



Working to Reduce Poverty in America.



Ending poverty, promoting justice and restoring dignity.



How Your Nonprofit Can Utilize Current and Upcoming Federal Relief webinar

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Introduction



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Disclaimer



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Nothing in this presentation is meant as legal or financial advice. It reflects the best understanding of CCUSA at this time; however, not all official guidance has come out, and it is subject to change.

All decisions should be made in consultation with your local legal and financial advisors with reference to the official guidance from the [US Treasury Department](#).



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Poll: Who's in the audience?



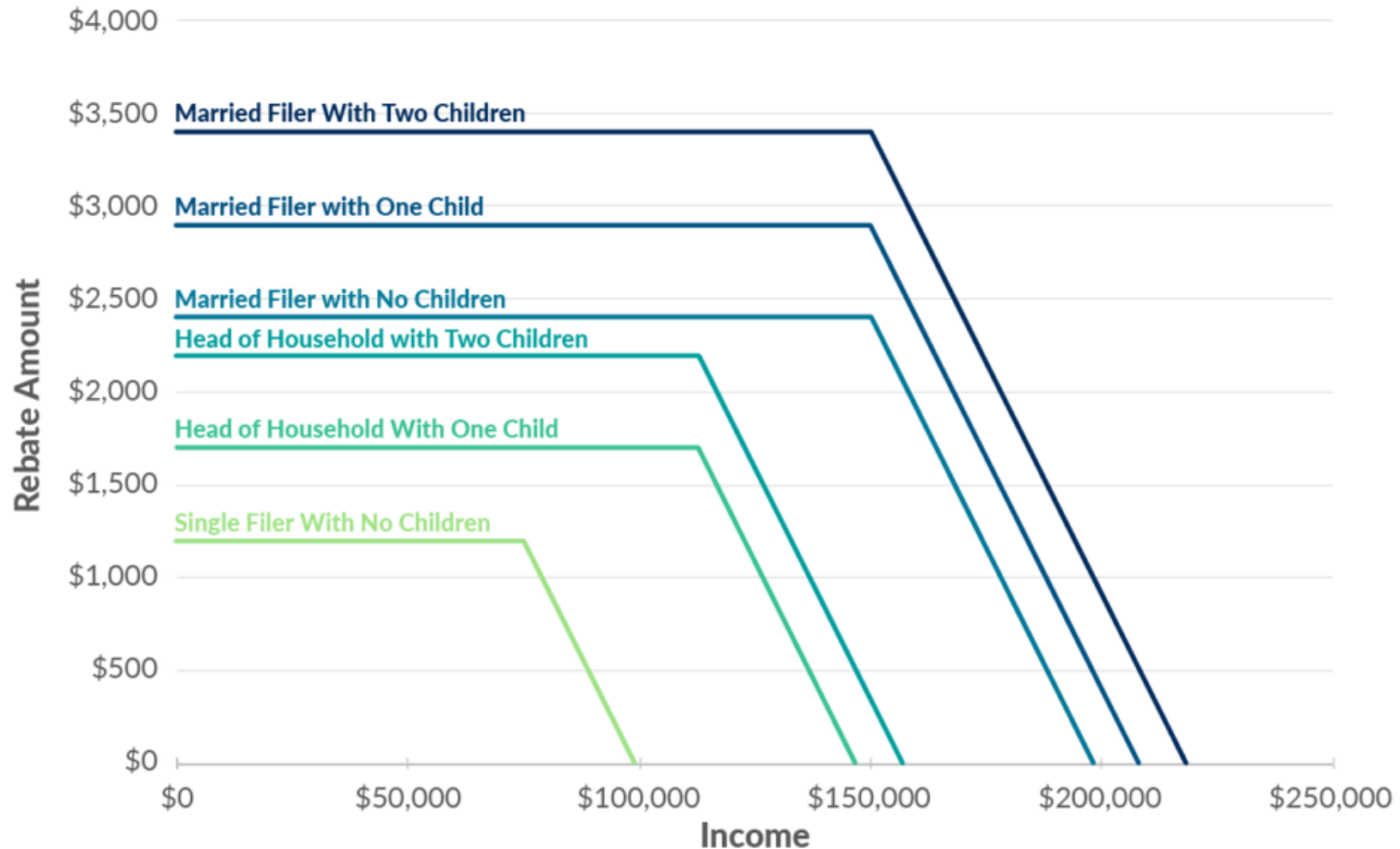
Legislative Overview: Clients



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Proposed Relief Rebate in the CARES Act

Proposed Individual Economic Relief Rebate By Filing Status



Source: "Coronavirus Aid, Relief, and Economic Security Act"



Legislative Overview: Clients



Economic Impact Payments: Up to \$1,200 per adult for individuals with income <\$99,000 (\$198,000 for joint filers) & \$500 per child under 17 years old.

