



## The Struggle is Real: **UPDATED April 24, 2020**

### Accessing the Paycheck Protection Program as a small, minority or rural nonprofit.

On March 27, Congress passed the CARES Act to offer economic relief to workers and businesses adversely impacted by the COVID-19 pandemic. The \$349 billion-dollar Paycheck Protection Program (PPP) is a key component of the economic stimulus package. The PPP provides small businesses and nonprofits with:

- Funding to cover eight weeks of payroll, rent, mortgage interest, utilities through
- Low interest (1% APR), no-fee loans for a two-year term,
- Six months deferred payments (interest will accrue during this time), and
- Loan forgiveness if at least 75% of the forgiven amount is used on payroll

For small nonprofits serving minority, rural, and low-income areas, the PPP could provide a critical lifeline. Yet, many Wisconsin organizations found it impossible to access the program. Although the program does not end until June 30, 2020, the national media is again warning that the latest \$310B infusion may run out quickly. If your organization needs help covering payroll, rent, and utilities as a result of the economic uncertainty caused by COVID-19, please do not give up.

The federal government is working to remove obstacles for nonprofits and increase funding. Try to get an application into the pipeline. If you have already started the PPP application process with a bank or credit union, you should not have to restart the process but contact your lender to be safe. ***Do not submit a new PPP loan if you may have one pending. You may become ineligible for the program.*** The new bill also secures funding for small community banks, credit unions and Community Developmental Financial Institutions (CDFI's) to process loans for the unbanked, nonprofits, minority-led businesses, and rural areas. A local bank or credit union in your area may now be providing PPP loans to established customers as well as new customers. For more details, visit your bank's website.

Additional steps you can take right now include:

- Confirm your eligibility by reviewing the SBA's [fact sheet](#) and [PPP application](#).
- Gather the required documentation. The program does not require financial statements or proof of collateral. However, you will need monthly payroll reports or pay stubs for calculating the size of your loan, business start date, and government-issued ID for the authorized signer. Banks may also require IRS Form 990, articles of incorporation, and bylaws.
- Secure nonprofit board approval if required by your bylaws. Although the loan may be forgiven, this is a debt issuance and not a grant. Depending upon the size and purpose of your original loan amount, you may have a remaining balance after forgiveness of allowable expenses.
- Check your federally-insured depository or lending institution's website for an online application. Most participating banks are only providing PPP loans to their current customers and are not accepting calls. You must use their online application to access the program.
- Additionally, nonprofits can now apply for a PPP loan through IFF and CRF USA. Start your application [here](#).



- Additionally, nonprofits can now apply for a PPP loan through IFF and CRF USA. Start your application [here](#).
- Confirm that your lending community development financial institution (CDFI) is a [qualified SBA lender](#) for the PPP. Although CDFI's like Forward Community Investments lend to nonprofits, many are not permitted to participate in the PPP.
- If your bank is not participating in the program, contact an accounting, law firm, or financial services firm that serves nonprofits. They may have contacts with financial institutions who are accepting new customers for the PPP.
- Use the [SBA's Eligible Lender](#) search tool to see if a Wisconsin small business lender near you has decided to offer PPP loans to new customers.
- Apply through a business bank aggregator like [Kabbage](#), [Fundera](#) or [Boefly](#). These financial technology (fintech) services provide an online access point for submitting an application to PPP lenders accepting new customers.
- Submit an application through [PayPal](#), [Intuit Quickbooks](#), or [Square](#). On April 10, 2020, the U.S. Treasury approved PayPal and Intuit Quickbooks as PPP lenders to increase PPP access. All PPP loans have the same terms and requirements regardless of lender.

Nonprofits are a backbone of support for many Wisconsin residents. Yet despite their role as community-based employers and frontline service providers, nonprofits were largely denied access to the PPP program. CDFI's, minority business associations, and nonprofit sector advocates continue to request additional stimulus funds and improved policies for those left out by the PPP's haphazard implementation. If your nonprofit needs a PPP loan, act now to preserve your opportunity for assistance.

#### About Forward Community Investments

FCI is an investor, connector, and advisor for organizations and initiatives that reduce social, racial, and economic disparities in Wisconsin communities. We envision an equitable and inclusive Wisconsin built on cooperative social action. In its capacity as a statewide community development financial institution (CDFI), FCI infuses capital into economically underserved communities and neighborhoods. FCI also provides capacity building services and small grants to mission-driven organizations across Wisconsin to enhance their ability to achieve short-term success and long-term sustainability.