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.
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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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®
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