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](http://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 Inquiry 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
  - March 31st webinar resources:
- U.S. Chamber of Commerce Foundation
  - Video about financial relief in CARES Act: https://www.youtube.com/watch?v=IZqD1KBe3G0
- Paycheck Protection Program
  - Borrower Information Sheet:
  - Program Overview and Application Details:
  - Sample Applications: