

Nonprofit Track Reforms to the CARES Act

April 8, 2020



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The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Chuck Schumer
Minority Leader
U.S. Senate
Washington, DC 20510

Dear Speaker Pelosi, Leader McConnell, Leader McCarthy, and Leader Schumer,

The charitable nonprofit community appreciates that several key relief programs in the CARES Act were modified to include nonprofit eligibility. This approach recognizes the significant role that charitable nonprofits play as the third largest employer in our nation's economy and as valued problem solvers. We are grateful that Congress recognized that every dollar granted, donated, or earned goes back into the community immediately to address clear and present challenges. However, implementation challenges have arisen with federal agencies and private entities that undermine Congressional intent to provide economic relief for nonprofit organizations.

As you work to build on the CARES Act, the charitable nonprofit sector requests a **Nonprofit Track** to ensure that charitable nonprofits are supported in their service on the front lines of responding to the COVID-19 crisis. **Specifically, we urge Congress to include the following clarifications and provisions:**

- 1. Expand Nonprofit Access to Credit** by designating funding *exclusively* for nonprofits within the two principal loan programs established in the CARES Act to ensure that the organizations dedicated to addressing immediate pandemic-related problems are included in relief efforts and not excluded or pushed to the back of the line. The following additional improvements are needed to expedite relief:
 - **Paycheck Protection Program:** Provide incentives to private lenders to prioritize processing of applications of small nonprofits and expand the eligibility for nonprofits to participate in the Paycheck Protection Program by modifying the current 500-employee cap or by other means.
 - **Mid-Size Business Loan Program:** Adjust CARES Act Section 4003(c)(3)(D) to implement a program to support nonprofit employers with between 500 and 10,000 employees, including loan-forgiveness and other provisions. The legislation should direct the Treasury Department to have this program operational no later than 15 days after enactment.
- 2. Strengthen Charitable Giving Incentives** to encourage all Americans to help their communities through charitable donations during these challenging times. The following modifications will generate immediate results:
 - **Applicable to 2019 Tax Filings:** Encourage donations to the work of charitable organizations in their communities today by enabling taxpayers making donations on and after March 13 (date of national emergency declaration) and before July 16 to claim the deductions on their 2019 tax filings. This retroactive application should apply to itemized and above-the-line deductions during this critical period.
 - **Improve the Above-the-Line Deduction** in CARES Act by increasing the \$300/person cap and extending the effective date of the incentive.

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3. **Treat Self-Funded Nonprofits Fairly** by increasing the federal unemployment insurance reimbursement for self-funded nonprofits to 100% of costs. As currently written Section 2103 of the CARES Act will subject nonprofits throughout the country to crippling payments to their state unemployment systems later this year, while other employers will likely experience little or no additional costs resulting from mass COVID-19-related layoffs.
4. **Increase Emergency Funding** by appropriating funds for targeted state formula grants and programs that can provide a rapid infusion of cash to nonprofit organizations that are partnering with state and local governments to protect vulnerable families and frontline responders. Charitable nonprofits are on the frontlines of providing relief, support, and care now, while the pandemic rages, and going forward as America will struggle to recover. Organizations need the resources now to provide vital services essential to individual and community wellbeing.

We thank you, once again, for your leadership in crafting and passing the CARES Act. It was a critical first step. We hope that nonprofits can count on your continued leadership, and your insistence that the needs of nonprofits, and the indispensable role they play, are at the center of this relief legislation. And we count on your active engagement with the president to make sure that charitable nonprofits can continue to fulfill their missions, especially in times such as this of unique challenge to our nation.

Sincerely,

4heads, Inc.
 92nd Street Y
 Accord Network
 Action on Smoking and Health
 Adult & Teen Challenge
 Advocates for Snake Preservation
 African American Men of Westchester
 Afterschool Alliance
 Agudath Israel of America
 Alcoholics anonymous
 Alfalit International
 All Good Work Foundation
 Allergy & Asthma Network
 Alliance for Peacebuilding
 Alliance for Strong Families and Communities
 Alliance to End Hunger
 Alpha-1 Foundation
 ALS Association
 Alzheimer's Association
 American Alliance of Museums
 American Association on Health and Disability
 American Baptist Churches of Rhode Island
 American Cancer Society Cancer Action
 Network
 American Diabetes Association
 American Foundation for Suicide Prevention
 American Friends Service Committee
 American Heart Association

