



April 16, 2020

# COVID-19 Resource Guide

*Non-Profits*



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●● A NOTE FROM CONGRESSWOMAN SUZAN DELBENE ●●

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 emergency bipartisan funding bills to address this pandemic and provide relief to our communities. This guide contains information about the resources available to non-profits impacted by the COVID-19 pandemic. This guide is meant to be 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](http://delbene.house.gov)) or call my office in Bothell at 425-485-0085 for additional assistance.

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

Sincerely,

A handwritten signature in blue ink that reads "Suzan DelBene".

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

**Small Business Administration (SBA) Seattle District Office:**

<https://www.sba.gov/offices/district/wa/seattle>

**Small Business Administration (SBA) Disaster Assistance Center:**

1-800-659-2955; online at <http://www.sba.gov/content/disaster-assistance>

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

<http://dor.wa.gov/Content/GetAFormOrPublication/PublicationBySubject/TaxTopics/DisasterRelief.aspx>

**FEMA Region X (Alaska, Idaho, Oregon, and Washington):**

425-487-4600; online at <https://www.fema.gov/region-x-ak-id-or-wa>

**American Red Cross:**

Disaster and Emergency Assistance: <https://www.redcross.org/get-help.html>

**Washington State Emergency Management Division**

800-562-6108, or (253) 512-7000; online at <https://mil.wa.gov/emd-contact-us>

For assistance please contact any of my offices, or visit my website at

[www.delbene.house.gov](http://www.delbene.house.gov)

*Bothell Office:*

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Ste 220  
Bothell, WA 98021  
(425) 485-0085

*Mount Vernon Office:*

204 W. Montgomery St.  
Mount Vernon, WA 98273  
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*Washington, DC Office:*

2330 Rayburn HOB  
Washington, DC 20515  
(202) 225-6311

## **PAYCHECK PROTECTION PROGRAM**

The Coronavirus Aid, Relief, and Economic Security (CARES) Act included \$367 billion to create a Paycheck Protection Program (PPP) that will provide small businesses with zero-fee loans of up to \$10 million. Up to 8 weeks of average payroll and other costs will be forgiven if the business retains its employees and their salary levels. 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.

Non-profits will be able to apply if they were harmed by COVID-19 between February 15, 2020 and June 30, 2020. The program is retroactive to February 15, 2020 in order to help bring workers who may have already been laid off back onto payrolls.

### **FREQUENTLY ASKED QUESTIONS**

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

A: Nonprofits that qualify are:

- Nonprofits in operation on February 15, 2020, and either had employees for whom you paid salaries and payroll taxes or paid independent contractors.
- Nonprofits that have 500 or fewer employees.
- And are either a tax-exempt nonprofit organization described in section 501(c)(3) of the Internal Revenue Code (IRC), a tax-exempt veterans organization described in section 501(c)(19) of the IRC, or a Tribal business concern described in section 31(b)(2)(C) of the Small Business Act.

**Q: Are non-profits with MORE than 500 employees eligible?**

A: 501(c)(3) non-profits with more than 500 employees may be eligible if SBA's size standards for the non-profit allows. Please visit <https://www.sba.gov/size-standards/> to find out your non-profit's SBA size standards by number of employees. You will need the 6-digit North American Industry Classification Code for your business.

**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 is in charge of authorizing 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: What programs in the CARES Act can help my small businesses?**

A: The CARES Act established the PPP that provides 100% federally guaranteed loans to employers who maintain their payroll during this emergency. This program is retroactive to February 15, 2020 and loans are available through June 30, 2020.

**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

**Q: How do I get forgiveness on my PPP loan?**

A: In order to get forgiveness for our loan, the money must be used for payroll costs, interest on mortgages, rent and utilities. Additionally, at least 75% of the forgiven amount must have been used for payroll. Your loan forgiveness will be reduced if you decrease your full-time employee headcount and/or decrease salaries and wages by more than 25% for any employee that made less than \$100,000 annualized in 2019.

When applying through your lender for forgiveness on your loan you must include:

- Documentation verifying the number of employees on payroll and pay rates, including IRS payroll tax filings and State income, payroll and unemployment insurance filings.
- Documentation verifying payments on covered mortgage obligations, lease obligations, and utilities.
- Certification from a representative of your business or organization that is authorized to certify that the documentation provided is true and that the amount that is being forgiven was used in accordance with the program's guidelines for use.



## ECONOMIC INJURY DISASTER LOANS

Upon a request received from a state's or territory's Governor, SBA will issue under its own authority, as provided by the Coronavirus Preparedness and Response Supplemental Appropriations Act that was recently signed by the President, an Economic Injury Disaster Loan declaration. As of March 22, small businesses and private nonprofits in all counties in Washington state that have been financially impacted as a direct result of the COVID-19 since January 31, may qualify for Economic Injury Disaster Loans of up to \$2 million to help meet financial obligations and operating expenses, which could have been met had the disaster not occurred.

SBA's Economic Injury Disaster Loans (EIDL) offer up to \$2 million 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%.

SBA Disaster Assistance Information: <https://www.sba.gov/disaster-assistance/coronavirus-covid-19>.

Apply [here](#).

NOTE: In addition, the CARES Act includes \$10 billion to provide an advance of \$10,000 to small businesses and nonprofits that apply for an SBA EIDL within three days of applying for the loan. Even if the applicant is subsequently denied for the loan, this advance grant will not need to be repaid. Eligible grant recipients must have been in operation on January 31, 2020. The grant is available to small businesses, private nonprofits, sole proprietors and independent contractors, tribal businesses, as well as cooperatives and employee-owned businesses.



## 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 the Small Business Administration. 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. 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.

## **ADDITIONAL PROVISIONS AND FUNDING**

**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: <https://www.imls.gov/coronavirus-covid-19-updates>

- **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. As regards to 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 <https://www.arts.gov/covid-19-resources-for-artists-and-arts-organizations> 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: [https://www.neh.gov/COVID19\\_FAQs](https://www.neh.gov/COVID19_FAQs)