- Eligible taxpayers with 2019 or 2018 tax returns will automatically receive a payment
- IRS will use Form SSA-1099 and Form RRB-1099 for Social Security recipients who did not file tax returns in 2018 or 2019. These payments will not include \$500 per child.
- Recipients will receive these payments as a direct deposit or by paper check, just as they would normally receive their benefits.
- If you have not filed a 2018 or 2019 tax return, do so as soon as possible. The payments will be available throughout the rest of 2020.
- The IRS will post all key information on [IRS.gov/coronavirus](https://www.irs.gov/coronavirus) as soon as it becomes available. Check back often.
- Filers and non-filers [click here](#) to check your payment status or provide additional information
- [Non-Filers: Enter Payment Info Here](#) tool allows you to quickly register for Economic Impact Payments if you don't normally file a tax return. You must provide: Social Security number, name, address, and dependents.

Source: <https://home.treasury.gov/policy-issues/cares/assistance-for-american-workers-and-families>



Legislative Overview: Clients



Unemployment Insurance Under the CARES Act ([DOL Resources and Guidance](#)) **Federal Pandemic Unemployment Compensation ("FPUC")**

- Provides an extra \$600 weekly payment, in addition to the weekly benefit amount an eligible employee otherwise receives under state law between April 5, 2020 and July 31.
- Implemented at the state level through regular unemployment process

Pandemic Unemployment Emergency Compensation ("PUEC")

- Provides an additional 13 weeks of unemployment benefits for individuals who have exhausted benefits under state law (up to 39 weeks) if they are unemployed, partially employed, or cannot work due to COVID-19.
- The extended benefits are available through December 31, 2020.
- The additional benefits received prior to July 31, include the extra \$600 FPUC payment.

Pandemic Unemployment Assistance ("PUA")

- Expands coverage to self-employed, independent contractors, gig workers, those with limited work history, or have exhausted regular or extended unemployment benefits.
- Eligible individual must not be able to work due to COVID-19. They may collect benefits for 39 weeks between January 27, 2020 and December 31, 2020, including the \$600 supplemental weekly payment under FPUC (through July 31, 2020).



Legislative Overview: Clients and Agencies



Families First Coronavirus Response Act ([DOL Webpage](#))

Who: private employers with fewer than 500 employees. Those with fewer than 50 employees may qualify for exemption if the leave requirements would jeopardize their viability.

What: Employers must provide the following to all employees

- *Two weeks of **paid sick leave** at the employee's regular rate of pay (up to \$5,110) if the employee is quarantined and/or experiencing COVID-19 symptoms and seeking a medical diagnosis OR*
- *Two weeks of **paid sick leave** at 2/3 the regular rate of pay (up to \$2K) if the employee needs to care for an individual subject to quarantine or care for a child (under 18 years of age) whose school or child care provider is unavailable for reasons related to COVID-19 and cannot telework.*

For employees employed at least 30 days, employers must provide

- *Up to an additional 10 weeks of **paid expanded family and medical leave** at 2/3 the regular rate of pay (up to \$10k) where an employee is unable to work because caring for a child whose school or child care provider is unavailable for reasons related to COVID-19.*

Tax Credit: Employers qualify for 100% reimbursement through payroll tax credits for all qualifying wages paid and amounts paid or incurred to maintain health insurance coverage.



Legislative Overview: Agencies



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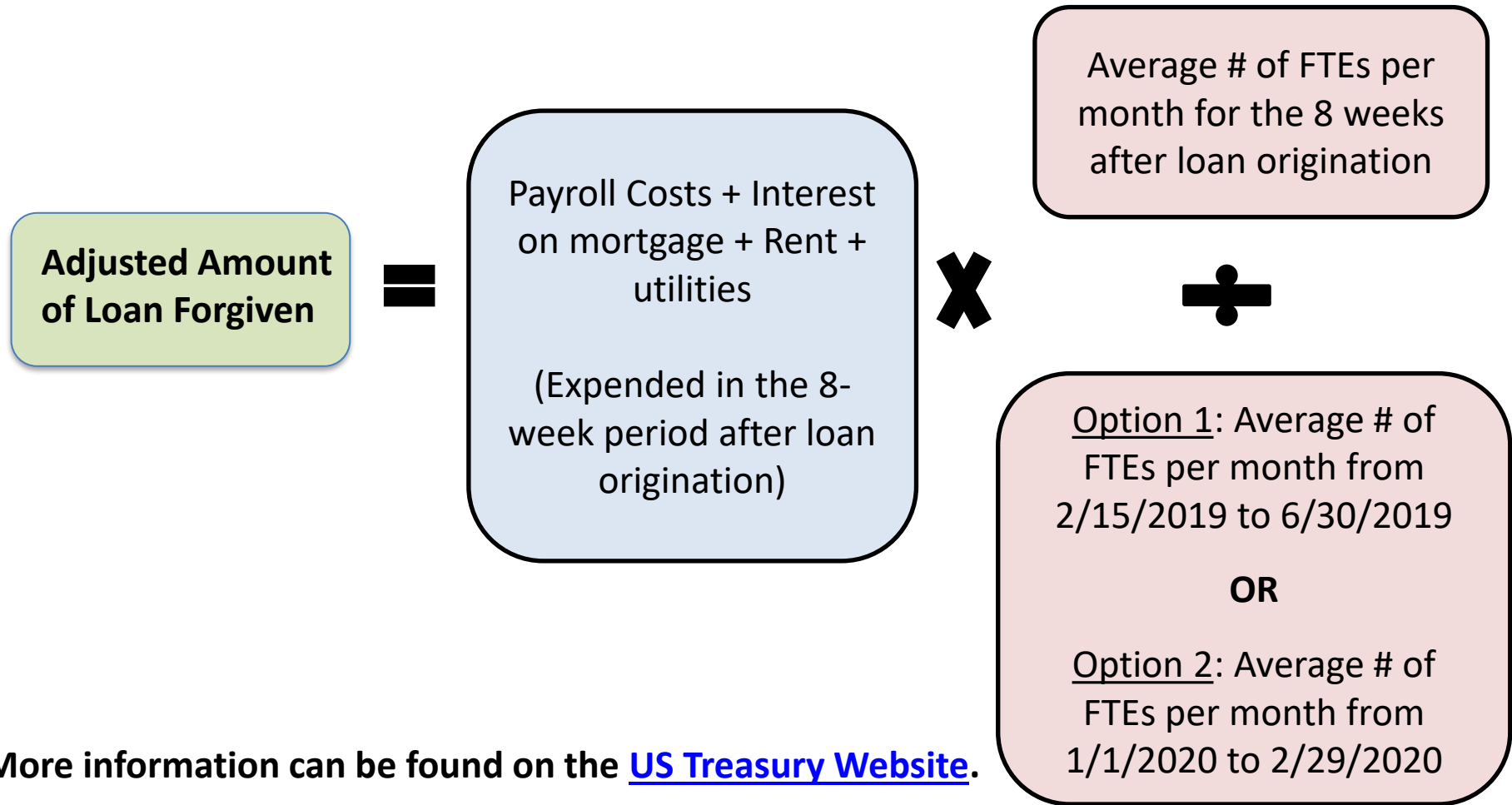
Terms	Economic Injury Disaster Loan - EIDL	Paycheck Protection Program - PPP
Eligibility	Small biz & private nonprofits of any size. There is a faith-based organization exemption to affiliation rules.	Small biz & nonprofits with <500 employees, except food services. Affiliation rules disqualify some businesses, but there is a faith-based exemption.
Uses	Fixed debts, payroll, accounts payable & other bills unpayable due to a disaster's impact.	Payroll, mortgage interest, rent & utilities. Cannot pay for the portion of an individual's salary >\$100K.
Loan Size / Term	Up to \$2M based on economic injury as determined by SBA and 4 years	Up to 2.5 x avg monthly payroll (excluding portion of salaries >\$100K) up to \$10M and 2 years
Interest Rate	3.75% for small biz & 2.75% for nonprofits.	1%
Grace Period	No payments for up to 1 year	No payments for 6 months
Fees	None to borrower, no prepayment penalty	None to borrower, no prepayment penalty
Forgiveness	\$10K advance becomes a grant.	100%, plus interest for 8 weeks, if conditions met. Must apply for forgiveness from local lender. Forgiven amount will NOT be taxed.
Other Conditions	Can be refinanced as a PPL, but \$10K advance must be subtracted from forgiven amount. May require collateral and personal guarantees	75% must be spend on payroll, must maintain # of staff or rehire, must maintain or restore salaries to at least 75% if <\$100K to be forgiven. Must use by June 30.
Apply To	SBA	SBA certified lenders: large banks, CDFIs, credit unions
Availability	No – lapse in appropriations	No – lapse in appropriations



Legislative Overview: Agencies



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More information can be found on the [US Treasury Website](#).

A more detailed FAQ based on Catholic Charities USA's understanding of PPP is available [here](#).



Legislative Overview: Agencies



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Additional Resources and Considerations

Employee Retention Tax Credit

- Payroll tax credit for orgs that close temporarily due to gov order with 50%+ revenue drop
- Can be used for 50% of salaries & health benefits (up to \$10k/employee) paid after March 12
- Cannot be used for same expenses as tax credits under FFCRA
- Employers taking loans under PPP are **disqualified**

Social Security Tax Deferral

- Employers may defer payment of the employer share of Social Security taxes through the end of 2020.

Expanded Unemployment Insurance and PPLs

- The expansion of unemployment insurance may be more beneficial for some laid off employees than returning to work. It is unclear if an employee that is offered a job may stay on unemployment; however, if the organization has taken a PPL, then it must rehire or replace all laid off employees in order to have the full loan amount forgiven.



Legislative Overview: Donors



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Above-the-Line Tax Deduction

An individual that takes the standard deduction on their 2020 tax return can claim a new "above-the-line" deduction of up to \$300 for *cash* donations to charities in 2020. Donations to donor advised funds and certain organizations that support charities are not deductible.

60% Adjusted Gross Income (AGI) Limit Waived

If an individual itemizes on their 2020 tax return, they can claim a deduction for up to 100% of their AGI for *cash* contributions to charities. Any cash donations over that amount can be carried over for up to five years and deducted later. Donations to donor advised funds and certain organizations that support charities are not deductible.



Legislative Overview: Equity



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PPP loans to public companies

Company	Loan Amount	Market cap
DMC Global	\$6.7M	\$405M
Wave Life Sciences	\$7.2M	\$286M
MannKind	\$4.9M	\$273M
Lindblad Expeditions	\$6.6M	\$264M
Legacy Housing	\$6.5M	\$229M
Misonix	\$5.2M	\$198M
Digimarc	\$5.0M	\$192M
Fiesta Restaurant	\$10.0M	\$189M
OptiNose	\$4.4M	\$180M
Quantum Corp.	\$10.0M	\$151M
New Age Beverages	\$6.9M	\$137M
Aquestive Therapeutics	\$4.8M	\$122M
Escalade	\$5.6M	\$104M
ZAGG	\$9.4M	\$101M
Veritone	\$6.5M	\$101M
Ultralife	\$3.5M	\$99M
Frequency Electronics	\$5.0M	\$86M
Potbelly	\$10.0M	\$85M
U.S. Auto Parts	\$4.1M	\$81M
Kura Sushi	\$6.0M	\$78M

