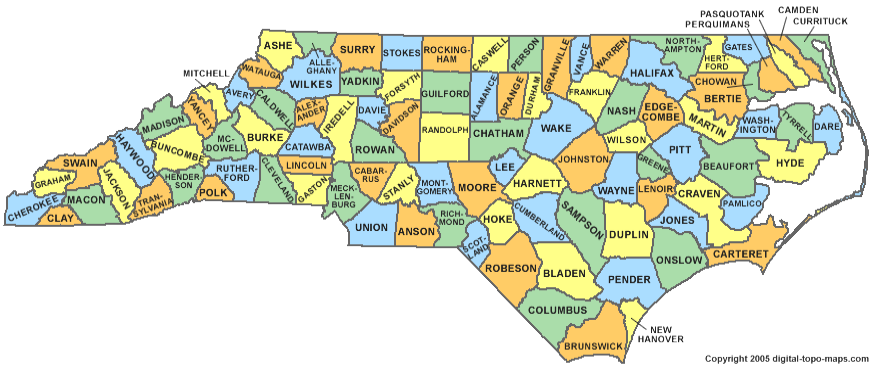


# COVID-19 Relief and Nonprofits

David Heinen  
North Carolina Center *for* Nonprofits



# Connect Learn Advocate



# Important Disclaimers

*If you can read this fine print, you are sitting too close to your screen!*

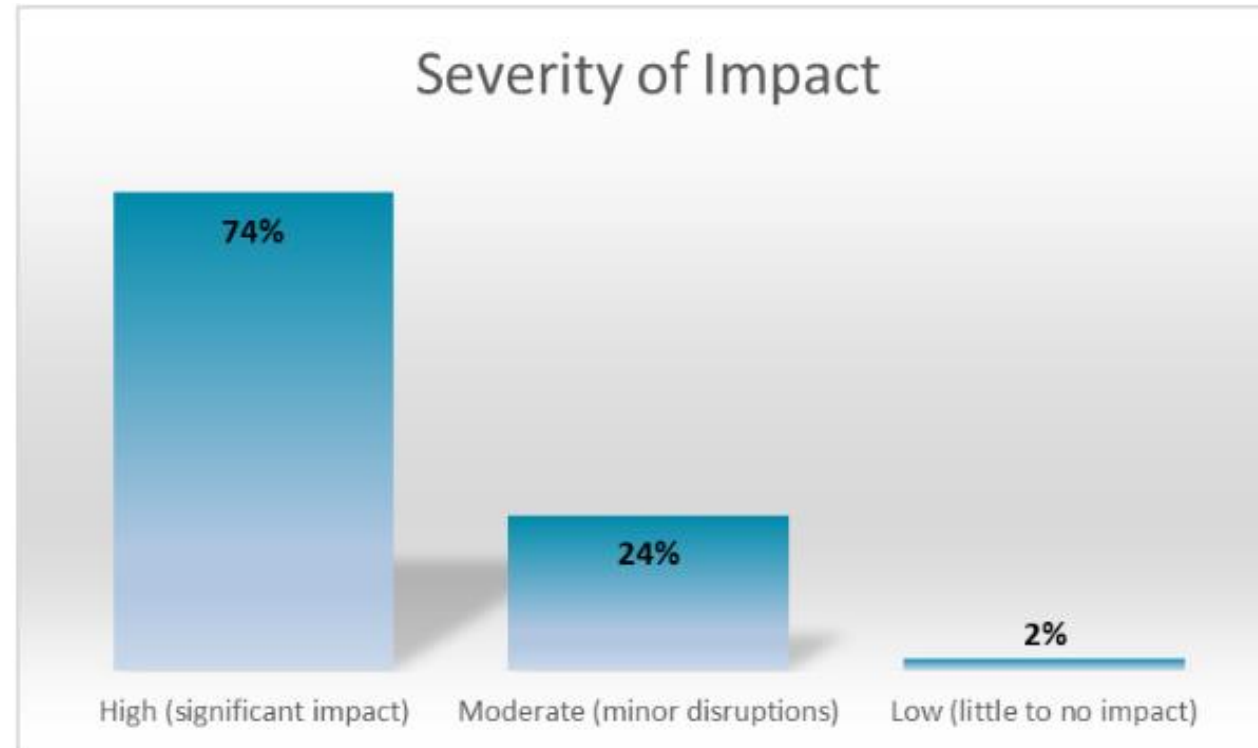
