**Template for Board Resolution Authorizing Loan**

The following resolution may be utilized by nonprofit corporations borrowing funds under the Paycheck Protection Program (PPP) SBA loan. Organizations should follow the procedures under their by-laws regarding approval of this resolution.

**Resolution**

Whereas, the current economic uncertainty related to the Covid-19 pandemic makes a loan necessary to support our ongoing operations;

Whereas, the Small Business Administration is administering the Paycheck Protection Program (PPP) SBA 7 (a) loan program to provide a direct incentive for small businesses, including nonprofits, to keep their workers on the payroll.

Whereas, the loan amount is based on 2.5 times the monthly payroll and may be used on payroll related expenses together with rent and certain other expenses;

Whereas, SBA will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities[[1]](#endnote-1);

Whereas, if 1) the number of full-time equivalent employees is reduced or 2) wages for individual employees making less than $100,000 per year are reduced by more than 25%, then a portion of the loan will be repayable in two years;

NOW therefore, it is resolved that:

\_\_\_\_\_\_\_\_\_\_\_\_ (the Corporation) is authorized to borrow the maximum amount available under the PPP SBA 7(a) loan program or such lesser amount as the Officers shall determine; and

The officers of the Corporation are authorized to execute a promissory note and such other documents as are necessary in the name of the Corporation and take any and all action necessary to obtain the loan.

1. Statement taken from SBA website: <https://www.sba.gov/funding-programs/loans/paycheck-protection-program-ppp> [↑](#endnote-ref-1)