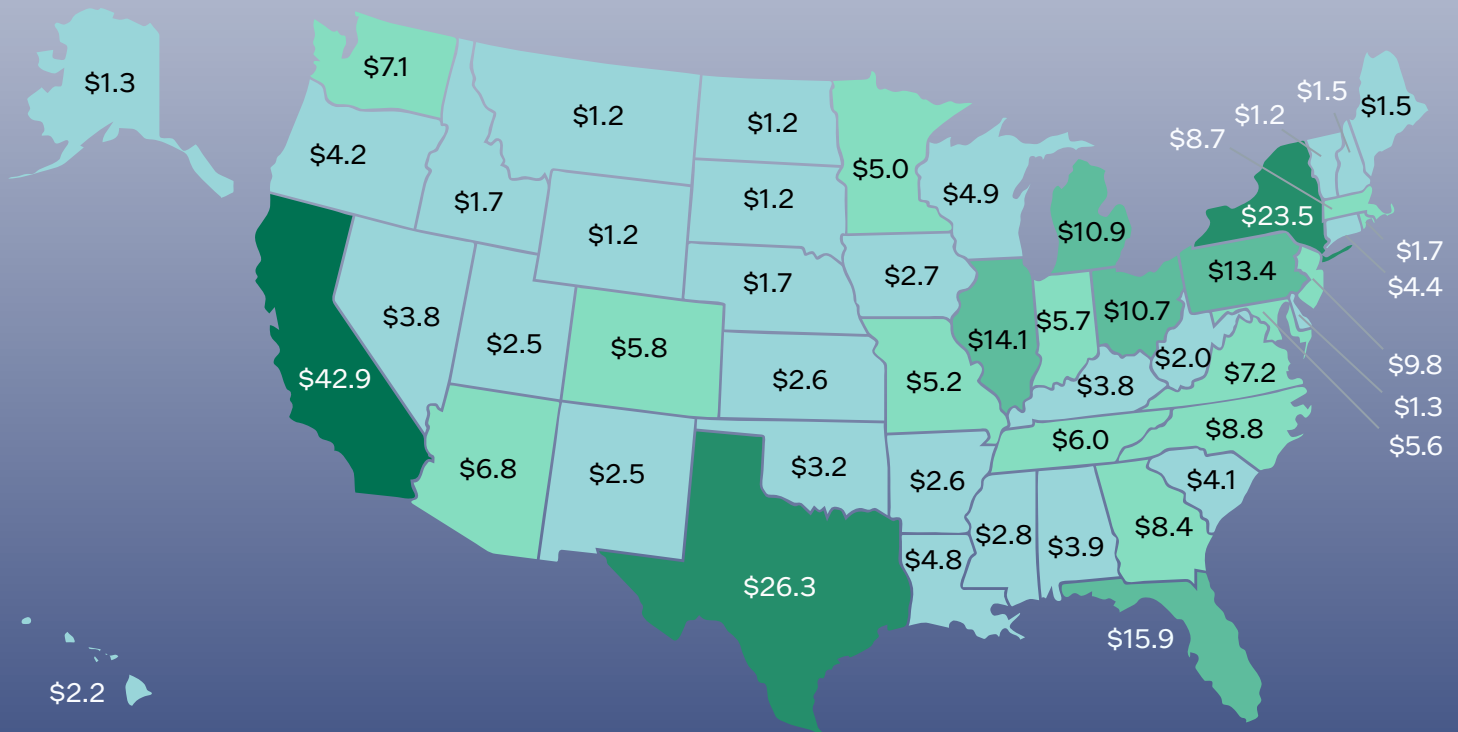


Strengthening State and Local Economies in Partnership with Nonprofits:

Principles, Recommendations, and Models for Investing Coronavirus State and Local Fiscal Recovery Funds

June 2021



Federal allocations in billions of dollars

SOURCE: U.S. Treasury, Coronavirus State and Local Fiscal Recovery Funds, 2021

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The COVID-19 pandemic resurfaced an undeniable truth: charitable nonprofits and governments are natural partners, serving the same constituents in the same communities. The challenges of one are the challenges of all. Partnerships between the sectors allow for leveraging of resources, relationships, and strengths to serve communities even better.

Nonprofits are perfectly positioned to maximize public benefits with their deep knowledge of community needs, reach, and existing relationships, particularly in low-income and underserved or hard-to-reach populations. We are stronger when we invest together; the allocation of Coronavirus State and Local Fiscal Recovery Funds provides an ideal opportunity to strengthen these natural partnerships and secure relief, recovery, and greater impact for the public good.

Congress allocated \$350 billion in COVID-19 relief funds for state, local, Tribal, and territorial governments to use in providing “assistance to households, small businesses, **and nonprofits**, or to aid impacted industries.” The federal government showed tremendous trust that governments closest to the people and their problems are best positioned to decide the best ways to spend their allocated resources to meet local needs. To do that effectively, state, local, Tribal, and territorial governments should consider:

- **Guiding principles for identifying high-impact programs to fund.** Governments need to apply fair guidelines and reasonable criteria to secure the greatest impact for the public good. These four principles should serve as a guide for setting objectives: **(1)** prioritize equity from the outset; **(2)** invest in economic multipliers; **(3)** implement quickly, yet fairly; and **(4)** maintain accountability via reasonable documentation and transparency.
- **Recommendations for designing programs with integrity.** Governments and constituents alike benefit when processes encourage the public to offer informed insights and suggest innovative ideas on how best to solve local problems. Reliance on recommendations for structuring and managing relief and grant programs, based on recent experiences at the state and local levels in utilizing funds from the CARES Act, will help shape future partnerships for relief, recovery, and impact.
- **Successful models of nonprofit relief from around the country.** A similar federal funding program for state and local governments has taught important lessons and generated worthwhile examples of successful programs from across the country. These recent programs offer models that can be adapted to meet communities’ greatest needs and promote constituents’ wellbeing.

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Executive Summary

Congress expressly declared in the [American Rescue Plan Act](#) (“ARPA”) that state, local, Tribal, and territorial governments may use their allocations of the \$350 billion in Coronavirus State and Local Fiscal Recovery Funds to provide “assistance to households, small businesses, **and nonprofits**, or to aid impacted industries” (emphasis added). The Treasury Department has adopted an [Interim Final Rule](#) (“Treasury IFR”) and issued a set of frequently asked questions ([Treasury Guidance FAQs](#)) that provide a non-exhaustive list of how governments may use those federal funds to respond to pandemic needs and support the organizations, communities, and populations hit hardest by the COVID-19 crisis. Specifically, governments may use the federal funds directly or through others, meaning that individual charitable nonprofits can be the recipient of assistance as well as the provider of assistance to others.

Nationwide and in every community in America, charitable nonprofits provide vital services and are a key part of the economy, employing more people than the construction, finance, and manufacturing industries.¹ During the pandemic, tens of millions more Americans than usual turned to charitable organizations for help – and nonprofits delivered. Yet resources declined for tens of thousands of nonprofits, resulting in the loss of more than 700,000 nonprofit jobs.² For communities and local economies to recover, governments need to invest in the work of nonprofits.

