



WEST VIRGINIA PROPOSAL

TO: Ann Urling, Deputy Chief of Staff – Office of West Virginia Governor Jim Justice

FROM: Paul D. Daugherty, President & CEO of Philanthropy West Virginia
 Dr. Tasha Anderson, Executive Director of the West Virginia Nonprofit Association
 Brett White, Chair of the West Virginia United Way Collaborative
 Stephanie Tyree, Executive Director of the WV Community Development Hub
 Robbie Morris, Chair of the West Virginia Economic Development Council



RE: West Virginia Nonprofit Strengthening Recovery Fund - \$50 Million

DATE: 08/20/2020

OVERVIEW

The COVID-19 pandemic continues to disrupt and impact nonprofits throughout West Virginia. With more than a **300% increased demand of nonprofits' delivery of services, programs, and support**, nonprofits are facing significant financial challenges along with limits on their ability to generate revenue. Many state and federal relief programs do not support nonprofits or do not provide the type of support that is beneficial to nonprofits. The federal SBA Payroll Protection Program has only provided a small bit of assistance for nonprofits while nonprofits are experiencing over a 300% demand for needs and services created by the pandemic.

As a result, nonprofit needs have not been fully addressed by federal or state relief programs. Nonprofits employ more than 12.7 percent of West Virginia's workforce and are not only an essential part of West Virginia's economy, but are also vital to the recovery and sustainability of West Virginia's communities now and in the coming months.

This program will provide short-term relief to nonprofit organizations that have seen more than a 300% increased demands for their services during COVID-19 relief, response and recovery efforts. Philanthropy West Virginia, the West Virginia Nonprofit Association, the West Virginia United Way Collaborative, the WV Community Development Hub, and the West Virginia Economic Development Council representing over 500 nonprofit organizations formally present this opportunity to the Governor of West Virginia to effectively provide assistance to West Virginia's nonprofits through an allocation of at least \$50 million of the state's federal CARES Act Stimulus funds.



MODELING FROM PEER STATES

States such as Wyoming, Tennessee, and Iowa have all allocated a portion of their federal CARES Act Stimulus (\$1.25 Billion) for nonprofit recovery/relief funds primarily designated for 501(c)3, (c)4, and (c)6 nonprofit organizations. The Governors in [Tennessee](#), [Wyoming](#), and [Iowa](#), have allocated millions of their CARES Act Stimulus to provide grants for nonprofit organizations responding to the pandemic and economic downturn. As these states have implemented this use of CARES Act funds, a precedent has been set and could easily be replicated in West Virginia. A commitment from the Governor's Office and working through the administration in partnership with Philanthropy WV, the WV Nonprofit Association, WV United Way Collaborative, WV Community Development Hub, and WV Economic Development Council could effectively provide critically needed financial funds for the nonprofit organization operations who are working above and beyond the call of duty to ensure the health and safety of West Virginians.

PROPOSAL:

West Virginia Governor's Office would allocate \$50 Million of the CARES Act Stimulus funds for the state of West Virginia to create the ***West Virginia Nonprofit Strengthening Recovery Fund***. This fund would award grants in the range of \$10,000 to \$25,000 through a simplified, online grant application to qualified the 501(c)3, 501(c)4, and 501(c)6 organizations dealing with the pandemic (grant sample forms are attached). The range of grants from \$10,000 to \$25,000 is due to the significant increase in service need of many nonprofits, increased costs, and major decrease in revenue due to cancellation of fundraisers/grants due to the pandemic. The grant program will be managed and used per the following proposed guidelines and eligible resources as outlined below.

ELIGIBLE USES

The grantees shall use funds for short-term cash flow assistance to continue operations, **sustain staffing**, provide increased services and supports, or to reopen the nonprofit following the COVID-19 pandemic. Any other use of the funds, including paying debts incurred prior to March 17, 2020, is not permitted.

