COVID-19 Federal Stimulus for Small Nonprofits Guide
By Joseph Hill

Navigating federal entities during a global pandemic can be challenging for smaller nonprofits. It’s the Nonprofit Resource Group’s aim to help empower those who make a difference in their communities and are often overlooked. We see you! Nonprofits are not left out of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Despite its name, the Small Business Administration (SBA) provides assistance to small nonprofits and churches in response to the COVID-19 crisis.

*Note: delays have become apparent since the writing of this report, check here for up-to-date information.

What you will need to apply for SBA loans
- Federal tax ID/EIN #
- 2019 Budget Report
- Contact information for key board members and staff

Essentially everything you need to begin the process are the document you would refer to for your annual state and federal reports.

Economic Injury Disaster Loan (EIDL)

This loan advance will provide up to $10,000 of economic relief to businesses that are currently experiencing temporary difficulties. These loans come directly from the SBA as opposed to a private bank. This loan is the most accessible providing a lot less red tape to navigate through. The application process is under 30 minutes and approval time is 2 weeks (as of April 9) and can be funded as soon as three days after approval. The EIDL is intended to be used to pay sick leave, maintain payroll costs, pay rent and/or mortgage payments or repayment of debts that can’t be met due to revenue losses. Demand is high so it is better to apply sooner rather than later.

To apply for a COVID-19 Economic Injury Disaster Loan and loan advance, click here.
Paycheck Protection Program

The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll and is available through June 30, 2020. This program provides a loan for 2.5x average monthly payroll costs for the 12-month period preceding your loan origination date. SBA will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll (including independent contractors), rent, mortgage interest, or utilities. At least 75% of the forgiven amount must have been used for payroll.

This loan has a maturity of 2 years and an interest rate of 1%. Apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. You should consult with your local lender as to whether it is participating in the program. Note: banks unfamiliar with working with small nonprofits may be resistant and slow to respond to request. If possible, work with a local bank or credit union that your organization has an established working relationship with. As mentioned before, demand is high, so it is better to apply sooner rather than later.

To apply, fill out the PPP borrower application form, collect requested information, and contact lender to begin the process.

If applying for both PPPL & EIDL

If you take advantage of the $10,000 EIDL grant, it will reduce what they forgive on your loan from the Paycheck Protection Program.

Need Assistance? Reach out for Brief “Curbside” Consulting!

This highly popular service provides nonprofits with free, brief, one-on-one consulting services on any topic by appointment. “Curbside” builds trust, addresses minor issues quickly and resolves issues by connecting nonprofit leaders with our nonprofit experts. Curbside Consulting helps get nonprofit start-ups off to a solid start and existing nonprofits on track to where they want to be. To request an appointment contact us at NRG@frontierus.org.