## Preliminary Analysis of Nonprofit Provisions in the House HEROES Act and Senate HEALS Act

The following chart outlines the provisions in the House-passed HEROES Act and the recently introduced Senate HEALS Act as they relate to the charitable nonprofit community (*Nonprofit Asia*) as reflected in the *new Nonprofit Community Letter*, updated July 27, 2020, that is signed by 4,000 nonprofits from all 50 states. All provisions are subject to ongoing negotiations and should not be considered final until a relief bill is

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<tr>
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<tbody>
<tr>
<td><strong>Tax Provisions</strong></td>
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<tr>
<td>Unemployment Insurance &amp; Self-Insured Employers</td>
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<tr>
<td><em>Nonprofit Ask</em>: 100% federal coverage</td>
<td>50% reimbursement of unemployment benefits paid by the state to laid-off/furloughed employees of self-insured employers</td>
<td>No provision</td>
<td>75% reimbursement of unemployment benefits paid by the state to laid-off/furloughed employees of self-insured employers</td>
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<tr>
<td>Universal Charitable Deduction</td>
<td>New above-the-line deduction (universal or non-itemizer deduction that applies to all taxpayers) for total charitable contributions of up to $300 in 2020</td>
<td>No provision</td>
<td>No provision</td>
</tr>
<tr>
<td><em>Nonprofit Ask</em>: 1/3 of Standard Deduction, retroactive to 2019, extend beyond 2020</td>
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<tr>
<td>Employee Retention Tax Credit</td>
<td>Refundable payroll tax credit</td>
<td>Refundable payroll tax credit</td>
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</tr>
<tr>
<td><em>Nonprofit Ask</em>: Expand the Employee Retention Tax Credit to help nonprofits retain employees, scale service delivery, and create new jobs</td>
<td>Suffer complete or partial shutdown AND gross receipts drop of at least 50%</td>
<td>Suffer complete or partial shutdown AND gross receipts drop of at least 10%</td>
<td>Suffer complete or partial shutdown AND gross receipts drop of at least 25%</td>
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<tr>
<td></td>
<td>50% credit (up to $5,000) per employee</td>
<td>80% credit (up to $36,000) per employee</td>
<td>65% credit (up to $19,500) per employee</td>
</tr>
<tr>
<td></td>
<td>1. Under 100 – all employees</td>
<td>o Under 100 – all employees</td>
<td>o Under 100 – all employees</td>
</tr>
<tr>
<td></td>
<td>2. Over 100 – only employees not able to work due to closure</td>
<td>o Over 100 – only employees not able to work due to closure</td>
<td>o Over 500 – only employees not able to work due to closure</td>
</tr>
<tr>
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<td>Cannot take ERTC and PPP loans</td>
<td>50% credit for fixed costs (similar to PPP loan forgiveness rules)</td>
<td>Able to take ERTC and PPP</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Able to take ERTC and PPP</td>
<td></td>
</tr>
</tbody>
</table>
| Reopening Tax Credits | No provision | No provision | Safe and Healthy Work Credit  
Refundable payroll tax for costs of personal pr  
equipment, texting, wo  
reconfiguration, and  
Capped at $1,000 per  
smaller employees (< 1,  
and $500 per employe  
employers (> 1,000 wc |

<table>
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<th>Loan Programs</th>
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| **PPP Eligibility**  
*Nonprofit*  
Extend eligibility  
of PPP to all sizes of nonprofits  
and lift the loan cap to  
appropriately reflect the  
operational needs of these  
nonprofits.  
Charitable nonprofits with 500 or  
fever employees (counting each  
individual – full time or part time  
and not FTEs)  
Affiliation rule aggregates workers  
at separate affiliates of certain  
nonprofits to count toward the 500-  
employee cap  
Removes the 500-employee cap;  
includes all 501(c) orgs.; special  
restrictions on 501(c)(4)s  
Eliminates SBA affiliation rule for  
nonprofits  
25% set-aside for nonprofits; half  
for nonprofits with fewer than 500  
employees, half for those with more  
Extended covered period to  
12/31/2020  
Expands to include 50:
| **PPP Loan Amount**  
Lesser of $10 million or 2.5 times  
the average total monthly payroll  
No provision  
Maximum loan: $2 million |
| **PPP Loan Forgiveness**  
Available if use funds to maintain  
payroll for 8-week period: SBA  
imposed 75% payroll rule  
Reverses Treasury restrictions on  
non-payroll expenses, sets 5-year  
maturity, and mandates deferment  
of payments for 1 year  
Eligible expenses include personal  
protective equipment  
Eligible expenses include protective equipment  
Most documentation w  
loans under $150,000  
Borrower picks 8-week  
forgiveness |
| **PPP Second Round**  
No provision  
No provision  
Available to employers  
Employ 300 or fewer  
Experience 50% drog  
receipts measured s  
2020 v 2019  
Maximum loan $2 milli |
<table>
<thead>
<tr>
<th>Mid-Size Loan Program</th>
<th>Vague authorization of Economic Stabilization Fund and Main Street Loan Program for nonprofits</th>
<th>Mandates Federal Reserve create Main Street Lending Program for nonprofits</th>
<th>No provision</th>
</tr>
</thead>
</table>

**Other Programs & Provisions**

<table>
<thead>
<tr>
<th>WORK NOW Act S.3747/H.R.7495</th>
<th>No provision</th>
<th>No provision</th>
<th>No provision</th>
</tr>
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<tbody>
<tr>
<td><strong>Nonprofit Ask</strong> $50 billion grant program promoting nonprofit employment, run through state &amp; local governments and infrastructure nonprofits</td>
<td>No provision</td>
<td>No provision</td>
<td>Temporarily limits liability personal injuries arising COVID-19 exposure at college, nonprofit, church business</td>
</tr>
</tbody>
</table>

| Liability Protections | No provision | No provision | In order to qualify, entity 1. have made reasonable comply with applicable health guidelines, and 2. not engaged in willful or grossly negligent |

| State and Local |
|------------------|-----------------|-----------------|------------------|
| **Funds for State and Local Governments** | Appropriated $150 billion in Coronavirus Relief Funds for state, territorial, local, and tribal governments | Appropriates $875 billion for state and local governments | No new appropriations |

| | Provides some spend-in | Extends the deadline for Coronavirus Relief Fund 30, 2020 to Sep. 30, 2 | |