Serving Those Who Need It Most

Nonprofits and governments are natural partners, serving the same constituents in the same communities. Partnerships between the sectors allow for leveraging of resources, relationships, and strengths to serve those communities even better. Governments at all levels are charged to serve and invest in those within their communities. Nonprofits have close relationships and high levels of trust with those they serve. They are perfectly positioned to maximize public benefits with their deep knowledge of community needs, reach, and existing relationships, particularly in low-income and underserved or hard-to-reach populations. We as a people are stronger when governments and nonprofits work together.

Guiding principles for identifying the best use of the funds

The Coronavirus State and Local Fiscal Recovery Funds are substantial, but not limitless; governments need to adopt reasonable selection criteria to ensure they apply fair guiding principles for spending the money to secure the greatest impact for the public good. **First**, governments should apply lessons learned throughout the crisis and prioritize equity from the outset to end the many inequities in access to and delivery of health and human services in our country that were more fully exposed by the pandemic. **Second**, to promote healthy local economies, governments should invest in economic multipliers, like nonprofits, that can rehire people, promote other employment by providing services like childcare and job training, all while also stimulating economic activities, such as by people spending money at restaurants and retail stores near the arts and cultural institutions they visit. **Third**, it is in everyone’s interest for governments to push the funding out quickly to meet urgent needs, yet doing so fairly by spreading opportunities beyond the usual recipients. **Finally**, governments should promote accountability in the use of the funds through reasonable documentation and transparency.

Recommendations for designing programs with integrity

Based on experiences related to programs created and funded under the 2020 CARES Act, governments can benefit from recent lessons learned about designing and managing relief and grant

¹ [Nonprofit Impact Matters](#), National Council of Nonprofits, Fall 2019.

² [COVID-19 Jobs Update May 2021](#), Johns Hopkins University Center for Civil Society Studies, June 14, 2021.

programs. Rather than reinventing the wheel, governments can recognize some universal factors related to grant programs – eligibility criteria, allowable uses, program administration, application requirements, prioritization, grant amounts, budget surpluses, and communication of opportunities – and consider recommendations informed by recent experiences on how to proceed.

Successful Models of Nonprofit Relief from Around the Country

In 2020, more than half the states and the District of Columbia – recognizing as the federal government did that nonprofits are essential for COVID relief and recovery efforts – made sure that nonprofits were eligible for the CARES Act monies when those governments created more than 50 relief funds and grant programs. Importantly, the \$350 billion in Coronavirus State and Local Fiscal Recovery Funds under the ARPA of 2021 allow **even more** flexibility than the CARES Act did. Therefore, governments can now be more creative with the new ARPA funding than they were with their many successful programs investing CARES Act monies on nonprofits in 2020. This Special Report presents some of the greatest opportunities for partnerships between governments and nonprofits using the federal funds, organized in these categories:

- (1) Lifting unemployment insurance burdens off employers
- (2) Creating relief and recovery funds and grants for nonprofits to use in their communities
- (3) Improving the process and other aspects of government grants and contracts with nonprofits
- (4) Expanding and replicating innovative nonprofit programs to help communities respond, adapt, and recover

Authorized Recipients and Uses of ARPA Coronavirus State and Local Fiscal Recovery Funds

A reasonable early question a public official may ask is whether governments are authorized to use Coronavirus State and Local Fiscal Recovery Funds to support charitable nonprofits and their work in communities. The unambiguous answer is: **Yes**.

Congress specified multiple times in Section 9901 of the [American Rescue Plan Act](#) that state, local, Tribal, and territorial governments may use their allocations of the \$350 billion in Coronavirus State and Local Fiscal Recovery Funds to provide “assistance to households, small businesses, **and nonprofits**, or to aid impacted industries” (emphasis added). The Treasury Department has adopted an [Interim Final Rule](#) (“Treasury IFR”) and issued a set of frequently asked questions ([Treasury Guidance FAQs](#)) that explain how governments may use these federal funds to respond to pandemic needs, fill revenue shortfalls among state and local governments, and support the organizations, communities, and populations hit hardest by the COVID-19 crisis. Specifically, governments may use these federal funds – directly or through nonprofits and others – to help those they serve “adopt safer operating procedures, weather periods of closures, or mitigate financial hardship resulting from the COVID-19 public health emergency.”³

Coronavirus State and Local Fiscal Recovery Fund Allocation	
<i>Source: U.S. Treasury: Assistance for State, Local, and Tribal Governments</i>	
Type	Amount (\$ billions)
States & District of Columbia	\$195.3
Counties	\$65.1
Metropolitan Cities	\$45.6
Territories	\$4.5
Non-entitlement Units of Local Government	\$19.5

³ See Treasury IFR, page 9.

The Treasury Department provides a non-exhaustive list of examples of authorized uses. For instance, governments may bring unemployment systems back to pre-pandemic levels by depositing the funds into unemployment trust funds and paying off unemployment insurance loans from the U.S. Department of Labor. The result of these actions will be to alleviate burdens on nonprofit and for-profit employers contributing to the state UI system of increased taxes. States may also use the funds to cover the unemployment costs weakening reimbursing employers, including certain nonprofits and local governments, not otherwise covered by the federal government since the onset of the pandemic.⁴

Recipients may use Coronavirus State and Local Fiscal Recovery Funds for administrative expenses, including to cover a portion of payroll and benefits related to disbursing payments and managing grant programs using the federal funds.⁵ Other examples of authorized uses the Treasury Department identified include:⁶

- Payroll and benefits costs
- Employee retention
- Mortgage, rent, utilities assistance
- Social distancing requirements
- Enhanced cleaning
- Vaccination, testing, or contact tracing programs
- Loans or grants to mitigate financial hardship, such as declines in revenues
- or impacts of periods of business closure
- Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics
- Technical assistance, counseling, or other services to assist with business planning needs

Governments may also utilize these funds to hire nonprofits to provide services that respond to the “negative economic impacts of the pandemic.” These include:⁷

- Food assistance
- Counseling and legal aid to prevent eviction or homelessness
- Emergency assistance
- Internet access or digital literacy assistance
- Job training and workforce development
- Disparate impact of COVID-19 on certain populations and geographies.

As shown by these examples, charitable nonprofits can be both the recipient of assistance and the provider of assistance to others on behalf of governments.

Guiding Principles for Identifying High-Impact Programs

Congress specified in the [American Rescue Plan Act](#) (“ARPA”) that state, local, Tribal, and territorial governments may spend their allocations of the \$350 billion Coronavirus State and Local Fiscal Recovery Funds to provide “assistance to households, small businesses, **and nonprofits**, or to aid impacted industries” (emphasis added). The law allows these governments to use the monies to hire nonprofits to provide services and programs in their communities, restore jobs and wages, and boost the economy. These funds are substantial, but not limitless; governments need to adopt reasonable selection criteria to ensure they apply fair guidelines for spending the money to secure the greatest

⁴ See Treasury IFR, page 9; Treasury Guidance FAQs #2.4.

⁵ See Treasury Guidance FAQs ##2.14, 10.2.

⁶ See Treasury IFR, page 9.

⁷ See Treasury Guidance FAQs ##2.1, 2.5, 2.8, 2.11.

impact for the public good. Charitable nonprofits, which serve the same people and communities as governments, offer the following principles to help guide the selection process.

