



## **Support for Non-Profit Organizations during the COVID-19 Pandemic**

The CARES Act,<sup>1</sup> the Paycheck Protection Program and Health Care Enhancement Act,<sup>1</sup> and the Paycheck Protection Program Flexibility Act<sup>2</sup> provide non-profit organizations assistance by providing support to certain nonprofit employers and by incentivizing charitable contributions.

**Employer Support:** Available to 501(c)(3) and 501(c)(19) organizations.

### For Small Non-Profits (Less than 500 employees, unless specified by Small Business Administration Administrator):

*SBA Paycheck Protection Program loans:* Appropriated \$659 billion for loans of up to \$10 million to small businesses and small non-profits.

- Loans can be used for *payroll support, paid leave, insurance costs, mortgage/rent payments, and utility payments*, and are retroactive to February 15, 2020.
- Loans do not have borrower or lender fees, are *100 percent government guaranteed*, and loan repayment is deferred for up to one year.
- Such loans are *eligible for loan forgiveness* in an amount equal to the payroll cost and costs related to debt obligations for a covered period selected by the borrower beginning at the earliest on February 15, 2020 through at the latest, December 31, 2020.

### For Mid-Sized to Large Non-Profits (Between 500 and 10,000 employees):

*Access to indirect financing:* The Federal Reserve has made \$600 billion available to banks, states, municipalities, and financial institutions to issue loans to mid-sized to large businesses and non-profits. Among conditions of receiving a loan, a non-profit must retain 90 percent of its workforce.

### **Incentives for Charitable Giving:**

#### *Individuals:*

- Adds an “above-the-line” deduction (counted as an actual reduction in gross income) for charitable contributions up to \$300, whether they itemize deductions or not;
- Unlimited non-170(b)(A);
- Permitted claimed deductions from charitable contributions of capital gain property (capital assets held for more than one year) is unlimited; and
- Individuals may deduct 25% of their aggregate net income in charitable food donations.

#### *Corporations:*

- C corporations may deduct 25 percent of taxable income in charitable food donations.

***This document was prepared as an informational resource and should not be considered legal or business counsel. Please reach out to [CoronavirusHelp@braun.senate.gov](mailto:CoronavirusHelp@braun.senate.gov) for questions, concerns, or additional assistance. Last updated October 5, 2020.***

<sup>1</sup> [H.R.748](#), the Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law No. 116-136) was approved unanimously by the Senate on March 25, 2020, then by the House of Representatives on March 27, 2020, and signed into law by President Trump on March 27, 2020.

<sup>1</sup> [H.R. 266](#), the Paycheck Protection Program and Health Care Enhancement Act (Public Law No. 116-139) was approved unanimously by the Senate on April 21, 2020, then by the House of Representatives on April 23, 2020, and signed into law by President Trump on April 24, 2020.

<sup>2</sup> [H.R. 7010](#), the Paycheck Protection Program Flexibility Act (Public Law No. 116-142) was passed by the House of Representatives on May 28, 2020, and then unanimously by the Senate on June 3, 2020, and signed into law by President Trump on June 5, 2020.