American Jewish World Service
 AMERICAN LEPROSY MISSIONS
 American Leprosy Missions
 American Library Association
 American Lung Association
 American Society on Aging
 American Trails
 Americans for the Arts
 AMIDEAST
 Angioma Alliance
 Appalachian Trail Conservancy
 Ar. Coalition Against Sexual Assault
 Arthritis Foundation
 Ascentria Care Alliance
 Ashley|Rountree & Associates
 Association of Art Museum Directors
 Association of Nature Center Administrators
 Association of the United States Navy
 Association of Volunteers in International
 Service,USA (AVSI-USA)
 Asthma and Allergy Foundation of America
 Bear Necessities Pediatric Cancer Foundation
 Becket-Chimney Corners YMCA
 Benson Plant Rescue
 Best Buddies International, Inc.
 Bethany Christian Services
 Beyond Celiac
 Big Brothers Big Sisters of America

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Blinded Veterans Association
Boy Scouts of America
Boys & Girls Clubs of America
Boys Town
Bread for the World
Bridge the Gap - SYNGAP Education and
Research Foundation
BronxArtSpace, Inc.
CADCA (Community Anti-Drug Coalitions of
America)
Call of the Sea
Campaign for a Commercial-Free Childhood
Cancer Support Community
CARE USA
Catholic Charities USA
Catholic Relief Services
Center for Adoption Support and Education
Center for Conservation Peacebuilding
Center for Dispute Settlement
Center for Policy Analysis
Centerforce
CenterLink: The Community of LGBT Centers
Centre, Inc.
CEPA Gallery
Chains Interrupted
Cheverly Village
Chicago Children's Theatre
ChildFund International
Children's Home Society of America
Children's Trust Fund Alliance
Christian Appalachian Project
Christian Connections for International Health
Christopher & Dana Reeve Foundation
Church Hill Activities and Tutoring (CHAT)
Citizen Schools
City Year, Inc.
Citygate Network
Clever Octopus Inc
Colorectal Cancer Alliance
Common Ground Christian Network
Communities In Schools
Community Inclusion & Development Alliance
Compassion International
Comprehensive Youth Development

Congregation of Our Lady of the Good
Shepherd, U.S. Provinces
Consumer Reports
COPD Foundation
Council for Advancement and Support of
Education
Council on Foundations
Covenant House International
Crohn's & Colitis Foundation
Cross International
Cure SMA
CureDuchenne
Danielle Byron Henry Migraine Foundation
David Brower Center
Davis Phinney Foundation
Debbie's Dream Foundation: Curing Stomach
Cancer
Dignity Freedom Network
Disabled Children's Fund
Don and Catharine Bryan Cultural Series
Downtown Hope Center
Dr.Felix H.Dunn Heritage Foundation
Dragon Master Foundation
Dreamsickle Kids Foundation
Ducks Unlimited
Eating Disorders Coalition for Research, Policy
& Action
Emmanuel Cancer Foundation
Epilepsy Foundation
ETS
Evangelical Council for Financial Accountability
(ECFA)
Exponent Philanthropy
Faith & Giving Coalition
Family Focused Treatment Association
Federal Managers Association
Feed the Children
Fight Colorectal Cancer
FoodCorps
Frankfort Area Chamber of Commerce
Fund for Santa Barbara
Fundación Intellectus
GBS-CIDP Foundation International
Generations For Peace Inc.

Girl Scouts of the USA
Girls Inc.
Girlstart
Give an Hour
Giving Children Hope
Global Justice Center
GO2 Foundation for Lung Cancer
Goodwill Industries International, Inc.
Gould Syndrome Foundation
Grassland Bird Trust, Inc.
Growing Hope Globally
Habitat for Humanity International
Healing Household 6
Healthy Schools Campaign
Heartland Alliance International
Helen Keller International
Hemophilia Federation of America
HIAS
Hmong American Partnership
Holt-Elwell Memorial Foundation dba Camp
Mowglis
Hoving Home
Human being society
Human Milk Banking Association of North
America
Hydrocephalus Association
IMANI
Independent Sector
Institute for Nonprofit Practice
Institute of International Education
InterAction
Interfaith Family Shelter
International Civil Society Action Network
(ICAN)
International Myeloma Foundation
International Rescue Committee
Invisible Children
Islamic Relief USA
Jail and Outreach Ministry
Jay Hobbs Foundation
JCC Staten Island
Jehovah Baptist Church
Jewish Community Centers Association of
North America

Jewish Council for Public Affairs
Jewish Federations of North America
Jumpstart
KABOOM!
Kennedy Krieger Institute
Lakeshore Foundation
Lamplighters Music Theatre
Land Trust Alliance
Langham Partnership USA, INC., NFP
Langton Green, Inc.
Leadership 18
League of American Orchestras
Leukemia & Lymphoma Society
Life In Abundance International
Life Listening Resources
Little Miss Hannah Foundation
Living Waters for the World
Local Initiatives Support Corporation (LISC)
Lupus Foundation of America
Lutheran Center for Religious Liberty
Lutheran Services in America
Lymphangiomatosis & Gorham's Disease
Alliance
Make Way for Books
Maqasid Institute
March of Dimes
Marion Therapeutic Riding Association
Maryhurst
Max Cure Foundation
Meals on Wheels America
Mennonite Central Committee U.S.
Mental Health America
MENTOR: The National Mentoring Partnership
Mercy Corps
Mercy-USA for Aid and Development
Mesothelioma Applied Research Foundation
Military Order of the Purple Heart
Millennium Water Alliance
Mission: Hope
Missouri River Relief
MLD Foundation
Montclair Film Festival, Inc.
Moretta Community Development Foundation
MOVIEGUIDE®