1. Prioritize Equity from the Outset

The pandemic exposed many inequities in the delivery of health and other human services in our country. Governments should apply these lessons and intentionally listen to marginalized communities for solutions that overcome past and current barriers blocking access for people of color, low-income individuals and families, people living with disabilities, and individuals who identify as LGBTQ+. In particular, governments should prioritize spending of the ARPA funds to improve outcomes for communities traditionally left behind. One potential method would be to require each funded program and grantee for funding to provide an explanation of how the program centers around equitable results for the communities served.

2. Invest in Economic Multipliers

Healthy local economies require sustainable nonprofits and businesses. Congress recognized that reality when appropriating the ARPA funds for “small businesses and *nonprofits*.” During the pandemic, tens of millions more Americans than usual turned to nonprofits for help – and nonprofits delivered. Investing in charitable organizations will enable them to rehire employees and hire even more people to deliver services on which constituents depend for relief and recovery. Further, investing in nonprofits will allow these organizations – the third largest employer in the country and consumers of products and services – to operate as economic multipliers by providing needed services, such as childcare and job training, and stimulate economic activities, such as by people spending money at restaurants and retail stores near the arts and cultural institutions they visit.

3. Implement Quickly, Yet Fairly

Governments can fulfill the obligations and promise of the ARPA by balancing the need to move urgently to provide relief while also considering both existing systems and new programs that can distribute funds in ways that provide quality benefits to communities. For example, many charitable nonprofits already provide an array of services – and with the ARPA funds could scale up to do more – that help local economies recover from the pandemic. Examples include after-school programs for kids that help parents go to work, residential assistance programs for seniors and others, food preparation and delivery services to support people in need, job training and placement, and more. Similarly, community foundations already have systems in place to channel resources where needs are greatest. For virtually every need in the community, there is likely one or several nonprofits ready to ramp up their service delivery or expand to provide new services to help all residents get past the pandemic.

4. Maintain Accountability via Reasonable Documentation and Transparency

Governments spending Coronavirus State and Local Fiscal Recovery Funds must apply appropriate safeguards and disclosure requirements to protect the public from waste, fraud, and abuse. Charitable nonprofits represent the most transparent segment of the economy (e.g., all nonprofits must publicly disclose their financial information annually), and we like it that way – otherwise individuals would not be willing to trust organizations with their time, resources, and lives. That said, governments should maintain the proper balance between keeping the public informed about use of funds versus imposing excessively burdensome and expensive reporting requirements. In practice, this means governments should collect the information it truly needs and not create unnecessary forms demanding needless data points. Finally, when nonprofits are part of the target audience for proposed loans, grants, or in-kind assistance, governments need to work with nonprofit leaders – in advance – to identify and avoid needless red tape and redundant documentation requirements.

Recommendations for Designing and Managing Programs with Impact

Governments today can benefit from recent lessons learned about designing and managing relief and grant programs, based on experiences related to programs created and funded under the 2020 CARES Act. The following identifies several factors to consider and related recommendations for shaping future nonprofit relief and grant programs with impact.⁸

- **Eligibility Criteria:** States had varying degrees of success in determining which organizations should be included for nonprofit relief funds and grant programs. Some states inadvertently left out large swaths of otherwise eligible and deserving organizations by imposing restrictive criteria that artificially excluded quality applicants and thus blocked residents from receiving needed services. Improper barriers to eligibility have included: number of employees (too many or not enough); budget size of organization (too high or too low); revenue losses (too much or too little, or without regard to increased costs that cancel out revenue gains); increased expenses; subsector (such as limiting to or leaving out arts and culture, health and human services, etc.); the impact of forced closures on operations, including reduction in volunteers; and more. Overall, requirements to show a decrease in revenue or increase in expenses in a given quarter or fiscal year was difficult for many nonprofits to document, especially without proper and clear definitions or flexibility needed in light of accounting standards nonprofits must follow that differ from those by other entities.

Recommendations: Clarify that all 501(c)(3) charitable nonprofits are included and eligible to apply. Provide “either/or” options to meet eligibility requirements, such as number of employees OR program area OR revenue losses OR increase in expenses.

- **Allowable Uses:** The broader the allowable use of funds, the more successful the relief funds and grant programs were for assisting communities. Ideally, the funds would provide general operating support for nonprofits. Governments that restricted use of funds in narrowly defined ways hurt nonprofits and the public by limiting programs and outcomes, imposing additional accounting and unnecessary costs, and ignoring urgent operational needs.

Recommendations: Permit nonprofits to use relief and grant funds for general operating support of the organization. At a minimum, clarify that allowable uses include, but are not limited to, replacement for lost revenue, payroll, wages, salaries, benefits, mortgage, rent, utility payments, and other direct and indirect expenses related to the organization’s programs, services, and operations.

- **Program Administration:** Having the right administrator of the funds is key to governments getting the money out to nonprofits quickly, efficiently, and effectively. States varied on whether they used a state agency or third-party intermediary, including state associations of nonprofits, United Ways, and community foundations. The least successful programs were those using administrators with no prior experiences with nonprofits; they had insufficient knowledge of how nonprofits operate, resulting often in unintended barriers and missed opportunities.

Recommendations: Appoint program administrators – whether a government agency or third-party intermediary – that have prior experience and strong relationships with nonprofits. Partner

⁸ The networks of the National Council of Nonprofits contributed to these recommendations based on first-hand experiences with nonprofit relief funds and grant programs in different parts of the country. The Foraker Group (the state association of nonprofits in Alaska), in partnership with the Alaska Municipal League, Minnesota Council of Nonprofits, North Carolina Center for Nonprofits, and Washington Nonprofits developed specific suggestions for factors and insights that are reflected in this document.

with nonprofits for technical assistance. Avoid multi-layered approaches where monies must be transferred to several agencies, departments, or regional entities, because every additional layer delays distribution of funds in communities.

- **Application Requirements:** When governments used the same application form for both for-profit businesses and nonprofit organizations, those forms too often required information unrelated or irrelevant to nonprofits, resulting in a bias favoring for-profits and a barrier excluding nonprofits. Other times, forms required so much documentation that it was not worth the time or effort for nonprofits to apply, particularly for the amount offered.

Recommendations: Use simple, clear, and easy to understand application forms online and in print. Minimize the required documentation at both the application and reporting stages to encourage the largest possible number of qualified applicants. Accept recent IRS filings and documentation for eligibility requirements when applicable. Work with grantmakers or community foundations that understand applications for and regularly administer funds to charitable organizations.

- **Prioritization:** States varied in deciding which types of organizations should receive the funds and in what order. Some awarded funds on a first come, first served basis. This method gives an unfair advantage to those with pre-existing relationships (often for-profit companies), while hurting smaller and newer nonprofits and others doing valuable work in local communities but without prior relationships with state agencies. Other states used tiers to approve certain groups based on size of organization, populations served, geographic location, or revenue amounts. Each of these priority labels generally left out large portions of nonprofits.

Recommendations: Be as inclusive as possible to expand the pool of applicants. Avoid “penalties” for being located in one geographic location. Avoid restricting applicants that received other funding (e.g., PPP loans, EIDL, other state grant programs) because any past support likely does not address current needs.

- **Grant Amounts:** Grant programs across the states provided grant award sizes ranging from less than a hundred dollars to a million dollars or more. Some states had tiers based on revenues of applicant, and almost all states imposed caps. However, if the amount was too low (e.g., \$1,000 or \$5,000) and the required documentation too onerous, most nonprofits were deterred from applying. One state association policy committee determined \$25,000 as the lowest amount of funds that would make a difference to nonprofits.

Recommendation: Make the award amount high enough to offset the often burdensome application requirements and back-end reporting burdens.

- **Budget Surpluses:** Many states unexpectedly experienced a budget surplus going into Fiscal Year 2021 and beyond, despite initial expectations for large deficits due to the pandemic. The fungibility of resources in state budgets gives lawmakers and budget officials flexibility to move monies to allow for additional funding where it is needed most, including supporting nonprofits serving local communities.

Recommendation: States can dedicate their budget surpluses to cover government costs while using Coronavirus State and Local Fiscal Recovery Funds for nonprofit priorities and projects as specifically allowed by the ARPA, including relief and grant programs created specifically for charitable nonprofits or in combination with small businesses.

- **Communicating Opportunities:** Many nonprofits are often left out of funding opportunities simply because they do not know about the programs. This lack of awareness ultimately hurts the people

and communities those nonprofits serve. Marketing and outreach to nonprofits about nonprofit relief funds and grant programs would create a stronger and more diverse pool of applicants, allowing for each allocated dollar to secure the greatest impacts in the intended communities.

Recommendations: Ensure clear, regular, timely, and broadly distributed communications and education about nonprofit relief funds or grant programs, develop FAQs, and translate materials. Allocate resources for marketing and outreach. Be clear on goals, purpose, and communication channels for the funds. Assign a single point of contact for applicants and later for grantees.

These factors and recommendations are based on the experiences of governments, working in partnership with charitable nonprofits, to secure the greatest impact for funds made available to provide relief and recovery from the health and economic consequences of the pandemic. The recovery will be accelerated when these valuable lessons can be put into practice for the public good.

Successful Models of Nonprofit Relief from Around the Country

In 2020, more than half the states and the District of Columbia created more than 50 relief funds and grant programs for small businesses and nonprofits using CARES Act [Coronavirus Relief Fund](#) monies.⁹ The experiences in those programs helped shape the forgoing principles and recommendations and serve as successful models for relief programs discussed in this section of the report.

The \$350 billion in Coronavirus State and Local Fiscal Recovery Fund allow **even more** flexibility than the CARES Act did.¹⁰ This flexibility gives governments and nonprofit partnerships the opportunity for more creativity for greater impact in their communities. The following examples are just a sampling of different models of programs that state, local, Tribal, and territorial governments can create to ensure that nonprofits – and the people they serve – are able to participate in programs funded by the ARPA funding. The models are organized by:

- (1) Lifting unemployment insurance burdens off employers
- (2) Creating relief and recovery funds and grants for nonprofits to use in their communities
- (3) Streamlining government grants and contracts for nonprofits
- (4) Expanding and replicating innovative nonprofit programs to help communities respond, adapt, and recover

1. Lifting Unemployment Burdens Off Employers

Economic recovery from the pandemic requires that employers bring people back to work. Removing the heavy burden of outstanding or looming unemployment costs off the necks of employers of all types must be a priority of governments if local economies are going to recover and expand. We therefore list unemployment relief as the top priority.

⁹ Generally, allowable use of funds under the CARES Act's Coronavirus Relief Fund are also eligible uses under the ARPA Coronavirus State and Local Fiscal Recovery Fund. See Treasury Guidance FAQs #2.2.

¹⁰ The CARES Act's Coronavirus Relief Fund was more restricted than the ARPA Coronavirus State and Local Fiscal Recovery Fund in that the earlier funds had to be used only "to cover costs that are necessary expenditures incurred" between March 1 and December 30, 2020, due to COVID-19 and costs that "were not accounted for in the budget most recently approved." Thus, a direct relation was required between the expenditures and the pandemic, and the funds could not be used to fill budget gaps.

Employers across the country are facing exorbitant unemployment costs caused by the pandemic. State unemployment laws recognize [three categories of employers for unemployment compensation purposes](#): **contributing** employers (most for-profit and some nonprofit employers that make quarterly payments into the state unemployment system for the approximate costs of what the state paid out to their former employees), **reimbursing** employers (charitable nonprofits and local and Tribal governments that self-insure and reimburse the state for actual costs for benefits paid to their former employees), and **exempt** employers (typically religious institutions and very small entities with very few employees).

Congress and many state policymakers recognized that the unprecedented nature of the COVID-19 pandemic required urgent adjustments to the unemployment insurance system. They acknowledged that no employer or employee should be held financially liable because of a worldwide crisis that was unanticipated and outside their control. Through the CARES Act of 2020, the federal government delayed, but did not cancel, any costs for contributing employers; covered only 50 percent of the costs charged to reimbursing employers; and fully covered the costs of exempt employers. The ARPA increased the coverage for reimbursing employers from 50 percent to 75 percent for five months in 2021, but left those employers on the hook for the remaining 25 percent of charges.

Many state unemployment laws impose automatic unemployment tax hikes on contributing nonprofit and for-profit employers when the state's unemployment trust funds fall below certain levels; these employers must pay higher unemployment tax bills unless and until the state's unemployment trust fund is restored to pre-pandemic solvency. Compounding the problem for many, 18 states, as of mid-June 2021, had [outstanding loans from the Federal Unemployment Account](#) in excess of \$53 billion, which will need to be repaid by those states' trust funds and ultimately by contributing employers.

Recognizing the strains on states and employers alike, Congress expressly authorized governments to use their allocations of the ARPA relief funds to bring unemployment systems back to pre-pandemic levels. States may do so by depositing ARPA funds into their state's unemployment trust funds or paying off unemployment insurance loans from the U.S. Department of Labor.¹¹ Restoring the trust funds to pre-pandemic levels would avert tax hikes on contributing employers in the states. The result would be that contributing employers, relieved of this daunting financial burden, will be able to invest funds they would have used to pay unemployment taxes to instead rehire people or even expand employment and operations at a time when the economy needs help recovering.¹²

Those solutions will hold **contributing** employers harmless for the unemployment costs of the pandemic – that is, those employers will not suffer any negative financial consequences in the unemployment system due to pandemic-related layoffs. But what about **reimbursing** employers that have never received the same absolute relief from federal legislation and only partial relief from some states? Contributing employers and reimbursing employers suffered from the exact same health and economic crisis; should they not be treated the same?

Last year, several states answered that question by saying it absolutely would be unfair for governments to protect one set of employers (contributing employers) from dramatic cost hikes while leaving the

¹¹ See Treasury IFR, page 9; Treasury Guidance FAQs #2.4.

¹² The Treasury Department has made clear that using the ARPA relief funds to avoid unemployment insurance tax rate increases is permissible and does not run afoul of the ARPA provision preventing usage of these funds to provide tax cuts or delay tax hikes. See Treasury IFR, page 9; Treasury Guidance FAQs #2.4.

other set of employers (nonprofits and local and Tribal governments) financially liable for essentially the same unemployment burdens. To correct that unfairness, about a [dozen states provided needed relief to reimbursing employers](#). However, that relief has largely expired or must be revised to hold these innocent employers harmless from these pandemic-caused costs from which their contributing counterparts have been protected. We strongly recommend that states provide the same level of protection granted to contributing employers – zero costs from the outset of the pandemic – to all reimbursing employers. This equal treatment can be achieved by states and localities by: (i) cancelling all unemployment bills for COVID-related layoffs; and (ii) repaying these employers for the amounts paid on unemployment costs charged to them since the declaration of the national emergency on March 13, 2020.

The following are examples of actions taken by states that can serve as models of the three forms of relief that are needed to make all employers whole for costs incurred or threatened due to layoffs caused by the pandemic.

Shore Up UI Trust Funds for Contributing Employers

- In 2020, lawmakers in several states ([Louisiana](#), [Maine](#), [Minnesota](#), and [Pennsylvania](#)) provided immediate relief for contributing employers, including for-profit and some nonprofit employers, by using Coronavirus Relief Fund monies to cover the losses of those tax revenues resulting from cancellation or delay of unemployment insurance tax rate increases during the pandemic.
- [South Carolina](#): Lawmakers authorized use of up to \$500 million of CARES Act funds to reimburse the state Unemployment Insurance Trust Fund.

Pay Off Unemployment Loans from the Federal Government

- [Hawaii](#): Lawmakers appropriated \$700 million [from CARES Act money](#) to repay the federal government for the unemployment insurance loan taken by the state.

Provide 100% Retroactive Relief for Reimbursing Employers

- [Delaware](#): The state permitted nonprofits with a balance of reimbursable unemployment claims related to COVID-19 to self-certify and request that CARES Act funding be allocated to their accounts, resulting in the cancelation of unemployment costs charged to them in 2020.
- [Kentucky](#): The Governor directed \$51.5 million in federal CARES Act funding to be used for unemployment insurance relief for reimbursing employers in the state. The announcement clarified that the Governor was applying CARES Act funds to “eliminate the other 50 percent owed to the state Unemployment Insurance Trust Fund by [reimbursing] employers.” The relief helped nearly 1,000 nonprofits in the Commonwealth so they could keep advancing their missions for people in local communities, according to the [Kentucky Nonprofit Network](#).
- [North Carolina](#): Legislators acted at the start of their 2021 legislative session to extend the noncharging period for COVID-related unemployment claims for reimbursing employers through the end of 2021, building on [previously enacted legislation](#). The action resulted in the state not charging reimbursing employers the remaining costs not covered federally under the ARPA.

2. Creating Relief and Recovery Funds and Grants for Nonprofits to Use in Their Communities

The most common form of relief that state and local governments provided nonprofits last year was economic support through relief funds and grant programs for nonprofits and small businesses. The

most successful relief funds and grant programs provided set asides and easy access for nonprofits during the height of the pandemic and allowed for strong partnerships between governments and nonprofits. As discussed in the Recommendations, above, keys to successful implementation included quick processing, nonprofit-experienced administration, minimal paperwork for applications and back-end reporting, and large funding set asides to avoid unnecessary competition between smaller nonprofits and other entities. The following examples show different ways that governments can structure these programs.

Governor Created Nonprofit Relief Fund

- **New Hampshire Nonprofit Emergency Relief Fund:** **New Hampshire** was the first state in 2020 to set aside Coronavirus Relief Fund monies (\$60 million) for nonprofits. It was overseen by the [Governor's Office for Emergency Relief and Recovery Stakeholder Advisory Board](#), which included among its members Kathleen Reardon, CEO of the [New Hampshire Center for Nonprofits](#). All New Hampshire-based 501(c)(3) nonprofits not assisted through other funding opportunities (e.g., hospitals, colleges, and universities) that were experiencing necessary expenditures and/or losses due to the COVID-19 public health emergency were eligible for funding under the program. Awards were based on actual expenses, net actual losses of revenue, projected expenses, or net projected losses of revenue due to COVID-19. The fund was administered through a true government-nonprofit partnership between the New Hampshire Center for Nonprofits, the New Hampshire Charitable Foundation, and the state's Community Development Finance Authority.

Executive Branch Grant Program

- **Montana Coronavirus Relief Grants:** A special Coronavirus Relief Fund Advisory Council, which included Liz Moore, Executive Director of the [Montana Nonprofit Association](#), made recommendations for how the state could best use the state's allocation of CARES Act funding. The **Montana** Department of Commerce then created, approved, and administered various grant opportunities based on 30 distinct program areas for nonprofit organizations and for-profit businesses in the state. The program areas ranged from agriculture to business adaptation, innovation, and stabilization to childcare, food banks and food pantries, the arts, private and public schools, and loan deferment. The Department awarded more than \$786 million at levels ranging from less than \$30 to more than \$800,000.

Legislative Branch Created Nonprofit Relief Fund

- **South Carolina Nonprofit Relief Grant Program:** At the end of their 2020 legislative session, **South Carolina** legislators established a [nonprofit-entity reimbursement grant program](#) under the SC Grant Management Program. Lawmakers appropriated \$25 million for grants of up to \$50,000 to qualifying nonprofit entities to cover two-month's payroll expenses. [Together SC](#), the state association of nonprofits in South Carolina, advocated for the program to ensure as many nonprofits in the state as possible were eligible to apply.

Nonprofit Administered Grant Program

- **Minnesota Small Business Relief Grant:** Lawmakers in **Minnesota** approved \$60.3 million for grants of up to \$10,000 for small businesses and nonprofits that could "demonstrate financial hardship as a result of the COVID-19 outbreak." The program was unique in that it selected awardees through a "computer-generated, randomized selection process." The randomized process included prioritization of targeted groups (veteran, woman, or minority-owned

businesses, and microbusinesses with fewer than six full-time employees), as well as geography. While the Minnesota Department of Employment and Economic Development oversaw the program, “awards were disbursed and administered by qualified local and regionally based nonprofit organizations.”

- **Tennessee Community CARES Program:** The largest nonprofit-specific grant program in 2020 was for \$150 million in **Tennessee**. The program tapped four United Ways, the Women’s Foundation for a Greater Memphis, and the Second Harvest Food Bank of Middle Tennessee as grant-administrators, which “helped decentralize the work” and to “ensure the basic eligibility standards and screening was applied.” Nonprofit grant-administrators recognized nonprofit-specific needs for applications, monitoring and oversight, and back-end reporting. The Department of Human Services and the nonprofit grant-administrators received 1,350 applications seeking \$435 million in proposed expenses to support diverse populations and communities across the state.

3. Streamlining Government Grants and Contracts with Nonprofits

The Treasury Department advised governments receiving Coronavirus State and Local Fiscal Recovery Fund monies that most of the provisions of the Uniform Guidance (2 CFR Part 200) apply to these funds, including the Cost Principles and Single Audit Act requirements.¹³ Exceptions are listed in the [Assistance Listing](#) found at [beta.SAM.gov](#). The important point here from the nonprofit perspective is that governments must reimburse nonprofits for the indirect costs they incur while performing services on behalf of the governments. Thus, the federal government continues to insist that when its funds are used to pay nonprofits, the nonprofits must be reimbursed fairly for the costs they incur when serving the public.

