BRIEFING ON EMERGENCY CORONAVIRUS FUNDING FOR 501(C)(3) NONPROFITS
Welcome

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Coronavirus Funding for 501(c)(3) Nonprofits

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The Federal CARES Act

MAJOR PROVISIONS FOR NONPROFITS
Major Provisions for Nonprofits

Delay of Payroll Tax Remittance
Employee Retention Credit
Paycheck Protection Program
SBA Economic Injury Disaster Loans
Paid Sick and FMLA Leave
Delay of Payroll Tax Remittance

- Delay payment of employer payroll taxes (Social Security) between now and 1/1/21
- 50% due 12/31/21
- 50% due 12/31/22
- Does not apply to employers who have loans forgiven under Paycheck Protection Program
Employer Retention Credit

- Employers fully or partially shutdown or with 50% drop in gross receipts in a quarter compared to prior year (until return to 80%)
- Shutdown must apply to all aspects of nonprofit organization
- Refundable tax credit for 50% of the wages (including employers health plan expenses) paid by the employer up to $10,000 per employee
- Employers with more than 100 employees applies to employees not providing services
- Employers with 100 or less employees applies to all employees paid during the eligible period
- Employers are not eligible if they receive a Paycheck Protection Program loan
- Allows for advance payment of the credit
Paycheck Protection Program

- $349 Billion in loans for small business (generally less than 500 employees), 501(c)(3)s, self-employed, sole proprietors, and independent contractors
- Loans equal to the lesser of 2 ½ months of average payroll or $10 million
- Loans by local and national lenders
- Minimal requirements (e.g. no collateral, no personal guarantee)
- Loans convert to grants equal to amount spent on payroll, rent, interest on mortgage, and utilities for the 8 weeks after origination
- Loan forgiveness is reduced proportionally if the employer reduces number of FTEs
- Loan forgiveness is reduced if employer reduces wages by more than 25%
- Employer can avoid reduction in forgiveness if they bring back employees and restore wages generally within 30 days and maintain through June 30
Learn More About the Paycheck Protection Program

Download our guide:
https://www.uschamberfoundation.org/c3loans
SBA Economic Injury Disaster Loans

- Small businesses and nonprofits (including faith-based) with fewer than 500 employees, sole proprietors, independent contractors
- Up to $2 million working capital loan up to 30-year term; 3.75% (2.75% nonprofits)
- Payments deferred up to 1 year
- Loans based on credit scores; no tax returns required
- Up to $200,000 without a personal guarantee
- No collateral for $25,000 or less; general security interest instead of real-estate for larger loans
- $10,000 emergency grant within 3 days that does not have to be repaid
- Interacts with Paycheck Protection Program
- Apply through SBA.gov
Paid Sick Leave – From Phase 2 Bill

- Employers with less than 500 employees are required to provide 10 days of paid sick leave, if leave is related to COVID-19
- Sick leave can be taken when ill, quarantined due to exposure, to take care of a sick or quarantined family member, or to take care of a child during a school closure
- Leave is paid at regular rate with a maximum of $511 per day if taking care of self; paid at 2/3 rate with a maximum of $200 per day if caring for family member
- Payment up to the maximum is reimbursed by the federal government
- Leave is in addition to any other leave an employer already provides
- Businesses with less than 50 employees may be exempt from providing leave related to caring for a child whose school or daycare is closed if providing leave threatens the viability of the business
- Paid sick leave is not available if an employee can telework
Employers with less than 500 employees are required to provide up to 10 weeks of paid FMLA leave if an employee needs to take care of a child due to a school or child care closure caused by COVID-19.

- Leave is paid at 2/3 regular pay at a maximum of $200 per day and $10,000 in the aggregate.
- Paid FMLA is in addition to any leave an employer provides.
- Payments for FMLA leave will be reimbursed by the federal government up to the maximum.
- Businesses with less than 50 employees may be exempt from providing leave related to caring for a child whose school or daycare is closed if providing leave threatens the viability of the business.
- Paid leave is not available if an employee can telework.
Get More Information

- www.uschamber.com
- Small Business Resources: www.uschamber.com/co
Contact Us

For more information about the U.S. Chamber Foundation and our work, visit us at uschamberfoundation.org