

COVID-19 Nonprofit Federal Financial Assistance Resources

Key Considerations on Loan Programs via the CARES Act (based on U.S. Chamber of Commerce Foundation webinar):

- General Information:
 - Most application requirements have been streamlined
 - Generally, providing an organization's budget is not required; rather, the organization must show that it existed before the pandemic began (by January 1, 2020 or February 15, 2020, depending on the application)
 - U.S. Chamber Foundation's nonprofit resources:
www.uschamberfoundation.org/c3loans
 - Loan forgiveness is not taxable under this circumstance
 - Paycheck Protection Program is the most generous; reason behind different eligibility for loans is to ensure that businesses aren't stacking multiple sources to pay for the same expenses
 - These benefits are generally available until the end of 2020
 - Data on nonprofit payroll numbers was used to determine the amounts allocated into each loan/grant program
- Delay of Payroll Remittance Tax
 - This is the 6.2% for Social Security Tax
 - Typically, nonprofits pay the employee and employer tax; this delay applies to the employer tax
 - The employer tax can be delayed from now until 1/1/21
 - Note that this is a deferral, not forgiveness, and this does not apply if you have loan forgiveness under the Paycheck Protection Program
- Employee Retention Credit
 - This is for companies that partially or fully shut down across the organization as a whole due to COVID-19 for ¼ of a calendar year
 - Tax credit is for 50% of wages up to \$10,000 per employee (i.e., \$5,000 per employee is the amount of tax credit) if the nonprofit is partially or fully shut down
 - Not eligible for this if utilizing the Paycheck Protection Program
- Paycheck Protection Program
 - Entitled to a loan equal to 2 ½ times the average monthly payroll that doesn't exceed \$10 million
 - Funds are available beginning April 3, 2020
 - Loans come through private lenders and no collateral is needed
 - Opportunity for nonprofits to convert the loan into a grant depending on what the money is spent on in the 8 weeks after it is disbursed; the amount spent determines the dollar-to-dollar amount forgiven
- SBA Economic Injury Disaster Loans
 - Has been modified to expand access beyond natural disasters so it includes COVID-19
 - \$10,000 emergency grant is available if specified in the application, and that money can be given in 3 days; this emergency grant does not need to be repaid even if you don't get the Disaster Loan

- Any amount of the Paycheck Protection loan would get folded into this
- Paid Sick Leave – Phase 2 of the Legislation
 - Revised to cover businesses with fewer than 500 employees
 - Capped at \$511/day if the employee is sick and 2/3 pay (max. \$200/day) if the employee is caring for someone who is sick due
 - Everyone is required to provide paid sick leave for COVID-19 and the amount paid is refundable from the government as a tax credit to ease the financial burden
 - 10 weeks is allowed for employees who take care of a child whose school or daycare has closed due to COVID-19; the employee receives 2/3 of pay; employers are reimbursed via tax credit

Presentations/Resource Guides on Federal Legislation

- National Council of Nonprofits
 - General: <https://www.councilofnonprofits.org/nonprofits-and-coronavirus-covid-19>
 - March 31st webinar resources:
 - PPT: <https://www.councilofnonprofits.org/sites/default/files/documents/covid-19-webinar-3-31-2020.pdf>
 - Loans Available to Nonprofits via CARES Act: <https://www.councilofnonprofits.org/trends-policy-issues/loans-available-nonprofits-the-cares-act-public-law-116-132>
- U.S. Chamber of Commerce Foundation
 - Video about financial relief in CARES Act: <https://www.youtube.com/watch?v=IZqDIKBc3G0>
 - Emergency Loans Guide for Nonprofits and Small Businesses: <https://www.uschamberfoundation.org/reports/coronavirus-emergency-loans-guide-and-checklist-small-businesses-and-nonprofits>)
- Paycheck Protection Program
 - Borrower Information Sheet:
 - Program Overview and Application Details:
 - Sample Applications: