April 7, 2021

COVID-19 Resource Guide

Non-Profits

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The COVID-19 pandemic is the largest public health and economic crisis our state and county have faced in a lifetime. Many people have lost their jobs, kids are out of school, and businesses have closed their doors. This situation requires bold action to provide relief to the most affected and provide a strong recovery.

I want you to know that I’m fighting for you in Congress. Since the beginning of this outbreak, my priorities at the federal level are protecting families, workers, and small businesses, and getting our health care system the resources it needs to save lives.

Congress has now passed three major bipartisan relief packages to address this pandemic and provide economic resources to our communities. This guide contains information about the resources available to non-profits impacted by the COVID-19 pandemic. It is meant to be a reference tool and the information within is not exhaustive. Inside you will find a compilation of existing federal and state resources.

Because the situation is constantly evolving, check my website (delbene.house.gov) or call my office in Kirkland at 425-485-0085 for additional assistance.

Please know that my staff and I are here to help. Stay safe and healthy.

Sincerely,

Suzan DelBene
U.S. Representative
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QUICK GUIDE

For an immediate, life-threatening emergency, call 911.

For non-emergency assistance, call 211.

SBA Seattle District Office:
https://www.sba.gov/offices/district/wa/seattle

SBA Disaster Assistance Center:
1-800-659-2955; online here.

Washington State Department of Revenue (DOR): WA DOR established a web page with information for property owners and businesses impacted by natural disasters:


American Red Cross:
Disaster and Emergency Assistance

Washington State Emergency Management Division
800-562-6108 or 253-512-7000; online here

Nonprofit Assistance Program
The Washington State Department of Commerce’s Nonprofit Assistance Program grants provide flexible funding to meet a variety of needs, including but not limited to rent, utilities, technology, infrastructure, payroll, insurance, training, and PPE. Funds will provide relief to help nonprofits continue to serve communities.
The Community Development Financial Institutions Fund (CDFI Fund) and Minority Depository Institution play an important role in generating economic growth and opportunity in some of our nation’s most distressed communities. Find more information below:

- Community Development Financial Institutions
- Minority Depository Institutions | OCC

For assistance please contact any of my offices, or visit my website at [www.delbene.house.gov](http://www.delbene.house.gov)

Kirkland Office:  
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Mount Vernon Office:  
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Washington, DC Office:  
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Washington, DC 20515  
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THE PAYCHECK PROTECTION PROGRAM

The Paycheck Protection Program (PPP) provides small businesses and nonprofits harmed by COVID-19 with low-interest, zero-fee loans of up to $10 million. Under PPP, up to eight weeks of payroll and other expenses will be forgiven if the loan is used to maintain payroll, hire back employees, and cover overhead costs.

Principal and interest are deferred for up to a year and all borrower fees are waived. This temporary emergency assistance through the U.S. Small Business Administration (SBA) and the Department of Treasury can be used in coordination with other COVID-financing assistance established in the bill or any other existing SBA loan program. Due to a legislative change last year, small businesses will have 24 weeks to use the loans (instead of 8 weeks under the original CARES Act).

NEW: Small businesses and nonprofits may now apply for a second PPP loan of up to $2 million. First and second round PPP loans are currently available through May 31, 2021.

The American Rescue Plan expands access to the PPP to:

- Provide $7.25 billion for the PPP forgivable loans. With about half of the $284 billion in current funding available, the American Rescue Plan appropriates just $7.25 billion in additional funding and does not extend the PPP’s current application period, which is scheduled to close May 31.

- Make more not-for-profits eligible for the PPP by creating a new category called "additional covered nonprofit entity," which are those not-for-profits listed in Sec. 501(c) of the Internal Revenue Code other than 501(c)(3), 501(c)(4), 501(c)(6), or 501(c)(19) organizations, that can receive an initial PPP loan, provided that:
  - The organization does not receive more than 15% of receipts from lobbying activities.
  - The lobbying activities do not comprise more than 15% of activities.
  - The cost of lobbying activities of the organization did not exceed $1 million during the most recent tax year that ended prior to Feb. 15, 2020.
  - The organization employs not more than 300 employees.
Also made eligible for the PPP are some larger not-for-profits:

- Larger 501(c)(3) organizations and veterans’ organizations that employ not more than 500 employees per physical location.
- Larger 501(c)(6) organizations, domestic marketing organizations, and additional covered not-for-profit entities that employ not more than 300 employees per physical location.

**FREQUENTLY ASKED QUESTIONS**

**Q:** What nonprofits are eligible for a PPP loan?

**A:** All 501(c)(3) non-profits with 500 employees or fewer, or more if SBA’s size standards for the non-profit allows. Please visit [https://www.sba.gov/size-standards/](https://www.sba.gov/size-standards/) to find out your non-profit’s SBA size standards by number of employees. For example, churches and museums with fewer than 500 employees are eligible. You will need the 6-digit North American Industry Classification Code for your business.

Additionally, the recently passed American Rescue Plan expands access to PPP to nonprofits listed under 501(c) of the Internal Revenue Code (except 501(c)(4)s, which remain ineligible for PPP), including 501(c)(5) labor and agricultural organizations, provided that:

- The organization does not receive more than 15 percent of the receipts from lobbying;
- The lobbying activities do not comprise more than 15 percent of activities;
- The cost of lobbying activities did not exceed $1,000,000 during the most recent tax year that ended before February 15, 2020;
- The organization employs no more than 300 employees;

The American Rescue Plan also makes local offices of larger nonprofit organizations eligible for PPP, like larger 501(c)(3) organizations, as long as each location does not exceed the 500-employee cap.

**Q:** What kind of lender can I get a PPP loan from?
A: All current SBA 7(a) lenders are eligible for PPP, and you can apply for the PPP Loans directly through your local lending institution. You do not apply for these loans through the SBA.

The Treasury Department authorizes new lenders. Information on the 7(a) program can be found on SBA’s website. Find more information about PPP here, and check in on the SBA Seattle District Office website and guide to find PPP lenders in your area.

Q: How is the loan size determined?
A: Loans can be for up to two months of your average monthly payroll costs from the last year plus an additional 25% of that amount. The maximum loan size is $10 million.

Q: What costs are eligible for payroll?
A: Compensation (salary, wage, commission, cash tips); payment for vacation, parental, family medical or sick leave; allowance for dismissal or separation; payment required for the provisions of group health care benefits including insurance premiums; payment of any retirement benefit; payment of state or local tax assessed on the compensation of employees.

Q: What are allowable uses of loan proceeds?
A: The following are the allowable uses of the loans:

- Payroll costs (as noted above)
- Costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums
- Employee salaries, commissions, or similar compensations (see exclusions above)
- Payments of interest on any mortgage obligation (which shall not include any prepayment of or payment of principal on a mortgage obligation)
- Rent (including rent under a lease agreement)
- Utilities
- Interest on any other debt obligations that were incurred before the covered period.
- Payment for any software, cloud computing, and other human resources and accounting needs.
• Costs related to property damage due to public disturbances that occurred during 2020 that are not covered by insurance.
• Expenditures to a supplier pursuant to a contract, purchase order, or order for goods in effect prior to taking out the loan that are essential to the recipient’s operations at the time at which the expenditure was made. Supplier costs of perishable goods can be made before or during the life of the loan.
• Personal protective equipment and adaptive investments to help a loan recipient comply with federal health and safety guidelines or any equivalent State and local guidance related to COVID-19 during the period between March 1, 2020, and the end of the national emergency declaration.

Q: **How do I apply for forgiveness?**

A: If your loan is more than $150,000, contact your lender and complete the correct form, compile the required documentation, including payroll and nonpayroll documentation, and submit all of this to your lender. Additionally:

• If your loan is $50,000 or less, SBA has a simplified form that requires no documentation and provides a waiver from reductions in jobs and salaries. Contact your lender for the correct form.
• NEW: If your loan is between $50,000 and $150,000, there is a simplified forgiveness process. Your loan can be forgiven if you sign and submit to your lender a one-page certification attesting that you accurately provided the required certification and complied with PPP loan requirements. The SBA will establish this form for you to sign which will require that you provide:
  o A description of the number of employees you were able to retain because of the covered loan;
  o The estimated total amount of the loan spent on both payroll costs; and
  o The total loan amount.

Q: **How is the forgiveness amount determined?**

A: You may receive loan forgiveness equal to the sum of your payroll costs, as well as covered mortgage, rent, and utility payments, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures incurred during the covered period.
NEW: The borrower may choose a covered period between 8 and 24 weeks after the loan is issued. To receive full loan forgiveness, you must use at least 60 percent of the PPP loan for payroll costs, as defined above, and not more than 40 percent of the loan forgiveness amount on nonpayroll costs. You must also maintain employee and compensation levels, excluding compensation over $100,000. More information on forgiveness, including certain exceptions to the retention criteria, is found on the SBA website.

**ECONOMIC INJURY DISASTER LOANS**

As of April 6, 2021, SBA’s [Economic Injury Disaster Loans (EIDLs)](https://www.sba.gov) offer up to $500,000 in assistance and can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing. These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can’t be paid because of the disaster's impact. The interest rate is 3.75% for small businesses. The interest rate for non-profits is 2.75%.

Additionally, the last two relief packages provide a combined $35 billion for EIDL small business grants. Under this program, small businesses and nonprofits in low-income communities who can show a revenue loss of 30% compared to the previous year are eligible to receive $10,000 advance grants through EIDL, which do not have to be repaid. Any small business or nonprofit in a low-income community that previously received an EIDL Advance grant is also eligible to receive the full $10,000 if their award was less in the first round of grants.

Of those amounts, $5 billion will be used to provide additional $5,000 EIDL grants to severely impacted businesses with ten or fewer employees and revenue losses of at least 50 percent.

Originally, the CARES Act provided an advance of $1,000 per employee ($10,000 maximum) for small businesses and nonprofits that applied for an EIDL. Even if the applicant was subsequently denied the loan, the advance grant would not have to be repaid. Although this program ran out of funding in July 2020, the December 2020 relief package and the
American Rescue Plan provide additional resources through the EIDL program.

SBA Disaster Assistance Information. Apply here.

FREQUENTLY ASKED QUESTIONS

Q: What is the difference between loans and grants?
A: The majority of small business assistance in the first emergency supplemental bill for COVID-19 were small business loans offered by SBA. Loans must be paid back and typically have an interest rate and grace period, while grants are direct cash infusions that can assist with economic uncertainty.

Q: Where do I apply for these loans?
A: You can apply for an EIDL online here or reach out to your local SBA District Office for more information.

Q: What’s the timeline for processing my application?
A: Once a borrower submits an application, approval timelines depend on volume. The typical timeline for approval is 2-3 weeks and disbursement can take up to 5 days. Borrowers are assigned individual loan officers for servicing of the loan.

Q: If I get an EIDL and/or an Emergency Economic Injury Grant can I get a PPP loan?
A: Whether you’ve already received an EIDL unrelated to COVID-19 or you receive a COVID-19 related EIDL and/or Emergency Grant between January 31, 2020, and June 30, 2020, you may also apply for a PPP loan. If you ultimately receive a PPP loan or refinance an EIDL into a PPP loan, any advance amount received under the Emergency Economic Injury Grant Program would be subtracted from the amount forgiven in the PPP.

Q: My private non-profit is not a 501(c)(3). Is it still eligible for an EIDL and a grant?
A: Yes, if you are a private non-profit with an effective ruling letter from the IRS, granting tax exemption under Sections 501(c), (d), or (e) of the Internal Revenue Code of 1954, or if you can provide satisfactory
evidence from the State that the non-revenue producing organization or entity is a non-profit one organized or doing businesses under state law.

Q: Am I eligible for a Targeted EIDL Advance?
A: To qualify, you must:
• Be eligible for an EIDL and apply between January 31, 2020 and December 31, 2021;
• Be located in a low-income community, as defined by Section 45D(e) of the Internal Revenue Code;
• Have suffered an economic loss of greater than 30 percent; and
• Employ no more than 300 employees.

Q: What if I already received an EIDL Advance in an amount less than $10,000?
A: Eligible entities that already received an EIDL Advance are eligible to receive additional funds equal to the difference of what they already received and $10,000. For example, if you received an EIDL Advance equal to $1,000, you may be eligible to receive an additional $9,000 grant.

SHUTTERED VENUE OPERATOR GRANTS

The December 2020 relief package establishes a new $15 billion relief program to provide grants of up to $10 million to live venues, movie theaters, and museums that have been significantly harmed by the COVID-19 pandemic. The American Rescue Plan infused additional funding into this program, which opened April 8, 2021. You can learn more about the program and apply here.

FREQUENTLY ASKED QUESTIONS

Q: Who is eligible?
A: Businesses and entities must have been in operation on February 15, 2020 and demonstrate at least a 25% reduction in gross revenues in the first, second, third, or fourth quarters in 2020 as compared to the same quarter in 2019. Eligible entities include:
• Live venue operators or promoters
• Theatrical producers
- Live performing arts organization operators
- Museum operators
- Motion picture theatre operators
- Talent representatives

**Q:** How is the grant award amount calculated?
**A:** Grant awards are calculated based on which is the lesser amount:
- The amount equal to 45% of the gross earned revenue during 2019, if in operation on January 1, 2019 (for entities that began operations after January 1, 2019, this amount would be equal to 6x the average monthly gross earned revenue for each full month during 2019); or
- $10,000,000.

**Q:** What are eligible uses of these grants?
**A:** Eligible uses include:
- Payroll costs
- Rent or mortgage
- Utilities
- Payments made to independent contractors
- Ordinary business expenses such as maintenance, licensing fees, taxes, operating leases, insurance policies, advertising, and production transportation
- Worker protection items, e.g. personal protective equipment

**ADDITIONAL PROVISIONS AND FUNDING**

The American Rescue Plan expands unemployment assistance to nonprofits: Nonprofits pay into unemployment differently than for-profit companies and they are receiving crushing unemployment bills during the pandemic when their services are needed in communities the most. In the CARES Act, Congress provided a first-ever 50 percent federal subsidy for nonprofit unemployment insurance benefits so organizations would only pay half of the costs, yet many nonprofits are still struggling to cover their portion.

The American Rescue Plan extends and increases the CARES Act subsidy for struggling nonprofits so they can pay their share of
unemployment benefits and continue vital community services. The bill would increase that subsidy to 75 percent after March 31, 2021. It also makes the subsidy fully reimbursable to fully maximize the benefit.

The Employee Retention Tax Credit (ERTC) is a proven tool that encourages employers to keep employees on payroll. Preventing layoffs and keeping employees tied to their employers has the added benefit of providing relief to states’ overwhelmed unemployment programs.

The new COVID-relief legislation extends and enhances the Employee Retention Tax Credit, offering a 70 percent credit on up to $10,000 of wages per employee per quarter to help keep employees on payroll and connected with their jobs. Businesses must have had to fully or partially suspend operations due to government order OR see at least a 20% revenue loss versus the same quarter in 2020. Additionally, the legislation improves the coordination between the Employee Retention Tax Credit and the Paycheck Protection Program by allowing access to both programs while preventing a double-dip.

The employee retention tax credit expires on June 30, 2021.

**Above the Line Deduction for Charitable Donations:** The provision incentivizes Americans to make charitable donations in 2020 by permitting them to deduct up to $300 of cash contributions, whether they itemize their deductions or not.

**Emergency Unemployment Relief for Governmental Entities and Nonprofit Organizations:**
During the period of the national emergency, the federal government will pay a 50 percent reimbursement for the cost of unemployment compensation paid by Nonprofit organizations to its employees.

**Independent Agency Supplemental Funding:** The Institute of Museums and Library Services (IMLS), the National Endowment for the Arts (NEA), and the National Endowment for the Humanities (NEH) all received supplemental funding to financial support museums, libraries, and cultural centers impacted by the COVID-19 pandemic. IMLS received $50 million, and both the NEA and NEH received $75 million. These funds will be distributed to nonprofit and cultural organizations across the country.

- **Institute of Museums and Library Services**
The emergency investment allocated to IMLS will enable libraries and museums to prevent, prepare for, and respond to coronavirus, including by expanding digital network access, purchasing internet-accessible devices, and providing technical support services to their communities.

- Find FAQs, information, and resources for libraries and museums [here](#).

**National Endowment for the Arts**

The Arts Endowment will award funds to nonprofit arts organizations across the country to help these entities survive the forced closure of their operations in response to the spread of COVID-19. The legislation allows funds to be used for general operating expenses, a departure from the Arts Endowment’s requirement of supporting project-based funding, and an acknowledgment of the dire situation facing the arts community. In addition, arts organizations do not have to provide matching funds to receive their grant. Regarding the distribution of the funds, the standard distinction remains of 40 percent awarded to state and regional arts organizations and 60 percent to be awarded by the Arts Endowment directly to applicant organizations.

- Details regarding timing and applications are being developed and will be announced as soon as they are available. Please check [here](#) for more information on grants and visit [here](#) for more updates and resources.

**National Endowment for the Humanities**

At the NEH, this emergency funding will support at-risk humanities positions and projects at museums, libraries and archives, historic sites, colleges and universities, and other cultural nonprofits that have been financially impacted by the coronavirus. Approximately 40 percent of the appropriation, or $30 million, will go directly to the 56 state and jurisdictional humanities councils to support local cultural nonprofits and educational programming.

- Find FAQs, information, and resources on NEH grants [here](#).

**Extension of Emergency Unemployment Relief for Governmental Entities and Nonprofit Organizations.**

Extends through March 14, 2021, a provision in the CARES Act which amended the Families First Coronavirus Response Act to provide federal support to cover 50% of the costs of unemployment benefits for employees of state and local governments and non-profit organizations.
• **Technical Correction for Nonprofit Organizations Classified as Federal Instrumentalities.** This section makes a technical correction to allow certain federal instrumentalities that are reimbursable employers to receive the same federal subsidy for reimbursable employers that is provided to nonprofit organizations and government entities (see Sec. 1102).

• **Dairy Donation Program.** The bill provides $400 million to pay for milk to be processed into dairy products and donated to nonprofit entities (food banks, feeding programs, etc.). Under the framework of the program, the dairy processor and nonprofit develop a plan for donation and distribution and USDA reimburses the processor for the associated cost of milk. The bill allows USDA to adjust the existing Milk Donation Program payments to match the level of payment provided by this new program.