Q: My congregation (or other tax-exempt LCMS-related entity) wants to apply for a Paycheck Protection Program (PPP) loan from our Small Business Administration lender. What do we need to do?

A: First, you will need to complete an application (lcms.org/sba-ppp-application). The lender you choose will provide you with one for actual use. As you fill it out, you are going to mark the box at the top left indicating that you are a 501(c)(3) nonprofit. Your lender can verify your nonprofit status by searching the IRS Exempt Organizations Business Master File widely available on the Internet. If the lender is unable or unwilling to verify your status that way, you may be required to submit documentation proving it.

Q: What documentation might I need to prove our 501(c)(3) nonprofit status?

A: At this writing, it is uncertain what your lender might require. You can invite your lender to email Karen Sansone, director of tax and compliance for the LCMS, at karen.sansone@lcms.org to verify that your organization is included under the Synod's group exemption, GEN 1709. Or, you may be required to provide your lender with a formal IRS exemption determination letter.

Q: How do I get a 501(c)(3) determination letter?

A: Verification of your 501(c)(3) status can be documented in two ways — one faster than the other. If you are an LCMS member congregation, school or daycare operated by a member congregation and are not separately incorporated or otherwise identified as a school or daycare separately incorporated from a congregation, and if you have consented in writing to be included under the Synod's group exemption, consider the following verification methods:

Visit lcms.org/irs-group-letter to provide your lender with a copy of the 501(c)(3) group determination letter issued in 1992 by the IRS to the LCMS describing by category all the entities covered under it. Then direct your lender to lcms.org/locators to instantly verify the membership of your congregation or school in the LCMS by using the locator tool or online directory; or,

Contact Karen Sansone (karen.sansone@lcms.org) to request a customized affirmation letter with your organization’s name, address and Employer Identification Number. You can expect to receive this letter by email within 3-5 business days, sooner depending on the volume of requests.
Q: I’m concerned about submitting a letter dated as old as 1992. Do you have something dated more recently?

A: The 1992 letter is still viable! We like to provide it as documentation of the group’s 501(c)(3) determination status because it is the only letter the LCMS has received from IRS that describes the subordinate units covered under the group. Today, the IRS’s group ruling process makes the central organization that holds a group exemption (rather than the IRS) determine which organizations are included as subordinates under its group exemption ruling. If you would like to also download a more recent letter from the IRS that verifies the exempt status of the LCMS group exemption, visit lcms.org/irs-verification-letter.

Q: Our school is an LCMS Recognized Service Organization (RSO). We have not applied for and acquired our own tax-exempt status. Instead, we requested inclusion in the LCMS group exemption. How do we document our tax-exempt status?

A: Contact Karen Sansone at karen.sansone@lcms.org to verify your inclusion under the group. She will provide you with a letter confirming your inclusion under the LCMS group.

Q: Our social ministry is a tax-exempt LCMS RSO. What can we use for documentation of our tax-exempt status?

A: When you applied for and obtained your own tax-exempt status, you should have received a 501(c)(3) determination letter from the IRS to that effect. Submit a copy of that letter to your lender. If you can’t find it, you must contact the IRS at 877-829-5500 for a verification letter of your status. Regretfully, that line has not been available for live assistance during the pandemic crisis, and it is uncertain when you will be able to receive the help you need. In that case, try persuading the lender to look up your exempt status online at lcms.org/irs-exempt-organizations.