# Nonprofits' needs and resources

# Center survey of nonprofits

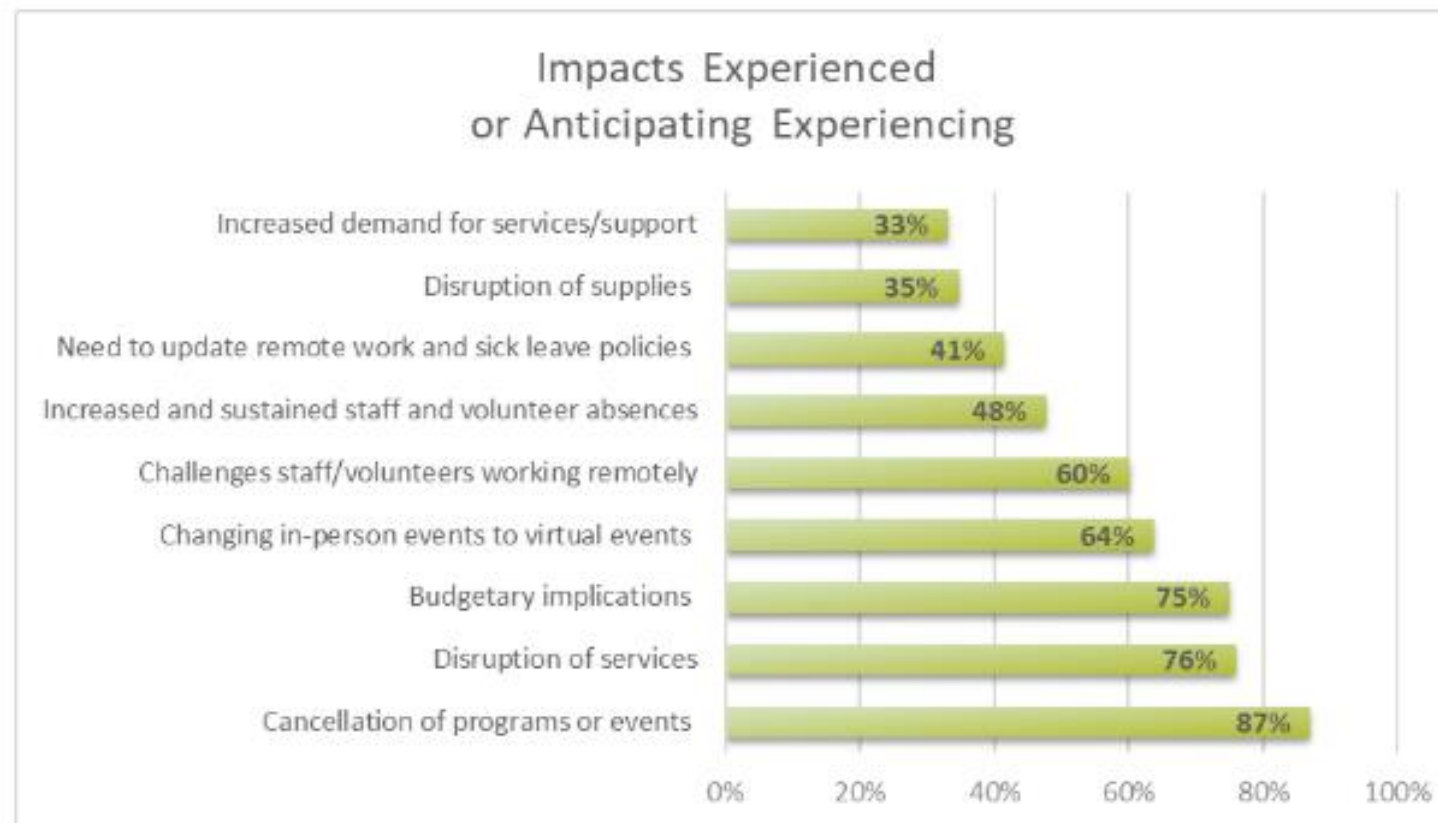
- About 700 responses from 70+ counties
- Sharing big picture needs and data with funders, Governor's Office, members of Congress, and legislative leadership
- Goal is to get nonprofits the help they need and to tell nonprofits' stories