Pay Indirect Cost Rates of Government Grantees

- **New York City:** As documented by the federal [Government Accountability Office](#), the [National Council of Nonprofits](#), and others, too many governments fail to pay nonprofits for the full costs of the services they provide on behalf of the governments. The most common of these failures is not paying the organizations’ actual indirect costs. Those are the ordinary and necessary expenses of the organization – such as accounting, technology, rent – that are not specific to the program covered by a government grant, but costs shared across all operations. Prior to the pandemic, nonprofits in New York City partnered with the Mayor and City Council to establish the [Indirect Cost Rate Funding Initiative](#) to correct this systemic underfunding of nonprofit organizations on which the City relied. The pandemic, however, imposed significant stress on City finances, leading to budget proposals that would have restricted indirect cost reimbursements to just 70 percent of true costs. The relief under the ARPA has allowed [City leaders to reverse course](#) and ensure that nonprofit human services providers receive 100 percent of funding for their approved indirect costs this year.
- **Other Examples:** In January, the **District of Columbia** enacted the [Nonprofit Reimbursement Fairness Act](#) to ensure that government grantees receive payment of their indirect costs as required under the OMB Uniform Guidance, discussed above. Similar legislation is pending in [Massachusetts](#) with the goal of “enhancing the effectiveness of nonprofits’ core mission work through full cost funding.”

¹³ See Treasury FAQ #9.3.

Make Prompt and Full Payments for Services Rendered

- **New York:** Several governments, including New York State, shifted their financial burdens onto nonprofits during the pandemic by suspending prompt payment laws and reducing how much they reimburse nonprofits for services previously rendered. New York's Governor issued an executive order ([EO 202.48](#)) suspending prompt payment laws and authorized government agencies to withhold up to 20 percent from amounts owed to nonprofit service providers, essentially requiring nonprofits to underwrite the state's financial obligations for the duration of the pandemic. In a [letter to the Governor](#), a coalition of nonprofit organizations stated, "The sector cannot provide the necessary services and jobs New York needs to recover if the State is unwilling to honor its financial commitments to pay for the services it has contracted nonprofits to provide, while also asking nonprofits to continue to provide those services at great financial risk." It is essential that governments use their share of the ARPA funds to pay their bills for services already rendered on their behalf – not as a benefit to nonprofits, but as acts of fiscal and moral responsibility.

Relieve Contractual Performance Obligations During Times of Crisis

- **Failure to Perform Waivers:** The Office of Management and Budget, in [Memorandum 20-17](#) issued on March 19, 2020, encouraged federal agencies to relax administrative and performance requirements during the public emergency, recognizing that many governmental grantees and contractors would not be able to fully perform due to shutdown orders and public safety requirements. Examples of this flexibility at the state level include [New Jersey](#), which enacted a penalties waiver law, and [California](#), where pending legislation would allow nonprofits with state contracts for "non-essential" services to continue to receive payments during emergencies despite changes to contract performance due to the emergency.
- **Recognize and Overcome Nonprofit Challenges:** Policymakers in numerous jurisdictions are taking action to address challenges nonprofits have faced for years, but that the pandemic has exacerbated. For example, a new law in [Colorado](#) permits a state agency to pay up to 25 percent of the total value of payments to the grantee immediately upon execution or renewal of the contract, thereby preventing late payment and underpayment challenges confronting nonprofits. A bill in [California](#) would require each state agency doing significant business with or has policies that affect nonprofits to designate a nonprofit liaison to address nonprofit complaints, provide technical assistance on agency policy compliance, develop innovative contracting policies, and report nonprofit concerns to agency leadership.

4. Expanding and Replicating Innovative Nonprofit Programs to Help Communities Respond, Adapt, and Recover

Charitable nonprofits are often the first to respond when crises erupt, and this was no different with the COVID-19 pandemic. Nonprofits developed innovative programs and services to meet the changing needs within their communities. This final portion of the Special Report offers inspiring examples of successful programs that government-nonprofit partnerships can replicate, adapt, and expand to benefit people and help communities recover.

Job Retention, Creation, and Workforce Development

- **Expanding the Pool of Qualified Employees:** The pandemic hit frontline human service and behavioral health providers particularly hard. Job recruiting and retention remains the number one issue in many locations, so [Ascentria Care Alliance](#) and a coalition of human service and behavioral health providers in [Massachusetts](#) focused on reducing the drastic shortage of direct

care workers. They have applied for a federal earmark to create an Augmented Support Employee Program to attempt to expand the pool of potential hires. The program would address skills-based and “life challenges” impediments to employment opportunities, particularly for women and people of color. The program supplements training with additional wraparound services, delivered via coaches, such as language and cultural training, transportation, legal services, and childcare to help attract and retain employees.

- **Goodwill Industries®:** Partnerships with other nonprofits allowed local Goodwill® organizations across the country to offer job training and workforce development opportunities for young persons and people who experienced job loss during the pandemic. In [California](#), Goodwill of Silicon Valley, as a city contractor, provided case management for San Jose CARES WEX, a CARES Act-funded work experience program for individuals who suffered job loss or other impacts due to the coronavirus. In [Texas](#), Goodwill San Antonio and Project Quest provided financial assistance of up to \$450 per week to 75 people in vocational training who became unemployed because of COVID-19. Other CARES Act dollars are being used by local Goodwills in [South Carolina](#) and [Washington State](#) to offer “career navigator” services to assist people searching for jobs and create paid internship positions, respectively.

Childcare to Support Essential Workers

- **Community Action Partnership:** The majority of Head Start programs in **Washington, DC** were closed at the start of the pandemic. The local government turned to the [United Planning Organization](#) to transform the programs to provide childcare for essential workers. Once schools went completely online, the organization then worked to provide 300 laptops, 600 gift cards for food, and 800 supply bags with formula and diapers for local families. On the other side of the country, [the Opportunity Council](#) in **Washington State** worked with the Bellingham Regional Chamber of Commerce to combat a childcare desert and provided grants totaling more than \$600,000 using CARES Act funding for licensed family childcare homes and facilities owned and operated by people of color, especially those caring for children of essential workers.

Education

- **Remote Learning Site Grant:** In 2020, [North Carolina](#) lawmakers appropriated \$19.85 million for community-based organizations for a “grant program to facilitate remote learning opportunities during the COVID-19 pandemic.” The YMCA acted as the fiscal agent and all North Carolina YMCAs, YWCAs, Boys and Girls Clubs, county and municipal parks and recreation departments, and community-based organizations were eligible for grants up to \$100,000. The NC Alliance of YMCAs announced that 116 organizations statewide with 287 [remote learning sites were approved](#), serving approximately 14,000 students. All eligible applications were approved.
- **Expanded Education Access:** When the pandemic forced the [Louisiana Children’s Museum](#) in New Orleans to close its doors to the public, the Museum invited a school to use the space as a satellite site for learning. It partnered with the Langston Hughes Academy, which has a student population of 98 percent Black and 74 percent eligible for free lunch. The school’s pre-kindergarten and kindergarten classes enjoyed exclusive access to space designed for 4- to 8-year-olds, through the end of the year. A local foundation provided \$25,000 for janitorial, facility, exhibit maintenance, and educational support costs.
- **Education Supply Distribution:** The [Wenatchee Valley Museum & Cultural Center](#) in **Washington State**, despite closing its facility’s doors during the pandemic, continued its mission and dedication to students in the area by providing art supplies and science exploration kits to local

children. To support parents who suddenly found themselves teaching and keeping kids at home when schools closed in March 2020, the Museum utilized the public school lunch distribution sites for instructional art and STEM videos to keep kids active and engaged from home. The Museum continued this program even after schools reopened, offering free STEM, history, art programs virtually for teachers and parents.