Moving Arts Espanola
Multiple Sclerosis Association of America
Muscular Dystrophy Association
MY Enabled Life
Mystic Force Foundation
Narcolepsy Network
National 4-H Council
National Alliance for Hispanic Health
National Alliance For Mental Illness
National Alliance on Mental Illness
National Alliance to End Sexual Violence
National Association of Evangelicals
National Ataxia Foundation
National Brain Tumor Society
National Community Action Partnership
National Correctional Industries Association
National Council for Behavioral Health
National Council of Nonprofits
National Council on Independent Living
National Eczema Association
National Environmental Health Association
National Fitness Foundation
National Health Council
National Hemophilia Foundation
National Human Services Assembly
National Legal Aid & Defender Association
National Marine Sanctuary Foundation
National Multiple Sclerosis Society
National Network for Youth
National Safety Council
National Tropical Botanical Garden
National Trust for Historic Preservation
National Kidney Foundation
Native American Rights Fund
Network of Jewish Human Service Agencies
Nevada Outdoor School
New Beginnings
New Day Ranch, Inc.
New Mexico Dream Center of Albuquerque
Nonprofit Finance Fund
Nonprofit Leadership Alliance
Nonviolent Peaceforce
North American Association for Environmental Education

Nubian Conservatory of Music
Opportunity4Kids
Outdoor Writers Association of America
Oxfam
Partners in Action
Partnership Resources, Inc.
Passion First Wrestling, Inc.
PATH
Patriot Golf Foundation
Paws and Stripes
Peace Direct US
Penny Appeal USA
PHOENIX Rising Transitions
Plant With Purpose
Playworks
Prevent Blindness
ProInspire
Project HOPE
Rahma Worldwide Aid & Development
Reading In Motion
REDF
Revive Ministries Inc.
RICARES
Riot Act, Inc.
Ruff Start Rescue
SADD
Safe States Alliance
Saint Francis Ministries
Save Our Shores
Save the Children
Scrine Non-Profit Housing, Inc.
Search for Common Ground
Seaway Valley Prevention Council
Senior Dog Sanctuary of Maryland Inc
Senior Services Solutions Plus
She Is Safe
Shepherd's Door Domestic Violence Resource
and Educational Center
Siegel Rare Neuroimmune Association
Skip To My Lupus, Inc.
Solve ME/CFS Initiative
Solving Kids' Cancer
Southeast Community Organization
Special Olympics International

SPOON
Squash and Education Alliance
St. Baldrick's Foundation
Street Business School
Student Conservation Association
Superficial Siderosis Research Alliance
(SSRA)
Superior League Corp.
Susan G. Komen
TADA! Theatre and Dance Alliance Inc.
Teach For America
TeamConnor Childhood Cancer Foundation
The Alliance for Middle East Peace
The Arc of the United States
The Boston Camerata
The Collaborative
The Dibble Institute
The Evangelical Environmental Network
The Foundation for Ichthyosis & Related Skin
Types, Inc.
The Friendly Community Center
The Friends of The City Library
The Front Door Agency, Inc.
The Henry Ford
The Hometown Foundation, Inc.
The LAM Foundation
The Michael J. Fox Foundation
The Myositis Association
The Nature Conservancy
The Nuhop Center for Experiential Learning
The Retreat
The Sentry
The Trevor Project
Theatrikos Theatre Company
TransFamily Support Services
TREA: The Enlisted Association
Trust for America's Health
U.S. Committee for Refugees and Immigrants
U.S. Soccer Foundation
uAspire
UNICEF USA
Union for Reform Judaism
Union of Orthodox Jewish Congregations of
America

United Philanthropy Forum
United Spinal Association
United Way Worldwide
VetsFirst
VHL Alliance Inc
Victim Rights Law Center
VisionServe Alliance
Voices for Progress
Voices of Music Inc.
Volunteers of America
Water is Basic
Wenatchee Valley Museum & Cultural Center
Wilderness Inquiry
WomenHeart: The National Coalition of
Women with Heart Disease
Wordcraft Circle of Native Writers and
Storytellers
World Learning
World Relief
World Vision
Wray Rehabilitation & Activities Center, Inc.
Year Up
YMCA of the USA
Youth Villages
YWCA USA