Nonprofit Track Reforms to the CARES Act

April 8, 2020

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.

Updated May 14, 2020
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 Academy of Pediatrics, CA Chapter 3  
American Alliance of Museums  
American Association on Health and Disability  
American Baptist Churches of Rhode Island  
American Cancer Society Cancer Action Network  
American Craft Council  
American Diabetes Association  
American First Relief International, Inc.  
American Foundation for Suicide Prevention

American Friends Service Committee  
American Heart Association  
American Jewish World Service  
American Leprosy Missions  
American Library Association  
American Lung Association  
American Red Cross  
American Society on Aging  
American Trails  
Americans for the Arts  
AMIDEAST  
ANDRUS  
Angioma Alliance  
Appalachian Trail Conservancy  
Arthritis Foundation  
Artists for Artists  
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  
BBE INC.  
Bear Necessities Pediatric Cancer Foundation  
Becket-Chimney Corners YMCA  
Behavioral Health Response

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Benson Plant Rescue
Best Buddies International, Inc.
Bet Yeladim, Inc.
Bethany Christian Services
Beyond Celiac
Big Brothers Big Sisters of America
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
Campbell Parents' Participation Preschool
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
Colorado Ethiopian Community
Colorectal Cancer Alliance
Common Ground Christian Network
Communities In Schools
Community Behavioral Healthcare Association of Illinois
Community Connections For Life
Community Inclusion & Development Alliance
Community Interface Services
Community Services, Incorporated
Compassion International
CompassPoint Nonprofit Services
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
Developmental FX
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
Early Connections Learning Centers
Eating Disorders Coalition for Research, Policy & Action
El Nido Family Centers
Elmhurst Inc.
Emmanuel Cancer Foundation
Epilepsy Foundation
ETS
Evangelical Council for Financial Accountability (ECFA)
Exponent Philanthropy
Faith & Giving Coalition

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Family Focused Treatment Association
Federal Managers Association
Feed the Children
Fight Colorectal Cancer
FoodCorps
Forward Edge International
Fresh Start for Pasco Inc.
Friends In Deed
Friends of Johnson County Library (KS)
Fund for Santa Barbara
Fundación Intellectus
GBS-CIDP Foundation International
Generations For Peace Inc.
Germanic-American Institute
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
Grantmakers in the Arts
Grassland Bird Trust, Inc.
Growing Hope Globally
Habitat for Humanity International
Harmony Hill School, Inc.
Harrington Senior Center
Healing Household 6
Healthy Schools Campaign
Heartland Alliance International
Helen Keller International
Hemophilia Federation of America
HIAS
High Desert Museum
High Mountain Institute
Hmong American Partnership
Holt-Elwell Memorial Foundation dba Camp Mowglis
Home Care Partners, Inc.
Hoving Home
Hugs Community Resource Organization
Human Being Society
Human Milk Banking Association of North America
Hydrocephalus Association
ICA - Art Conservation
ICANI
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
JDRF
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
La Casa de Don Pedro
Lakeshore Foundation
Lamplighters Music Theatre
Land Trust Alliance
Langham Partnership USA, INC., NFP
Langton Green, Inc.
Leadership 18
League of American Bicyclists
League of American Orchestras
LearningQuest
Leukemia & Lymphoma Society
Life In Abundance International
Life Listening Resources
Little Miss Hannah Foundation
Living Waters for the World
Living Well Disability Services
Local Initiatives Support Corporation (LISC)
Los Angeles Habilitation House
Los Angeles LGBT Center
LTSC Community Development Corporation
Lupus Foundation of America
Lutheran Center for Religious Liberty

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Union for Reform Judaism
Union of Orthodox Jewish Congregations of America
United Philanthropy Forum
United Spinal Association
United Way Worldwide
Urban Justice Center
Vajrapani Institute for Wisdom Culture
VetsFirst
VHL Alliance Inc
Victim Rights Law Center
VisionServe Alliance
Voices for Children of Broward County
Voices for Progress
Voices of Music Inc.
Volunteers of America
Water is Basic
Wenatchee Valley Museum & Cultural Center
Wilderness Inquiry
Winona County DAC
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