- **Ready Together Oklahoma:** In May 2021, the Oklahoma State Superintendent of Public Instruction launched the Ready Together Oklahoma action plan along with education stakeholders to “bolster accelerated learning, strengthen instruction, and address social-emotional issues due to the pandemic.” Under the plan, Oklahoma City Public Schools are working with community partners to provide summer enrichment and learning loss programs to support student success. Local YMCAs and Boys & Girls Clubs are to receive \$2.7 million from the ARPA education funding as part of the action plan.

Vaccinations and Public Health Resources

- **Houses of Worship:** Churches in **Washington, DC** and elsewhere across the country volunteered as [vaccination clinics to build trust with their communities](#). The District’s pilot program was started in response to vaccine hesitancy and improve access within neighborhoods disproportionately affected by the pandemic. Places of worship serve as an easily accessible location for community members and allow people to be amongst family and friends while receiving the vaccine.
- **Museums:** In **New York City**, the [American Museum of Natural History](#) “whale-comed” people to get vaccinations under its massive blue whale, providing an entertaining and educational environment that allowed for social distancing and other health and safety measures. The location placed a “particular focus on public housing residents, museum staff, and cultural workers.”
- **Community Action Agencies:** In a typical year, more than 300 Community Action Agencies provide health services to their communities, serving more than 600,000 people. During the COVID-19 vaccine rollout, hundreds of additional Community Action Agencies located all across the country responded to the “need for equitable access to vaccinations” by creating and [implementing plans for appointments, transportation, and providing vaccinations](#) for underserved populations using CARES Act funds. For instance, the Community Action Corporation of South **Texas** distributed 10,000 vaccinations in two months, despite a historic snowstorm that caused power outages and disrupted travel. In **New Jersey**, Greater Bergen Community Action worked with Bergen New Bridge Medical Center, County of Bergen, and Bergen Coalition of Black Clergy to make vaccine appointments for people of color in the county.
- **Connecticut:** As a part of the Connecticut Governor’s proposal to use the state’s ARPA funding for direct state fiscal relief, \$50 million would go to nonprofit social service agencies for COVID-19 testing, psychiatric care, mental health and addiction problems, and childcare.
- **Meals Delivery Programs:** Some nonprofits serve people who cannot be reached through vaccine outreach activities due to geographical, physical, technological, or other barriers. This is the case for 23 homebound [Suffolk Meals on Wheels](#) clients in **Virginia** who receive regular meals through the program. Recognizing the opportunity to provide greater access to public health, the nonprofit partnered with Suffolk Fire and Rescue and the Bayview Physicians Group to provide doses of the COVID-19 vaccine to the seniors, a partnership that provided the added benefit of building relationships and trust between the residents and outside providers. In **Maine**, [Spectrum Generations Meals](#) not only doubled its meal production and packing

operations during the pandemic, it also procured and delivered Personal Protective Equipment along with its personal support services and community case management services. Working with a coalition, they now also help run vaccination clinics and transportation services for in-home vaccination appointments.

Sustaining Nonprofit Operations

- **Connecticut:** Governor Lamont proposed in late April that the state use its ARPA dollars to provide free access to participating museums in the state for children 18 and under plus one accompanying adult this summer. The Governor proposed providing \$15 million in total to the participating museums, administered by the state Department of Economic and Community Development's Office of the Arts, to cover the loss in revenue and promote sustainability. Children would receive educational and cultural enrichment while addressing some of the physical and social impacts of the pandemic.

Food Assistance

- **Expanded Food Access:** Museums across the country expanded their programming and services to [act as food hubs and distribution centers](#) during the pandemic. In **Iowa**, for example, [Brucemore](#) partnered with [Feed Iowa First](#) to give fresh produce from its garden as part of providing 48,6000 pounds of fresh produce to over 5,500 households in the state. [George Washington's Mount Vernon](#) in **Virginia** donated hundreds of pounds of vegetables, grown in the estate's gardens, to area foodbanks. The [Howell Living History Farm](#) in **New Jersey** shifted its crop production to food that could be distributed by local food banks, helping over 12,000 people in its community.
- **Expanded Reach:** [Meals on Wheels PLUS of Manatee County, Florida](#) opened food distribution centers near Title I schools to expand their reach during the pandemic. The nonprofit provided fresh fruits and vegetables, a luxury when people could not travel to grocery stores, to local students and their families in response to the "exponential increase" in need. It distributed more than a half million meals to over 15,500 families between March and September 2020.
- **Community Action Partnership:** The Hawkeye Area Community Action Program in **Iowa** reported a 540 percent increase of food purchased and distributed from 2019 to 2020, including more than 12 million pounds of food, and served more than double the number of households through mobile food pantries. In **Vermont**, Southeastern Vermont Community Action worked with local restaurant owners and food producers to provide more than 530,000 meals across the state by paying participating local restaurants \$10 per meal and requiring that 10 percent of the food be sourced from Vermont suppliers and farmers. The program acted as "lifeline for those growing and providing the food, as well as those serving the meals" and the recipients.
- **Keystone Community Services:** The capacity for food assistance and access in St. Paul, **Minnesota** will soon be expanded due to a newly purchased 20,000 square foot building by Keystone Community Services. The large project is part of a four-year strategic plan that was accelerated due to the pandemic. It will allow the organization, which saw a 93 percent increase in demand for services from 2019 to 2020, to increase efficiency and serve more people in the area. More than 50,000 people are expected to benefit from the new space by the end of 2022. The organization will continue to maintain operations for its three other locations in the city.

Housing

- **Cost of Home:** Habitat for Humanity's Cost of Home initiative is a long-term, ongoing advocacy campaign to address housing affordability and stability. At the start of the pandemic, Habitat for

Humanity “quickly expanded ... existing advocacy efforts to help millions of individuals ... struggling with housing insecurity as a result of the economic impacts of COVID-19.” Affiliates across the country successfully secured record investments in housing, emergency funding supplies, improved living conditions, rental and mortgage assistance, eviction, and foreclosure protections. Plus, they advocated and advanced policy priorities and trained new advocates. Each action was necessary to respond to the increased demand for housing stability caused by the pandemic.

