

Understanding and Accessing COVID-19 Relief Funds

Enhanced charitable giving incentives

- Non-itemizer may deduct charitable giving up to \$300 for an individual/\$600 joint filer
- Donors may give up to 100% of income (normally 60%)
- Corporations may deduct up to 25% of income (normally 10%)
- Applies throughout 2021 to cash contributions

Unemployment Insurance support

- Nonprofits with 4+ employees must pay UI premiums to CO (contributing) or reimburse CO when claims occur (reimbursing)
- Through 2021, COVID-related layoffs in CO don't affect “experience rating” for contributing employers.
- COVID-related layoffs may affect rates and surcharges
- Enhanced individual UI benefits expired on Sept. 6
<https://cdle.colorado.gov/end-of-federal-pandemic-benefits>

Unemployment Insurance support

- CARES/ARPA pay some costs for reimbursing employers
 - 50% between Mar. 2020 & April 2021
 - 75% between April and August 31, 2021
- CO Labor Dept. now billing reimbursing employers from beginning of pandemic
- <https://cdle.colorado.gov/pandemic-unemployment-decisions-notice-of-determination>

Enhanced tax credits for families

- **Child Tax Credit**

- \$3,000 per child (normally \$2,000)
 - \$3,600 for children under 6
- Expanded to include 17 year-olds
- Advanced monthly payments (since July)
- Increases phase out to \$112.5K ind./\$150K joint filer
- <https://www.irs.gov/credits-deductions/advance-child-tax-credit-payments-in-2021>

Enhanced tax credits for families

- **Earned Income Tax Credit**

- Expanded for childless single workers 19 and older

- Income less than \$21.5K ind./\$27.4K joint filer

- Up to \$1,500 of benefits

- No age limit cap

- <https://www.irs.gov/credits-deductions/advance-child-tax-credit-payments-in-2021>

Aid for State, Local, Territorial, and Local Governments

- **\$350 billion**

- providing “assistance to households, small businesses, and nonprofits, or aid to impacted industries;”
- funding government services cut due to revenue declines due to the pandemic; and
- making “necessary investments” in water, sewer, or broadband infrastructure.

Strengthening State and Local Economies in Partnership with Nonprofits (National Council of Nonprofits)

- 1 million nonprofit jobs lost during pandemic (about 7%)
 - 565,000 recovered as of Aug. (<http://ccss.jhu.edu/august-2021-jobs/>)
- Govts. may use federal funds directly or through others
 - Nonprofits can be recipients/providers of assistance
- Nonprofits serving the same constituents as communities

Strengthening State and Local Economies in Partnership with Nonprofits

Guiding principles for best use of funds

1. Prioritize equity from the onset

- Prioritize spending to improve outcomes for communities traditionally left behind.
- Explain how funded programs center on equitable results for communities served.

Strengthening State and Local Economies in Partnership with Nonprofits

Guiding principles for best use of funds

2. Invest in economic multipliers

- Support nonprofit jobs to deliver relief & recovery services
- Investing in nonprofits allows them to operate as economic multipliers providing needed services
 - e.g. child care, job training, money spent at restaurants and retail near arts & cultural centers

Strengthening State and Local Economies in Partnership with Nonprofits

Guiding principles for best use of funds

3. *Implement quickly, yet fairly*

- Consider both existing systems & new programs
- Scale up nonprofit services that support local recovery
 - after-school programs that help parents go to work, housing assistance, food preparation and delivery, job training and placement, and more.
- Community foundations already channel resources to local and regional needs

Strengthening State and Local Economies in Partnership with Nonprofits

Guiding principles for best use of funds

4. Accountability via Reasonable Documentation & Transparency

- Balance keeping the public informed about use of funds vs. burdensome & expensive reporting requirements.
- Collect only needed information
- Avoid needless red tape and redundant documentation requirements.

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Recommendations for relief programs

- “Either/or” options for eligibility requirements
 - Reduced number of employees, program cuts, revenue losses, or increased expenses, etc.
- Allow relief & grant funds for general operating support
- Program administration with experience with nonprofits
- Simple and minimal applications, documentation, & reporting

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Recommendations for relief programs

- Grant awards should exceed costs of applying & reporting
- Avoid restrictions on receipt of COVID relief funds (e.g., PPP, EIDL, state grants) because past support may not address current needs.
- Use budget surpluses to cover government costs while using ARPA funds for relief and grant programs for nonprofits or small businesses generally
- (<https://www.councilofnonprofits.org/trends-policy-issues/strengthening-state-and-local-economies-partnership-nonprofits>)

Tips for Nonprofits on ARPA Funds

- *Meet with council member and county commissioner*
 - Better not to “ask a stranger for a favor”
 - Consider hosting a site visit
 - Start by talking about your organization’s mission and impact (what is the value to the community?)
 - Bring handouts to leave behind
 - You’re the expert. Are you in the room?

Tips for Nonprofits on ARPA Funds

- *Meet with your council member and county commissioner*
 - How does your mission relate to the official's priorities?
What are the gaps in those priorities?
 - What does your organization need for sustainability?
Future growth?
 - Can your nonprofit bring people (or perspectives) to the table who will be left out otherwise?
 - Contact information
(https://lwvcolorado.org/content.aspx?page_id=22&club_id=314195&module_id=332130)

Tips for Nonprofits on ARPA Funds

- Connect with business leaders and economic developers in your community
 - Nonprofits are job creators and provide vital support for our communities -
<http://www.cononprofitimpact.org/statewide-impact.html>
 - Is there alignment between what's good for local nonprofits and small businesses?
 - <https://edcconline.org/members/>
 - <https://www.uschamber.com/co/chambers/colorado>

Nonprofit Economic Impact Report (2017)

(<http://www.cononprofitimpact.org/statewide-impact.html>)

County	Jobs	Spending
Chaffee	236 (1.9%)	\$25.5 million (3.5%)
Clear Creek	60 (1.5%)	\$3.9 million (1.1%)
Custer	34 (1.5%)	\$3.6 million (4.1%)
Fremont	967 (4.9%)	\$54 million (3.2%)
Gilpin	Not available (.19%)	\$554,334 (.09%)
Lake	176 (4.9%)	\$10.2 million (4.6%)
Park	202 (3.6%)	\$9.7 million (3.9%)
Summit	723 (2.5%)	\$67.7 million (2.8%)
Teller	331 (2.8%)	\$17.7 million (2.6%)

Mark Turner

mturner@coloradononprofits.org

www.coloradononprofits.org