



Michigan Nonprofit Association

Tele-town Hall
The Nonprofit Sector's Response to COVID-19
April 3, 2020

Goals of Today's Call

1. Provide support to nonprofits
2. Provide a place for nonprofits to connect
3. Gather feedback from nonprofits

Sarah Pinder
Engagement Director



DISCLAIMER:

- Our BEST understanding as of this moment in time
- Presenting guidance NOT legal or financial advice
- MNA staff are NOT lawyers or CPA's

Agenda

1. Message from MNA's President and CEO
2. How MNA is serving the sector
3. Share results from MNA nonprofit survey
4. Review CARES Act, Stay Safe Stay Home executive order, and Census 2020
5. Identifying resources and ways to connect

Message from MNA's President and CEO Donna Murray-Brown



Framing the Conversation

- **Response (Immediate and Ongoing)**
 - Providing resources, gathering feedback
- **Relief (Next 3 to 6 months)**
 - Understanding and advocating for nonprofit needs
- **Recovery (Ongoing)**
 - Connecting nonprofits to or providing supports identified during relief phase
- **Reform (6 months and beyond)**
 - Advocating for legislative and regulatory changes

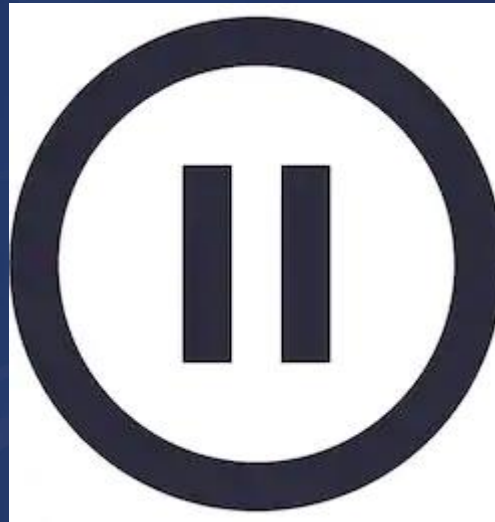
How MNA is serving the nonprofit sector

- Working with national and statewide partners to urge Congress to include nonprofits in tax and other relief targeted to small businesses.
- Co-signed letters with CMF, MAUW, and MCSC urging foundations and federal & state gov'ts to be flexible with grant commitments, unrestricted funding, and requests related to cancelled fundraising events.
- Providing technology support and resources
- Sense making of legislation
- Promoting Census campaign and civic participation

Discussion Question (use chat box to respond):

How are you staying connected and practicing self-care?

Pause for Questions



Feedback from Members

- Biggest Needs of Nonprofits
 - Financial support - emergency funds and simple grant applications.
 - Technology support
 - Human resources information and support
 - Mental health support for nonprofit staff
 - Opportunities to connect virtually with others
 - Sharing of resources

Poll Question

Which of these are your top concern?

Bill Gesaman
Strategic Growth
Officer



➤ Internal Operations in Nonprofits

- Essential services still offered, others closed
- Staff pay adjustments, cutting staff
- Sick day limits suspended
- Staff donating PTO to colleagues
- Adjusting fundraising plans. Event based revenue generation hardest hit (youth programs, arts, experiences, fundraising events)

Discussion Question (use chat box to respond):
How have you adapted your internal operations?

➤ Front Line Preparations

- Providing needs and services via drive-up or delivery
- Shifting from serving clients to advocating for them
- Moving services to virtual (youth performing arts offering virtual classes, connecting with vulnerable)
- Mixed work from home and on-site for animal and essential human service related orgs

Discussion Question (use chat box to respond):

What front line changes have you made?

➤ System-level Concerns

- Educational opportunities for youth
- Food access
- Funders changing funding priorities
- Vulnerable populations such as undocumented citizens, victims of domestic violence, shelters, prisoners, persons being evicted
- Stigma toward Asian-Americans and others from perceived sources of the virus
- Mental health
- Mortgage assistance, evictions
- Impact on small business owners and employees
- Transportation

Discussion Question (use chat box to respond):

What other trends are missing?

Pause for Questions



Stay Home, Stay Safe Executive Order

Overview



The Basics -

- Currently effective from March 24 - April 13 – may extend for 70 more days
- Individuals may only leave their home/residence under very limited circumstances:
 - Medical care
 - Obtain necessary supplies + services

Complete list of EOs on: [Michigan.gov/coronavirus](https://michigan.gov/coronavirus)

Joan Gustafson
External Affairs
Officer



Discussion Question (use chat box to respond):

Are there still things you need to comply with this order and continue?

Stay Home, Stay Safe Executive Order

What does it mean for nonprofits?

For Nonprofits –

EO 2020-21, p. 7, 9 (d)


<https://www.michigan.gov/coronavirus>

- Workers and volunteers for businesses or operations (including both and religious and secular nonprofit organizations) that provide food, shelter, and other necessities of life for economically disadvantaged or otherwise needy individuals, individuals who need assistance as a result of this emergency, and people with disabilities.