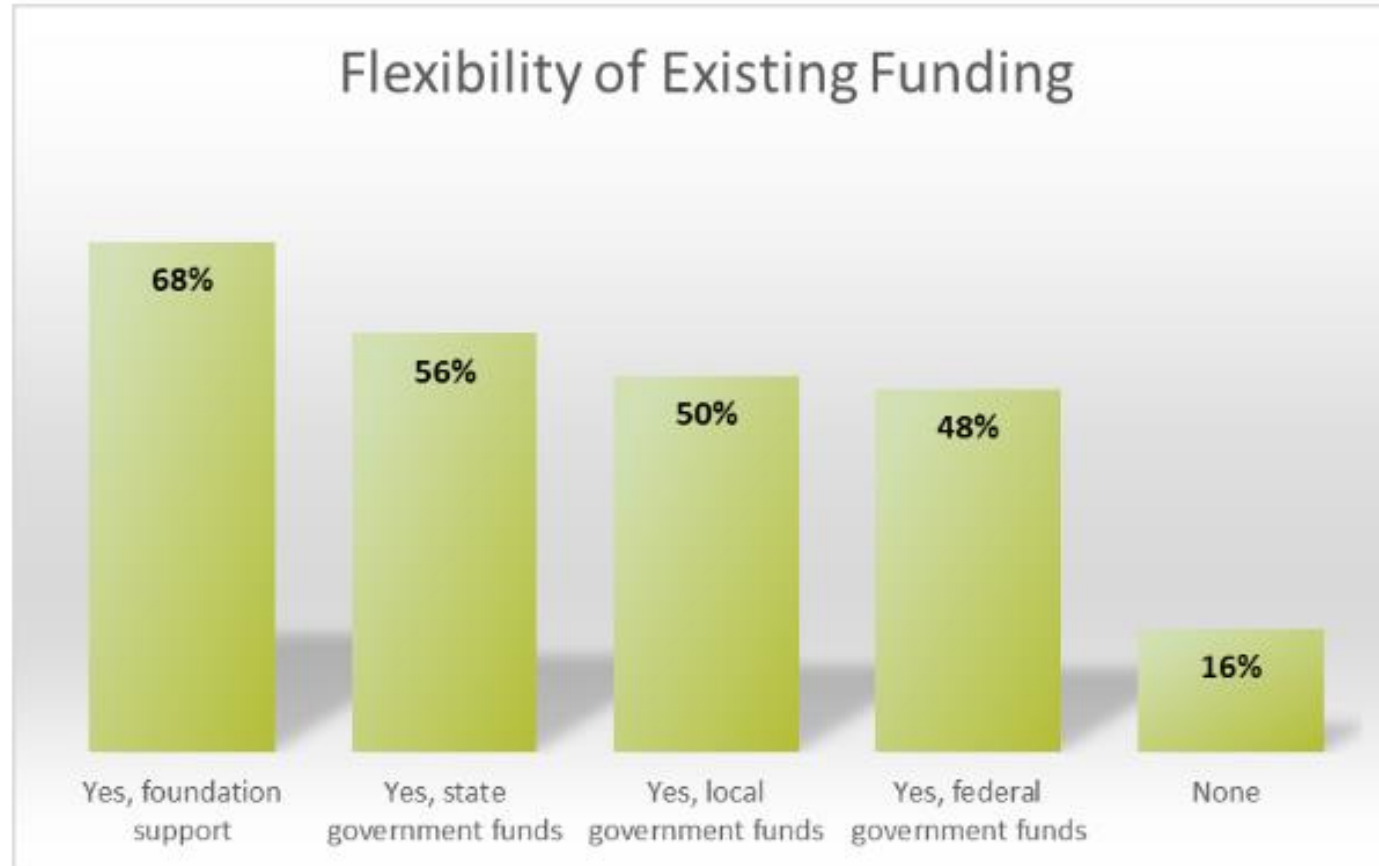
# Center survey of nonprofits



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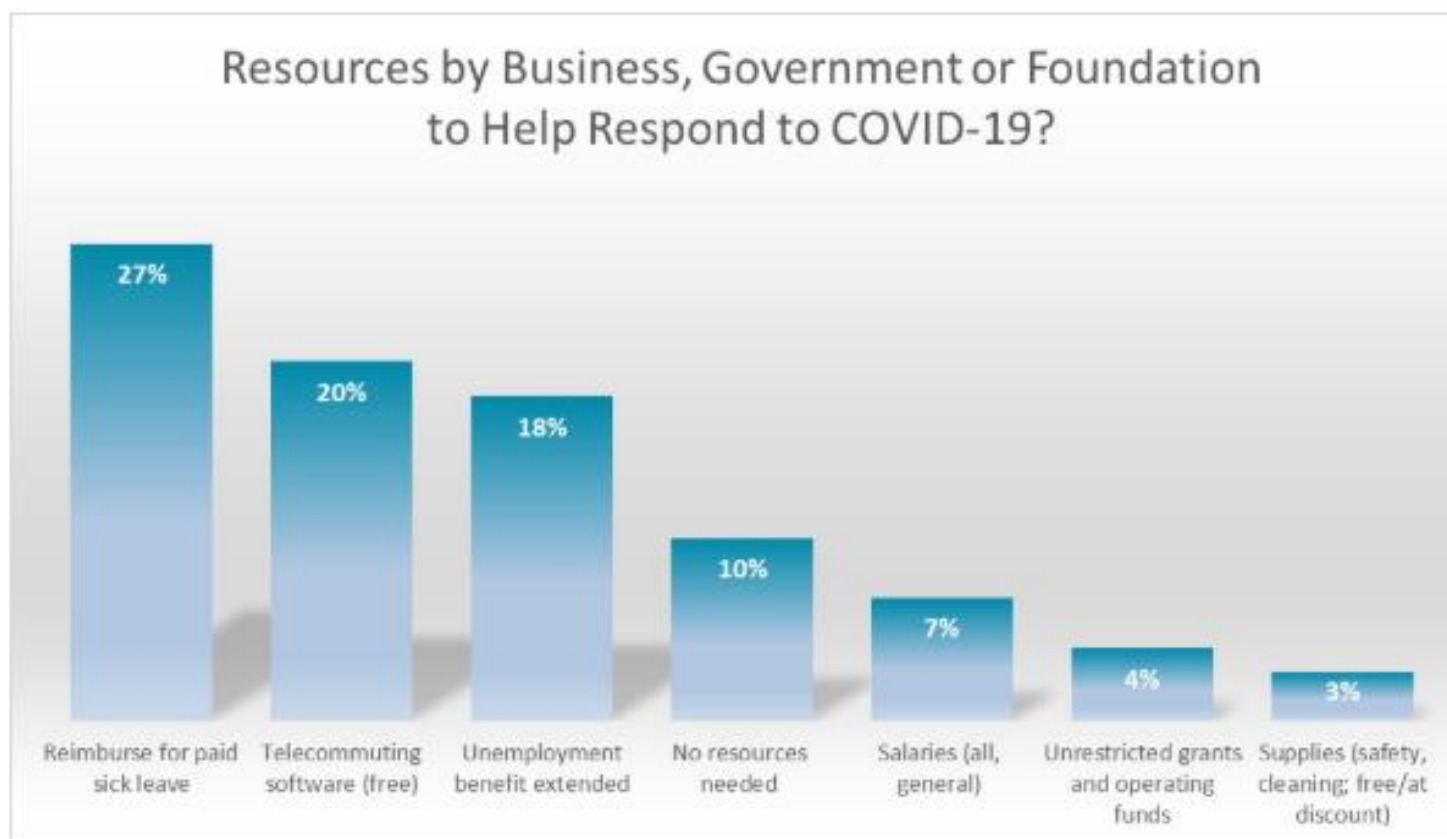


# Center survey of nonprofits





# Center survey of nonprofits



# Resources to help nonprofits and individuals

- Federal government (can take on debt)
  - Paid leave (and reimbursement for nonprofits)
  - Emergency loans and grants
  - Flexibility on grant/contract requirements
  - Tax relief (individuals and nonprofits)

# Resources to help nonprofits and individuals

- Federal and state government (\$3.9 billion in UITF)
  - Unemployment benefits (individuals and nonprofits)
- State government (about \$3 billion in available funds)
  - Grant/contract relief
  - Tax relief
  - CSL relief

# Resources to help nonprofits and individuals

- Private funders (\$10 billion in assets)
  - Funding flexibility - general operating support
  - Some ability to meet specific new needs
  - Collaboration among funders
  - Using the Center's survey to help match funders with needs

# Hundreds of resources available

[www.ncnonprofits.org/resources/pandemicresources](http://www.ncnonprofits.org/resources/pandemicresources)



# Families First Coronavirus Response Act and Nonprofits

# Emergency Paid Sick Leave

- Employers eligible for refundable payroll tax reimbursement – so this applies to nonprofits
  - Amount is capped at \$511/day for individuals seeking diagnosis or self-isolating
  - Amount is capped at \$200/day for individuals caring for others (including children out of school/day care)

