

Thank you for informing NCCOGOP State Office regarding the decision to apply for CARES Act funding.

Disclaimer:

Coronavirus Aid, Relief, and Economic Security (CARES) Act

While the **Coronavirus Aid, Relief, and Economic Security (CARES) Act** is a wonderful opportunity to assist local churches in need with a Payroll Protection Program loan (PPP) and an Emergency Injury Disaster Loan (EIDL), please understand that the *Church of God of Prophecy – North Carolina, Inc.* is not endorsing or recommending or encouraging that local churches apply for and or receives said aid. Decisions such as these must be done by the local body.

What the *Church of God of Prophecy – North Carolina, Inc.*, request: **All** churches in our network to follow the proper procedures; those proposed by the CARES Acts:

1. Know your number (i.e., how much you are eligible to borrow).
2. Call your bank.
3. Stay tuned.

And those written required by our COGOP Ministry Policy Manual and or Bylaws:

1. Pastors should consult his/her Board or Finance Committee for a recommendation.
2. If an agreement is reached, then the Board or Finance Committee should present this recommendation to the local church. Note: to miss this step is to set yourself up for personal liability. Remember you are an agent of the church and not the sole decision maker.
3. Pastor should inform the State Overseer that the church will be applying for the loan.
4. Then once the loan has been approved, pastors are requested to inform the State Overseer of the terms (i.e., the amount of the loan, the interest rate, and number of years).

Caution:

There is a possibility that these loans can become problematic in the future for churches that accept them. Please remember that:

- The loan is not automatically forgiven. The borrower must abide by the terms of the loan in full in order to be eligible to apply for forgiveness of the amount borrowed.
- You must understand all the terms and conditions of the loan, as all unforgiven loans must be paid back via the agreed upon terms of the loan by the borrower.
- You should speak with a/your banker right away, and consult a CPA; make sure that you have a clear understanding of your obligation, and to make sure that getting the loan is in the best interest of your congregation.
- Practice Good stewardship: 1) do not borrow if you don't have to do so; or 2) borrow only the amount that you must; and 3) be prepared (as a church) to repay the loan in full and on time.

Thank you.

Bishop Jeffery A. Davis
State Bishop
North Carolina Church of God of Prophecy