CARES Act: *What does it mean for nonprofits?*

Overview:

- \$2 Trillion Dollar Package
- Approved unanimously
- Signed on Friday, March 27, 2020
- Significant relief for nonprofits through **three** programs



```
graph TD; A[ ] --> B[Paycheck Protection Program]; A --> C[Mid-Size Business Loan Program]; A --> D[Emergency EIDL Program];
```

Paycheck
Protection Program

Mid-Size Business
Loan Program

Emergency EIDL
Program

Paycheck Protection Program

PURPOSE: To provide direct incentive for small businesses to keep their workers on payroll

- SBA Forgiveness: Will forgive loans if all employees are kept on the payroll for 8 weeks and the money is used for payroll, rent, mortgage interest, or utilities
- The Paycheck Protection Program will be available today through June 30, 2020. Our #1 piece of advice about these programs is apply as soon as you can, but don't plan as if you have the funds

HOW TO APPLY

You can apply through an existing SBA lender, or through federally insured bank or credit union:

- Call your financial institution to determine if they are an SBA lender
- The application can be uploaded virtually and there are services that provide virtual notary services if the bank or program requires it

LOAN DETAILS

- The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities
- Loan payments will be deferred for 6 months
- No collateral or personal guarantees required
- Maturity of 2 years and interest rate of 1.0%
- The amount you can apply for is 2.5 x your monthly payroll.

Where to Start

Review your finances and determine if the loan makes sense for your current situation. All nonprofits will need to gather several essential pieces of information before beginning the application process:

1. Consult your board chair and finance committee chair as appropriate. Board approval may be needed.
2. Weekly payroll and benefits expenses, including payroll taxes.
3. Payroll headcount (number of full-time and part-time employees)
4. Increased material costs.
5. Rent or mortgage payments.
6. Other obligations that cannot be met because of revenue losses due to COVID-19.
7. Q1 2020 statement of activities (income statement). This statement must include all subsidiaries.
8. Governor's executive order documenting that your nonprofit was ordered to fully or partially suspend operations in Q1 2020
9. Your charitable determination letter from the IRS.
10. Documentation of state incorporation (Secretary of State filing).
11. Most recent year IRS form 990.

EIDL (Economic Injury Disaster Loans)

Normal EIDL

- Who is eligible: “private non-profits” - c3s but not religious organizations
- Loan Amount: up to \$2 million
- How Apply: SBA online
- Available: through Dec 31
- Key Provisions: ✓ Based on credit score ✓ Waives personal guarantee up to \$200,000
- Forgiveness: No

Emergency EIDL Grants

- Who is eligible: “private non-profits” - c3s but not religious organizations
- Loan Amount: \$10,000 in 3 days – rapid response
- How Apply: SBA online
- Available: through Dec 31

Customer Service Center 1-800-659-2955 or DisasterCustomerService@sba.gov.

<https://covid19relief.sba.gov/#/>

Pause for Questions



Resources from MNA specific to COVID-19 Response

- **MNAonline.org**
 - Special COVID-19 section
 - Sign-up for e-newsletters
 - Contact MNA staff
 - Calendar with events
 - Future tele-town halls

Discussion Question (use chat box to respond):

What specific resources do you need?

What topics do you need more support in?

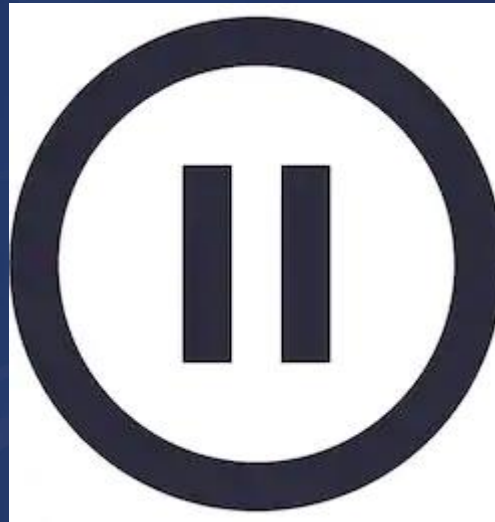
Connect on Social Media

@MNAonline



New LinkedIn group: Leading Nonprofits Through COVID-19

Pause for Questions



Please provide feedback
via online survey after the event
to help inform
the next tele-town hall.

Send additional feedback to
spinder@mnaonline.org.

CENSUS 2020

- Another way Michiganders take care of our families and neighbors.
- Completing the Census ensures access to insurance plans and medical care.
- Fill out the Census TODAY for your family, friends and neighbors, and for Michiganders who need some extra help.
 - Fill it out online at **2020census.gov**
 - Complete by phone **844-330-2020**
 - Find the number associated with your preferred language here: <https://2020census.gov/en/ways-to-respond/responding-by-phone.html>
 - Phone lines open daily from 7am-2am

Conclusion

STAY HOME.
STAY SAFE. SAVE LIVES.
MICHIGAN.GOV/CORONAVIRUS

DISCLAIMER:

- Our BEST understanding as of this moment in time
- Presenting guidance NOT legal or financial advice
- MNA staff are NOT lawyers or CPA's