# Emergency Paid Family and Medical Leave

- Required for employers with fewer than 500 employees
- Up to 12 weeks of job protection for employees who are sick or caring for others
- Up to 10 weeks of paid leave at 2/3 regular rate of pay (after first 10 days of unpaid leave) for employees who are sick or caring for others



# Emergency Paid Leave - Reimbursement

- Employers eligible for refundable payroll tax reimbursement – so this applies to nonprofits
  - Amount is capped at \$200/day and \$10,000 per calendar quarter for each employee

# Emergency Paid Sick and Family Leave

- New clarification: “Stay at home” order can be qualifying event
- New clarification: No paid leave for workers who can telework
- New clarification: Shutdown of business negates paid leave requirement
- New clarification: Small employers (50 or fewer employees) may be exempt from providing paid leave due to school closures/child care issues if it would jeopardize viability of business operations

# CARES Act and Nonprofits

# CARES Act – Major Provisions

- Direct payments to Americans - \$1,200 per adult and \$500 per child (\$3,400 for a family of four)
- Various emergency unemployment benefits
- Emergency loans and grants for nonprofits and businesses
- Special appropriations

# Unemployment – 1-minute overview

- Options for nonprofits
  - Pay state unemployment tax (SUTA) – based on experience rating
  - Self-insure instead of paying SUTA – must reimburse UI Trust Fund for UI claims of nonprofit's employees
  - Exempt from SUTA – churches, religious nonprofits, and 501(c)(3)s with fewer than four employees – no UI benefits

# CARES Act – Unemployment

- Expanded individual benefits
  - Pandemic Unemployment Assistance – available to workers not usually covered by UI, including some nonprofit workers
  - \$600 per week supplemental benefits for four months
  - Extension of UI benefits by 13 weeks
  - Waiver of one-week waiting period
  - Must be administered by states

# CARES Act – Unemployment

- Self-insured nonprofits
  - Provides federal funds to pay for *half* of costs of COVID-19 related UI claims
  - States still need to take action to accept this provision
  - Still a significant gap, which could be a major expense for many nonprofits
  - Possible federal or state support to cover this gap

# CARES Act – Charitable Giving

- Above-the-line charitable deduction capped at \$300
- No AGI limit on charitable contributions deductible as itemized deductions
- Increase in corporate charitable limit from 10% to 25%
- Corporate deductibility of food donations up to 25%



# Disaster loan options for nonprofits

# Disaster loan options for nonprofits

- Paycheck Protection Program (PPP) – fully forgivable
  - More than \$247 billion of \$349 billion have been approved
  - \$5.7 billion to 23,000+ businesses/nonprofits in North Carolina
  - Possible \$250 billion in additional funding
- EIDL and Emergency Economic Injury Grants
- Main Street Lending Program?

# CARES Act 2.0

# Nonprofit requests

1. Increase nonprofit access to capital by providing nonprofit-specific funding for emergency loans
2. Strengthen charitable giving incentives
3. Cover 100% of UI expenses for self-insured nonprofits
4. Increase emergency funding to nonprofits serving vulnerable populations

# Additional Relief for Nonprofits

## NC Sign-On Letter



### Nonprofit Community Letter to NC Congressional Delegation

April 16, 2020

Dear Senators Burr and Tillis, and Representatives Adams, Bishop, Budd, Butterfield, Foxx, Holding, Hudson, McHenry, Murphy, Price, Rouzer, and Walker:

|



# State legislative response

# State response

House COVID-19 working groups

- Continuity of State Operations
- Economic Support
- Education
- Health Care
- <https://www.ncleg.gov/RequestForComments/33>

# State legislation – nonprofit needs

- Enabling federal UI payments
- Holding harmless nonprofits that elect to reimburse on UI claims
- Delay reimbursement payments for nonprofits
- Expedite process for unemployment benefits for exempt nonprofit employees



# State legislation – nonprofit needs

- Equitable treatment of nonprofits in employer relief
- Continued payments on state grants and contracts, even if services can't be provided
- Relaxation of grant/contract reporting and application requirements
- Expedite federal emergency grant payments

# State legislation – nonprofit needs

- Non-itemizer tax credit or deduction on state taxes
- Extension of CSL and state tax deadlines
- Temporary nonprofit sales tax exemption
- Enabling remote meetings of nonprofit boards/members
- Seeking input from nonprofits

# State legislation – nonprofit needs

What else would help?

# For more information

## **North Carolina Center *for* Nonprofits**

[www.ncnonprofits.org](http://www.ncnonprofits.org)

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