



## Pennsylvania's philanthropic and nonprofit community requests modifications to the CARES Act.

To Members of Pennsylvania's Congressional Delegation

April 10, 2020

Like most other parts of our economic structure, Pennsylvania nonprofits – making up 16% of Pennsylvania's workforce – continue to struggle in the face of the COVID-19 pandemic. We appreciate that various programs in the CARES Act were modified to include nonprofit eligibility. With these changes, you recognized the significant role that charitable nonprofits play in the Commonwealth's economy, as problem solvers and partners with you in your work. We are grateful that Congress recognized that every dollar granted, donated, or earned goes back into the community to immediately address our clear and present challenges.

However, implementation challenges have arisen with federal and state agencies and private entities that undermine Congressional intent to provide economic relief for nonprofit organizations. As you work to build the CARES Act, Pennsylvania nonprofits join with the National Council of Nonprofits in requesting that the bill provide support for charities by allocating dedicated and/or additional funding for charities in the Paycheck Protection Program. 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 principle loan programs established in the CARES Act to ensure that the organizations dedicated to addressing immediate pandemic-related problems are included in the relief efforts and not excluded or pushed to the back of the line. The following additional improvements are needed to expedite relief:
  - a. **Paycheck Protection Program (PPP):** Provide incentives to private lenders to prioritize processing of applications of nonprofits, especially small nonprofits.
  - b. **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 this time. The following modifications will generate immediate results:
  - a. **Applicable to 2019 Tax Filings:** Encourage donations to the work of charitable organizations in their communities today by enabling taxpayers making donations on or 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.
  - b. **Improve the Above-the Line Deduction** in the CARES Act by increasing the \$300/person cap and making the deduction permanent.
3. **Treat Self-Funded Nonprofits Fairly** by increasing the federal unemployment insurance reimbursement for self-insured nonprofits to 100% of the costs. As currently written, Section 2103 of the CARES Act will subject self-insured nonprofits throughout Pennsylvania 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. In addition, work directly with Governor Wolf and state leadership to ensure that those who have opted out of paying the required solvency fee be held harmless during this unprecedented time.
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 will continue to serve as Pennsylvania recovers. Organizations need the resources now to provide vital services essential to individual and community wellbeing.

Again, thank you 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, due to 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 when the Commonwealth and the nation face extraordinary challenges.

Thank you for your leadership in ensuring that the needs of all Pennsylvanians are met. As leaders of networks of nonprofit and philanthropic organizations, we are partners committed to helping Pennsylvanians sustain health and safety in the midst of this pandemic.

As a **first point of contact**, feel free to reach out to Anne Gingerich, Executive Director, Pennsylvania Association of Nonprofit Organizations at [anne@pano.org](mailto:anne@pano.org) or 717-839-6564 (direct).

#### **SIGNING ORGANIZATIONS**

Adams County Community Foundation  
 Armstrong County Community Foundation  
 Berks County Community Foundation  
 Brandywine Health Foundation  
 Bridge Builders Community Foundations, Inc.  
 Centre Foundation  
 Central Pennsylvania Community Foundation  
 Chester County Community Foundation  
 Community Action Association of Pennsylvania  
 The Community's Foundation  
 Community Foundation of Fayette County  
 Community Foundation of Greene County  
 Community Foundation of the Northern Alleghenies  
 Community Foundation of Warren County  
 Community Foundation of Western PA - Eastern OH  
 Community Foundation of Westmoreland County  
 Foundation for Delaware County

The Forbes Funds  
 Housing Alliance of Pennsylvania  
 Hunger-Free Pennsylvania  
 Lancaster County Community Foundation  
 Lancaster Osteopathic Health Foundation  
 Pennsylvania Association of Nonprofit Organizations  
 Pennsylvania Council of Children, Youth & Family Svcs  
 Pennsylvania Family Support Alliance  
 Pennsylvania State Alliance of YMCAs  
 Philanthropy Network of Greater Philadelphia  
 POISE Foundation  
 Rehabilitation and Community Providers Association  
 United Way of Lancaster County  
 United Way of the Greater Lehigh Valley  
 United Way of Pennsylvania  
 Women and Girls Foundation  
 York County Community Foundation