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Nonprofit COVID-19 Policy Roundup

As of March 25, 2020

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FEDERAL

Families First Coronavirus Response Act

Congress passed the [Families First Coronavirus Response Act](#) passed March 18th and will take effect April 1. The Department of Labor issued [preliminary guidance and FAQs](#) this week, and the National Council of Nonprofits created a [summary](#). The Act makes COVID-19 testing mandatory and free, expands paid sick leave and family medical leave, new emergency unemployment insurance stabilization provisions, unemployment insurance funding, and reimbursements to employers, including nonprofits.

Reimbursements for sick leave and family medical leave

- Refundable tax credit equal to the amount of qualified paid sick leave paid by the employer per quarter; \$511/day for some qualifying reasons, \$200/day for others
- Applied against social security taxes, but reimbursed if amount exceeds taxes owed

Employer categories

- Sick leave: 1 - 499 employees, any employee (full and part time)
- Family leave: 1 - 499 employees; 12 weeks; first 10 days must be unpaid; $\frac{2}{3}$ regular rate; \$200/day cap; \$10,000/employee cap

Exemptions

- Certain healthcare providers
- Businesses with less than 50 employees can be exempted by the Secretary of Labor

Timelines

Employers must post a notice regarding the requirements of the law. The Secretary of Labor is required to make a model notice publicly available no later than 7 days after enactment of the new law. Businesses will have 15 days to comply following enactment on April 1, and the bill ends December 31, 2020.

Federal Economic Recovery (**Pending**)

The Senate [came to an agreement](#) around 1am on an economic recovery package. The House of Representatives will need to vote following the Senate, so the bill has not passed. While we are awaiting the final language of the Senate bill, we understand the bill [will include A \\$375 billion dollar loan program for nonprofits](#) and small businesses. **Nonprofit New York will share an updated analysis of the bill once we have it.**

Small Business Administration [disaster loans](#) extended to nonprofits

SBA announced it is extending disaster relief loans to small businesses, including nonprofits, to help alleviate economic injury caused by COVID-19. Working with state officials, SBA will be offering loans of up to \$2 million through the [Economic Injury Disaster Loan program](#). As SBA explains, “These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can’t be paid because of the disaster’s impact. The interest rate is 3.75% for small businesses without credit available elsewhere; businesses with credit available elsewhere are not eligible. The interest rate for non-profits is 2.75%.”

Federal OMB instructions on allowing federal agencies to issue exceptions to grant rules

The federal Office of Management and Budget has posted [instructions allowing federal agencies to issue exceptions](#) to the grants rules in the [OMB Uniform Guidance](#) to remove administrative impediments on services necessary to carry out the emergency response related to COVID-19. The Memo ([M-20-11](#)) encourages flexibility in processing renewals of grants, allows looser reimbursement and purchasing standards, and more.

DHS defers I-9 review requirements

The Department of Homeland Security [announced](#) that it will defer the requirements for employers to review Form I-9 documents in-person with new employees. The change applies to employers and workplaces that are operating completely remotely.

STATE

[Moratorium on evictions](#)

New York officials have suspended eviction proceedings indefinitely throughout the state amid the novel coronavirus outbreak, according to a Sunday memo from the state’s chief administrative judge.

[Paid sick leave expansion](#)

On March 17 the Governor and legislative leaders came to an agreement to expand the state's mandatory paid sick leave policy. Employers with 10 or fewer employees and a net income less than \$1 million will provide job protection for the duration of the quarantine order and guarantee their workers access to Paid Family Leave and disability benefits (short-term disability) for the period of quarantine including wage replacement for their salaries up to \$150,000.

Employers with 11-99 employees and employers with 10 or fewer employees and a net income greater than \$1 million will provide at least 5 days of paid sick leave, job protection for the duration of the quarantine order, and guarantee their workers access to Paid Family Leave and disability benefits (short-term disability) for the period of quarantine including wage replacement for their salaries up to \$150,000.

Employers with 100 or more employees, as well as all public employers (regardless of number of employees), will provide at least 14 days of paid sick leave and guarantee job protection for the duration of the quarantine order.

The state paid sick leave expansion **does not** include reimbursements for employers.

[\\$40 million to address the COVID-19 public health crisis](#)

The state legislature passed an emergency bill ([S7919/A9953](#)) in early March providing the Governor authority to issue any directive necessary to respond to a state disaster emergency and \$40 million to address the COVID-19 public health crisis.

[Existing paid family leave](#)

If an employee has an event that qualifies for leave under both FMLA and Paid Family Leave, and the employer is covered under both laws, the employer can require them to run concurrently. The newly passed paid sick leave expansion provides greater COVID-19 required leave protections.

[Tax abatements for late filings and penalties](#)

Following the Governor's State of Emergency declaration, the Governor issued an executive order expanding the Tax Commissioner's authority to [abate late filing and payment penalties](#) to allow the Commissioner to abate interest on quarterly sales and use tax filings and remittances with a due date of March 20, 2020 for those who were unable to timely file and pay as result of the COVID-19 virus.

[State bills to provide loans to small businesses and nonprofits \(**Pending**\)](#)

Two bills were introduced March 24th that, if passed, would provide loans to nonprofits and small businesses. [A10208](#) (Buchwald) **would establish** the coronavirus pandemic small business and not-for-profit organization loan program and be eligible for nonprofits with up to 100 employees. [A10212](#) (Otis)/[S02520C](#)(Harckham) would establish the state of emergency small business and

not-for-profit organization loan program, eligible for nonprofits with up to 50 employees. **These bills have not passed.**

CITY

Mayor's Office Guidance for Contracted Health and Human Services Providers

The Mayor's Office of Contract Services (MOCS) has issued a number of guidance and letters for contracted human service providers. In a [letter](#) on March 20th, the City issued a letter on streamlining business compliance that allows for digital signatures, waives notary requirements, and extending proposal due dates. On March 18, MOCS released [guidance](#) that designated the human service contract workforce as essential, and committed to paying on City contracts with human services organizations who work with their contracting agencies to develop a plan.

The City has not issued the same commitment to DCLA or DOE contracted providers.

NYC [employee retention grant program](#), applicable for nonprofits

The City is offering small businesses with fewer than 5 employees a grant to cover 40% of payroll costs for two months to help retain employees.

Existing [paid sick leave](#)

Under New York City's Paid Safe and Sick Leave Law, employers with five or more employees who work more than 80 hours per calendar year in New York City must provide paid safe and sick leave to employees. Employers with fewer than five employees must provide unpaid safe and sick leave. Accrual of safe and sick leave is at a rate of one hour of leave for every 30 hours worked, up to 40 hours per calendar year, and begins on the employee's first day of employment. Employees can begin using accrued leave 120 days after their first day of work. For those employers who do not frontload safe and sick leave on the first day of a new calendar year, employees must be permitted to carry over up to 40 hours of unused safe and sick leave from one calendar year to the new calendar year.

City Council \$12 billion relief plan

On March 19th the City Council proposed a [\\$12 billion relief plan](#) to help New York City businesses and workers impacted by the Coronavirus/COVID-19 pandemic. The multi-pronged proposal includes a temporary universal basic income for all New Yorkers, temporarily deferring fees and refunding business taxes, and up to \$250,000 to cover fixed costs for impacted businesses. It also includes unemployment protections for those who have had their hours cut, gig economy and freelance workers.

This proposal has not been introduced as a bill.