The Power of Follow Through

In the Advocacy in Action article, The Power of Perseverance, we shared the nonprofit advocacy twist to an old adage: if at first you don't succeed, adjust your advocacy strategy and try, try, and keep trying until you achieve your policy goal. That article demonstrated the super power of nonprofit perseverance that every charitable nonprofit professional can and should deploy on behalf of their missions. Now, here's another super power: **follow through**, the younger sibling of perseverance.

In the spring of 2021, Congress created the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) as part of the *American Rescue Plan Act*. The program was designed to provide sufficient funds to enable governments to get their own finances in order and their residents and communities back on their feet in the aftermath of the pandemic. As the program was structured, governments at all levels – states, counties, cities, Tribes, and territories – were given $350 billion to invest in their communities' recovery.

Thanks to nonprofit advocacy, the draft *American Rescue Plan Act* was expanded to expressly authorize those governments to spend some of their CSLFRF allocations on charitable nonprofits. But when the interim set of Treasury Department regulations came out in May 2021, nonprofits were barely mentioned, causing many state and local governments to presume they were barred from using the funds to support the work of charitable organizations. The presumption arose because all of Treasury's examples in the interim regulations focused on individuals or small businesses.

Except for a quote from the statute that said “and nonprofits,” nonprofits were left out.

Since the flaw was in the regulations, nonprofit advocates set out to get them changed. Through thousands of public comments, direct engagement with government officials, and some media attention, the message got through that Congress had intended charitable nonprofits to be eligible for CSLFRF dollars. The result: the final rule published by the Treasury Department in January 2022 made it abundantly clear that ARPA investments can go to charitable organizations.

Specifically, the Treasury Department’s Final Rule and an Overview of the Final Rule go to extraordinary lengths to reinforce the point that Congress authorized state and local governments to use their CSLFRF allocations on charitable nonprofits in two distinct ways: (1) to give direct assistance to nonprofits as ***beneficiaries*** trying to recover from the pandemic’s impact on their organizations, and (2) to hire nonprofits as ***providers*** of services to others on behalf of those governments.

The previous resistance of state and local governments to providing funds to charitable nonprofits melted away, and tens of thousands of organizations dedicated to improving their communities have benefitted.

Here’s an extra note on follow through. Nonprofits should take heed of the remaining opportunity made evident in a recent Treasury Department report on ARPA spending. An analysis released in July 2023 reports that 80% of the CSLFRF dollars have been spent or legally obligated by governments. Eighty percent spent means that 20%, or about $70 billion, remains to be invested!

Since persistent nonprofit advocacy ***with effective follow through*** created eligibility for the funds, it seems only fitting that all nonprofit professionals take advantage of their innate superpowers to ensure those dollars are put where they are needed most.

Publishers Note: This article is the fourth in an occasional series encouraging nonprofits to use the powers that they already have to advance their missions. See also, Using the Powers You Have: The Power of One, The Power of Three, and The Power of Perseverance.