

Coronavirus Aid, Relief and Economic Security (CARES) Act

On March 27, President Trump signed into law the [Coronavirus Aid, Relief and Economic Security \(CARES\) Act](#), which provides over \$2 trillion for “emergency assistance and health care response for individuals, families and businesses affected by the 2020 coronavirus pandemic.”

Some provisions in the nearly 900-page emergency aid package support Section 501(c)(6) organizations, but significant assistance would be available to Section 501(c)(3) organizations and certain other nonprofits. Additional relief packages are expected in the future, and ASAE continues to fight for the association and nonprofit communities in Congress. The below table outlines notable sections in the CARES Act. For more information, visit [ASAE’s coronavirus advocacy and resources page](#).

Coronavirus Aid, Relief and Economic Security (CARES) Act	
Provision	Summary & Eligibility
Section 1102: Emergency Small Business Loans	Emergency Small Business Administration 7(a) loans of up to \$10 million available to help maintain operations (payroll, mortgage, rent, utilities and certain debt payments) for entities that existed on March 1, 2020. Employers that maintain employment between March 1 and June 30 would be eligible to have their loans forgiven. Available to small businesses, Section 501(c)(3)s, Section 501(c)(19)s and Tribal businesses with 500 total employees or fewer.
Section 1110: Economic Injury Disaster Loans	Economic Injury Disaster Loans expanded, with creditworthiness requirements eliminated, to Section 501(c)(3)s, *Section 501(c)(6)s, Tribal businesses, cooperatives and Employee Stock Ownership Plans , among others, from January 1, 2020 to December 31, 2020.
Section 2205: Charitable Giving Incentive	A temporary universal charitable deduction of up to \$300 available for cash-only, non-itemized tax filings. The current adjusted gross income limits will be temporarily suspended for charitable deductions for cash gifts. Available to individuals and businesses.
Section 2301: Employee Retention Payroll Tax Credit	Refundable payroll tax credits of up to \$5,000 for each employee available to eligible employers that have seen at least 50% reduction in revenue in any quarter of 2020 compared to the same quarter in 2019, among other qualifying conditions. Available to small businesses, Section 501(c)(3)s and Section 501(c)(6)s, among others.
Section 2302: Delay in Employer Payroll Taxes	All employers and self-employed individuals may defer payroll tax payments over the next two years, with half due by 12/31/2021 and the second half due by 12/31/2022.
Section 4003: Exchange Stabilization Fund	The U.S. Department of Treasury’s Exchange Stabilization Fund to create a loan guarantee program for major industries. Over \$400 billion available to an eligible business that has “not otherwise received economic relief in the form of loans or loan guarantees provided under” the CARES Act and employs 501-10,000 people. It is possible certain nonprofits will qualify for this aid, but it is yet unclear if Section 501(c)(6)s are included. ASAE continues to monitor.

*Statutory language is unclear, but the Small Business Administration is accepting loan applications.