amount borrowed, which = 2x average monthly payroll cost for 2019. Must use at least 75% of total loan proceeds for “payroll costs.”

MONTH	EE PAID	EARNINGS	ER ST/LOC TAX	ER HEALTH	RET BENEFITS	PAYROLL COST
Jan-19	8	14559.45	0.00	0.00	400.33	14959.78
Feb-19	9	13804.73	0.00	0.00	399.37	14204.10
			0.00	0.00	392.66	14076.52
			0.00	0.00	402.25	14753.75
			0.00	0.00	629.93	22828.74
			0.00	0.00	346.17	12623.16
			0.00	0.00	239.13	7413.26
			0.00	0.00	239.29	7717.03
			0.00	0.00	235.90	8867.14
			0.00	0.00	410.61	14831.73
			0.00	0.00	592.69	21702.48
			0.00	0.00	325.11	18471.40
			0.00	0.00	4613.44	172449.09
AVERAGE PAYROLL COST:						14370.75



ROMAN CATHOLIC ARCHDIOCESE OF BOSTON
BENEFIT TRUSTS

66 BROOKS DRIVE, BRAINTREE, MASSACHUSETTS 02184

April 7, 2020

Re: Confirmation of Employer Payments for the Provision
of Group Health Care Benefits – Calendar Year 2019

To whom it may concern:

This letter certifies that the employer listed below participated in the Roman Catholic Archdiocese of Boston Health Plan and/or the Roman Catholic Archdiocese of Boston Clergy Health Plan, both self-insured church plans administered by Blue Cross Blue Shield of Massachusetts and CVS/Caremark, and by Total Health Plan, Inc., d/b/a Tufts Health Plan, respectively, during Calendar Year 2019. Due to the church plan status of these plans, this data has not been included with W-2 reporting.

The average monthly cost of the employer's share of Health Plan coverage for 2019 is listed below.

Employer Name: St Mary Parish
Employer TIN: 04-3503682
Employer Share of Health Care Cost: \$907.67

How to calculate PPP payroll

2. Demonstrate that the parish/school has restored staffing levels to pre-virus levels (FTE count)

PAY-AB001-051 V4.8
GENPRG1 BRANCH 10 2020-004-01
CURRENT DATE 02/19/2020 14:27:12

-----	E A R N I N G S	-----
DESCRIPTION	HOURS	EARNINGS
REGULAR	515.000	14,525.48
CLRGASH	0.000	850.00
GTLAUTO	0.000	59.62
MUSICIAN	9.000	1,150.00
PRIESTST	160.000	2,959.61
REG 2	0.000	50.00
SICK	8.000	163.31
STIPENDS	0.000	80.00



PPP Payroll Mechanics

- Once appropriate staff are activated, use **PPPR** code for hours worked (whether on-site or remote) and **PPPN** for hours not worked
- Use these codes for priests and lay employees, except:
 - R&B
 - PRTB (Medicare Part B reimbursement)
 - GTLA or other imputed income
- Doubling up deductions



Vacation and Sick Time Policies

- Review vacation and sick policies (or any contracts that include these benefits), with focus on any “re-set” or “front load” policies that take effect July 1
- If changes are needed, adjust sick accrual codes in Prime Pay
- To track sick and vacation time used during PPP period, manually adjust accrual banks



Returning Employees to Payroll

- In general, PPP intent is to return all employees to payroll who were paid prior to the virus (vs. having them on unemployment)
 - Very little specific guidance from SBA on how this works in reality (other than regarding recalling laid off employees)
 - Unless otherwise noted below, all answers are our best guidance on these issues.
 - No additional guidance has been issued on utilities.



Returning Employees to Payroll

- What if an employee resigned after the employee was placed on unpaid leave due to the virus? Do we need to restore him to payroll? Can we replace him?

You do not need to return him to payroll, but you should get his resignation in writing. We believe you can replace the employee with a new hire if the operation has work for this position.

- What if we hired an employee since February 21, 2020? Can we use PPP funds to pay her?

We believe you can use PPP funds to pay this employee, assuming the hire was in the normal course of “business” of the parish/school.



Returning Employees to Payroll

- Is it OK to increase hours for an employee whose pay and hours have not been reduced since February 21?

We believe you can use PPP funds to pay for increased hours if there is a “business” reason to do so (ex: lawn care is now needed, was not needed in February). If payroll expenses exceed PPP loan amount, parish will need to absorb that cost.

- How do we pay a teacher who also worked a few hours/week in the after school program? Do we include these hours in the PPP payments?

Yes, include these hours. Either find a representative payroll in 2020 before any reductions began and use those hours, or use an average from 2019.



Returning Employees to Payroll

- How do I pay musicians whose schedules are not regular, including those who only play weddings and funerals?
- These individuals should be paid using PPP funds. Either find a representative payroll in 2020 before any reductions began and use those hours, or use an average from 2019. Alternatively, if there is a schedule that would have been in place for these employees for the weeks covered by PPP, pay them as if they were working.



Questions?

- For questions about timing of loan funding, Intaact/QuickBooks, banking information, etc., please contact sba@rcab.org.
- For questions about unemployment and TAP, contact hr@rcab.org.
- For questions about how to process PPP payroll, call Prime Pay. For policy questions on utilization of PPP funds for payroll, contact Carol Gustavson at cgustavson@rcab.org or 857-225-0522.

