

Nonprofit Impact is a Matter of Fact Not Opinion

State of Play: “Leave No Nonprofit Left Behind.”

Congress can and should do more to ensure that charitable organizations achieve their missions and support their workforces during these challenging times. Negotiations for the next COVID-19 relief package are underway. Nonprofit exclusion will impede our ability to provide life-sustaining services for underserved communities, vulnerable populations and front-line responders.

1. Provide low-cost loans to mid-size and larger nonprofits:

Nonprofits with 500 or more employees are currently completely shut out of the two most important sources of COVID-19 financial support: the PPP and the Federal Reserve Main Street Lending Program (“MSLP”). The recently proposed “nonprofit” MSLP contains numerous financial restrictions and lacks the forgivable feature of PPP that make it unattractive to most organizations that are targeted for the support.

Advocacy Asks

Submit a [letter](#) to your members of Congress to urge the following provisions:

- Authorize and require the Federal Reserve to quickly finalize a nonprofit lending facility under MSLP that is tailored to accommodate mid-size nonprofits including language similar to H.R. 6800 that offers a loan forgiveness option.
- Extend eligibility of PPP to all nonprofits of all sizes similar to H.R. 6800 and lift the loan cap to appropriately reflect the operational needs of these nonprofits.

2. Strengthen charitable giving incentives:

Donations are especially needed today as nonprofits respond to the current health and economic crisis and will be critical in the future as nonprofits will play an essential role in recovery efforts when the pandemic ends.

Advocacy Asks

Submit a [letter](#) to your members of Congress to urge the following provisions:

- Expand the above-the-line or universal charitable deduction in the CARES Act by enacting the provisions in S. 4032/H.R. 7324 increasing the amount to 1/3 of the standard deduction.
- Extend this and the giving incentives enacted in the CARES Act through 2021.



3. Provide full unemployment benefit reimbursement:

Federal and state laws give nonprofits the option of operating as self-insured (“reimbursing”) employers that make payments to their state unemployment insurance systems for benefits attributable to them in lieu of advance contributions. Shut-down orders by government officials and program cancellations have forced nonprofits to furlough or layoff staff triggering immediate, catastrophic unemployment payment bills that are due this month in most states. Compounding the problem is a Labor Department ruling that requires nonprofits to pay 100% of unemployment costs upfront. These challenges are exacerbating cash flow difficulties at a time when other employers will likely experience little or no additional costs resulting from COVID-19-related layoffs and are diverting value funds from mission services.

Advocacy Asks

Submit a [letter](#) to your members of Congress to urge the following provisions:

- Increase the federal unemployment insurance reimbursement for self-insured (reimbursing) nonprofits to 100% of costs.

4. Continue emergency funding programs:

Charitable nonprofits must have additional resources to provide vital services essential to individual and community wellbeing, both during the pandemic and to support recovery and rebuilding efforts.

Advocacy Asks

Submit a [letter](#) to your members of Congress to urge the following provisions:

- Extend and expand the Paycheck Protection Program (“PPP”) by enabling a second round of funding for all 501(c)(3) nonprofits.
- Expand the Employee Retention Tax Credit and enact programs such as the proposed WORK NOW Act to help nonprofits retain employees, scale service delivery, and create new jobs.
- Appropriate additional emergency funding through federal grant programs that enable nonprofits to support vulnerable families, communities, and frontline responders.

Take Action Today:

Our collective advocacy is needed more now than ever. Visit our [Action Center](#) today and share these important resources with your personal and professional networks.