

Michigan History Alliance® Virtual Meeting

April 2, 2020



Agenda

- Challenges facing historical organizations
- CARES Act and Federal Paycheck Protection Program
- MEDC funding
- Local funding options
- Deaccessioning museum artifacts

Challenges

With the COVID-19 virus, we face a unique set of circumstances affecting nonprofits:



- Closed museums, historical organizations, and libraries
- Local historical groups unable to meet in person
- Lost revenue from admissions, store sales
- Not a great time to be fundraising aggressively
- More challenging to make payroll if you have staff
- Unclear how long this will last and what the new “normal” will be



CARES Act

How to access help
from the federal
government:



- The CARES Act includes a relief program open to 501(c)(3) nonprofits
- Its Paycheck Protection Program (PPP) offers “loans” to assist with paying staff, mortgage interest, rent, and utility payments
- Loan forgiven (becomes a grant) if payroll maintained through June 30, 2020
- Maximum amount of loan available is 2.5 multiplied by a nonprofit’s monthly average payroll costs in the past year



CARES Act

How to access help
from the federal
government:

- Check with your bank - applications must go through a financial institution that works with the U.S. Small Business Administration (find them at SBA website)
- PPP loans are for two years and have an interest rate of 0.5% - **but** if the nonprofit maintains its pre-COVID-19 staffing level through June 30, the loan is forgiven (becomes a grant)
- For these loans, 75% can be forgiven to cover payroll costs and 25% can be forgiven to cover the costs of mortgage interest, rent, and utilities



CARES Act

How to access help
from the federal
government:



- Businesses and organizations can apply starting April 3 until June 30 **BUT:**
- There is a \$350 billion cap on these funds – remember that any business or organization with payroll can apply – so apply ASAP before the cap is reached
- **The law also makes charitable giving in 2020 up to \$300 tax deductible even if a taxpayer does not itemize**
- Share this with your donors if you are a federally registered 510(c)3 nonprofit organization



MEDC

State funding:



- 15 regional economic development agencies have been allocated a total of \$20 million by the state (MEDC) to provide relief to small businesses, including nonprofits
- \$10 million will be in grants
- \$10 million will be in loans
- Applicants must be Michigan-based and have fewer than 50 employees
- Nonprofits are eligible



MEDC

Securing state
funding:



- Maximum grant size is \$10,000
- Loans will range from \$50,000 and \$200,000 with flexible repayment terms
- Deadlines for submitting grant applications vary by region, and several have already passed.
- For example, grant applications are no longer being accepted in the southwest Michigan and Lansing-area regions
- Other regions still accepting applications
- Learn more at www.michiganbusiness.org/about-medc/covid19/small-business-relief-program/



LOCAL

There may also be help that is closer to home:



- Local community foundations, private foundations, and United Way agencies often look for ways to support local nonprofits during times of financial crisis
- Reach out to them for details on programs available and application criteria and deadlines



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