- **Combatting Homelessness:** Goodwills in [Maine](#) and [Oklahoma](#) utilized CARES Act money for homeless programs. The Maine Bureau of Veteran’s Services partnered with Goodwill Northern New England and other nonprofits to reduce homelessness in their community. Goodwill Industries of Central Oklahoma received an \$830,000 grant to help homeless veterans and their families with employment consulting, housing, and legal assistance.
- **Homeless Shelters:** People in **Maryland**, **Missouri**, and **Vermont** benefited when local Community Action Agencies provided homeless shelters throughout the pandemic. The Human Services Program of Carroll County in Maryland was the only shelter system in the state to continue to take new people during the pandemic. In Missouri, the Community Action Partnership of Greater St. Joseph operated a low-barrier shelter, open 24 hours a day, seven days a week. CAPSTONE Vermont relocated residents from a local emergency shelter to area motels to allow for COVID safe distancing, and it partnered with local faith groups and the Salvation Army to prepare three daily meals for the guests.
- **Rental Assistance:** Many Community Action Agencies and/or state associations served as the [administrator for rental relief programs](#) to provide funding for eligible households. For example, in **Maine**, the state association provided \$24 million for thousands of households in 2020 and more than \$9 million to nearly 10,000 households thus far in 2021. Community Action Agencies in **Ohio** administered more than \$47 million of Coronavirus Relief Fund monies to assist 18,000 households in less than three months. The Governor and legislators subsequently appropriated an additional \$670 million for rental and utility assistance.
- **Utilities Assistance:** From the onset of the pandemic, Community Action Agencies in several states have worked with families to quickly access available state and local [funding to cover water and utilities bills](#). In **Maryland**, the Harford Community Action Agency worked with Harford County to determine that more than 5,000 households were behind on water and sewage bills, resulting in the allocation of more than a million dollars in CARES Act funding to cover those costs. The 23 Community Action Agencies in **Kentucky** worked together with the Kentucky Public Services Commission, Kentucky Cabinet for Health and Family Services, and Governor’s Office to provide \$14 million to help families get ahead of water and utility debt. In **Tennessee**, the Knoxville-Knox County Community Action Committee received funding from the state utility board, U.S. Department of Health and Human Services, Project HELP, and CARES Act funds, administered by the United Way, to help nearly 8,000 households avoid utility shutoffs.

Adaptation to Provide Pandemic Response

- **Essential Worker Safety:** Many science centers and museums across the country used their [facilities and resources to provide personal protection equipment](#) (PPE) and safety equipment to protect essential workers from COVID-19. These nonprofits used 3-D printers to create masks, face shields, medical-grade headpieces, visor bands, and other protective gear for local hospital and healthcare workers, as well as Meals on Wheels delivery drivers and other frontline workers in their communities. Others [allowed researchers access to specialized equipment](#) to

understand the shape and make-up of the coronavirus, increase processing times for COVID-19 testing, and link computers for faster and better analyzation of the pandemic.

- **Community Resiliency:** When the pandemic forced the [Anacostia Community Museum](#) in **Washington, DC** to shut its doors, the advisory board explored ways to expand its mission serving a predominately African American community. The museum launched three new programs. [Moments of Resilience](#), an online initiative, invited people to “share stories of how they were being resilient during the pandemic,” prompting responses from across the country. The initiative sparked “Take Time Thursdays,” a program encouraging people to take 30 minutes each week for self-care. Most recently, the museum launched another program, “Our Food, Our Future,” to talk about food activism and how essential workers keep food on our tables. The museum also partnered with [Feed the Fridge](#), a nonprofit that stocks outdoor refrigerators across the D.C. region with healthy, free meals to create “no-barrier access to meals for those who need one.”

Connectivity

- **Technological Assistance:** The [Metropolitan Alliance of Connected Communities](#) (MACC) in **Minnesota** supports 38 human service nonprofits with their client data system, data strategy, and capacity building. Beginning in March 2020, MACC received increased requests for remote service-delivery, distance interactions, and privacy and security in digital engagement because of public health concerns resulting from the pandemic. The organization was able to utilize one-time funds to help food shelves and other services to be more responsive and increase access to services through secure data systems and remote interaction technology.
- **Digital Equity Fund:** The Mayor of [Boston](#) reopened the Digital Equity Fund to award \$250,000 in grants to local nonprofits working to increase digital equity. The grants, ranging from \$5,000 to \$35,000, are funded in partnership with the City of Boston’s Age Strong Commission and the Department of Innovation and Technology. Nonprofits serving neighborhoods disproportionately impacted by the pandemic were prioritized and other nonprofits serving older adults, persons with disabilities, non-English speakers, public housing residents, and unemployed persons were strongly encouraged to apply. The Mayor’s emergency relief plan using the City’s ARPA dollars includes \$2.4 million allocated for expanding digital equity and access.
- **Telehealth Services:** During the COVID-19 pandemic, [Jewish Federations of North America](#) worked with many Jewish family service agencies, nursing homes, and hospitals to provide a wide variety of vital health, behavioral health, and long-term care services through telehealth. In particular, audio-only (telephone) telehealth options have allowed partner agencies to meet patients and clients wherever they are according to individual needs. Many of the older adults served were unable to access broadband, could not afford or use a smartphone, struggled with digital literacy, or suffered from cognitive, visual, or other physical impairments that inhibit their ability to utilize video-enabled technology. The ability to connect this aging population with health care providers was literally a lifesaver.

Conclusion

The American Rescue Plan Act provides \$350 billion in aid to state, local, Tribal, and territorial governments for their use in responding to the COVID-19 pandemic for “assistance to households, small businesses, **and nonprofits**, or to aid impacted industries” (emphasis added). Nonprofits and governments are natural partners, serving the same constituents in the same communities. Governments should look to nonprofits as economic drivers in their states and local communities, employers of a significant portion of the workforce, and vital partners for essential services addressing community needs. The nonprofit community provides these prioritization principles, program-crafting recommendations, and models of relief programs that may be improved, expanded, and replicated across communities. For the public good.

Resources

- [American Rescue Plan Act](#), P.L. 116-02, March 11, 2021
- [Coronavirus State and Local Fiscal Recovery Fund](#), U.S. Treasury
 - [Allocation for States](#), U.S. Treasury
 - [Allocation for Counties](#), U.S. Treasury
 - [Allocation for Metropolitan Cities](#), U.S. Treasury
 - [Allocation for Non-Entitlement Units](#), U.S. Treasury
 - [Allocations for Territories](#), U.S. Treasury
 - [Allocation Methodology for Tribal Governments](#), U.S. Treasury
- [Interim Final Rule](#), U.S. Treasury, May 17, 2021
- [Frequently Asked Questions \(FAQS\)](#), U.S. Treasury, updated June 10, 2021
- [Covid-19: Community Action Responded Quickly in the Early Days of the Pandemic](#), Community Action Partnership, 2020
- [Overview for America’s Counties: U.S. Treasury Interim Final Rule & Guidance for State and Local Fiscal Recovery Funds](#), National Association of Counties
- [Flexibility Provided in Latest COVID Recovery Fund](#), National Conference of State Legislatures, May 17, 2021
- [States Gearing Up for Fiscal Recovery Funds](#), National Conference of State Legislatures, May 6, 2021
- [How States Can Use Federal Stimulus Money Effectively](#), Pew Charitable Trusts, May 11, 2021
- [Letter to Congressional Leadership](#), The United States Conference of Mayors, National League of Cities, and National Association of Counties, May 27, 2021
- [Letter to Congressional Leadership](#), National Council of Nonprofits, June 14, 2021