Company	Loan Amount	Market cap
J. Alexander's Holdings	\$15.1M	\$74M
Prema-Fix Environmental	\$5.7M	\$72M
Protech Home Medical	\$6.0M	\$71M
Natural Gas Services	\$4.6M	\$65M
Flotek Industries	\$4.8M	\$52M
Conformis	\$4.7M	\$47M
PolarityTE	\$3.6M	\$44M
Air T	\$8.2M	\$37M
Crawford United	\$3.7M	\$36M
CPI Aerostructures	\$4.8M	\$35M
Adamis Pharmaceuticals	\$3.2M	\$26M
ENGlobal	\$4.9M	\$24M
Broadwind Energy	\$9.5M	\$24M
Emmis Communications	\$4.8M	\$23M
Ballantyne	\$3.2M	\$23M
Hallador Energy	\$10.0M	\$22M
SIFCO Industries	\$5.0M	\$13M
BIOLASE	\$3.0M	\$13M
Vaso	\$3.6M	\$7M
TSR	\$6.7M	\$6M

SOURCE: Morgan Stanley, company filings



Advocacy Efforts



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Paycheck Protection Program and Health Care Enhancement Act

On Tues, April 22, the Senate passed a bill with a \$484B aid package that includes:

- \$310 billion in additional lending authority for the Paycheck Protection Program, with a portion of funds set aside to support loans issued by smaller lenders.
 - The SBA would have to guarantee at least:
 - A. \$30 billion in loans issued by insured depository institutions or credit unions with \$10 billion to \$50 billion in consolidated assets.
 - B. \$30 billion issued by insured depository institutions or credit unions with less than \$10 billion in assets, or community lenders such as community development financial institutions and minority depository institutions.
- \$60 billion for separate disaster loans to small businesses.
- \$75 billion for hospitals.
- \$25 billion for virus testing.

The House is expected to vote on Thursday.



Advocacy Efforts



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CCUSA Advocacy Asks for Clients We Serve

Increase funding for housing and homelessness prevention

- Provide a 50% expansion of the Low-Income Housing Tax Credit (LIHTC) to increase the supply of affordable housing for the lowest income Americans;
- An additional \$5 Billion for the Disaster Housing Assistance Program;
- At least \$11.5 billion in Emergency Solutions Grants to help prevent and respond to outbreaks among people experiencing homelessness;
- Enact a national, uniform moratorium on evictions and foreclosures; and
- Provide \$100 billion in funding for Emergency rental assistance and eviction prevention.



Advocacy Efforts



Working to Reduce Poverty in America

CCUSA Advocacy Asks for Clients We Serve (cont)

Ensure adequate resources to allow families to remain intact

- Expand and extend Unemployment insurance not only through the pandemic, but also thru the economic downturn;
- Expand paid leave to reach all workers;
- Expand Emergency Medicaid or Disaster-SNAP (Supplemental Nutrition Assistance Program) assistance to cover those who are not eligible for regular Medicaid or SNAP but who are in need of assistance that includes critical testing and treatment for COVID-19;
- Waive barriers to programs that prevent individuals with a criminal background from accessing necessary food and health care during this critical time of need;
- Temporarily increase the maximum SNAP benefit by 15% to respond to increased demand for food assistance due to COVID-19;
- Increase the minimum monthly SNAP benefit to \$30;
- Suspend administrative actions that would eliminate or weaken SNAP benefits;
- Expand existing Medicaid/Medicare funding for behavioral/mental health programs to provide needed counseling services in response to the pandemic.



Advocacy Efforts



Working to Reduce Poverty in America

CCUSA Advocacy Asks for Clients We Serve (cont)

Assist those most vulnerable including special concern for refugees, immigrants and migrants

- Ensure access to testing and treatment for COVID-19 for all and that such care is covered under emergency Medicaid Emergency for those who do not have other insurance;
- Make immigrants and refugees with an ITIN eligible for cash payments;
- Waive barriers to programs that keep immigrant families from accessing necessary food and health care during this critical time;
- Include Automatic Extensions of Work Permits and Immigration Benefits;
- Place restrictions on immigration detention and enforcement.



Advocacy Efforts



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CCUSA Advocacy Asks for Our Nonprofit Agencies

- Improve upon the CARES Act so it better serves the charitable sector:
 1. Expressly provide \$60 Billion for nonprofits
 2. Remove the 500-employee cap in the Paycheck Protection Program
 3. Pass the Save Organizations that Serve America Act
 4. Provide support and resources for charity and nonprofit workers and volunteers

CCUSA Advocacy Asks for Our Donors

- Expand the Universal Charitable Deduction

For social policy alerts, sign up for CCUSA Washington Weekly [here](#).



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Questions?