ELIGIBLE WEST VIRGINIA NONPROFITS

- 501(c)3 charitable organizations, 501(c)6 tourism and CVB organizations, and 501(c)4 community economic development organizations
- Organizations with 25 FTEs or less will be eligible
- Agencies must serve the state of West Virginia and its residents without discrimination based on race, religion, gender, age, disability, national origin or sexual orientation.
- The WV Nonprofit Strengthening Recovery Fund will **NOT** support:
 - Grants directly to individuals.
 - Political campaigns, lobbying activities, or partisan marketing/outreach
 - Projects that exclusively serve religious purposes, although religious organizations providing non-religious community services will be considered.
 - Endowment funds.
 - **If an applicant organization receives increased CARES Act CDBG, ESG, and/or CSBG federal funds for their services in their community, they are not able to access this fund for**



additional service monies. They would be able to access funds for their organizational operations and sustainability as current CDBG, ESG, and CSBG do not allocate monies for organizational operations/staffing. .

ADMINISTRATION

- Statewide program marketed and administered by the West Virginia Governor's Office
- Simplified online grant application (one page) using the templates and expertise of Philanthropy West Virginia and its members to establish the rapid response yet accountable grantmaking process (*see samples attached*)
- Supported in partnership with Philanthropy West Virginia, West Virginia Nonprofit Association, West Virginia United Way Collaborative, WV Community Development Hub, and WV Economic Development Council, and grant reviewers

PROCESS

- Nonprofits will submit an online grant application during a four to six-week application period
- Documentation and eligibility for assistance will be confirmed (primarily requiring the nonprofit's current good standing with the IRS and WV Secretary of State's Office, W9, recent annual audit/financial review, and recent annual Form 990 filing)
- Documentation (via outlined memo) of loss of revenue or increased costs due to COVID-19 will be required
- Applications will be reviewed, and assistance will be awarded, until funds have been exhausted
- The application period may be re-opened if funds remain available
- Assistance will be made in one-time grants directly to 501(c)3, (c)4, and (c)6 organizations based in West Virginia
- Applicants will certify that these funds will not duplicate Federal funds they have received
- Target applicants are organizations with deep roots in the community and a strong track record of serving people who are immediately and disproportionately suffering from the pandemic crisis
- Priority will be given to organizations serving one or more of the following populations in West Virginia through programs and services:
 - Children from families living on low income* impacted by school or childcare closures
 - Communities of color
 - Minimum or low-wage employees displaced by business closures
 - Older adults living on low income*
 - People with limited English proficiency
 - People with disabilities
 - People without health insurance
 - Victims of domestic violence or child abuse
 - People living on low income*
 - People experiencing homelessness
 - Community development and economic development matters
 - Local tourism, convention, and visitors' bureaus/organizations
 - Small business support and response to the pandemic
 - Rural communities



- Immigrant and refugee communities

METHODOLOGY

If the maximum amount of assistance is granted to each nonprofit applicant, more than 2,000 nonprofits (max \$25,000 per organization) would be assisted through the program.

ADDITIONAL PARTNERS:



National Service and volunteerism resources have been deployed across the state to provide assistance to the COVID-19 response thanks to Volunteer WV. Local and state philanthropy (private, family, community, and corporate foundations) have stepped up investing over \$10 million in pandemic response. United Ways and community foundations have raised local relief funds, secured PPE, managed tens of thousands of 211 calls (a four-time increase), and provided thousands of hours of direct support. As the state's nonprofit and philanthropic sectors have stepped up since March 2020 to respond to the need of the pandemic, a partnerships and financial support from the state of West Virginia's executive branch is critically needed now. The needs of citizens, communities, and nonprofits across all 55 counties serving them continue with the pandemic extending through the summer and expected fall. A commitment and investment from the Governor with the CARES Act funds will ensure a great leverage of the financial and human resources already contributed by the members of Philanthropy WV, WV Nonprofit Association, WV United Way Collaborative, West Virginia Community Development Hub, and Volunteer WV who have stepped up in this crisis.

**For the purpose of this Fund, low income is defined as living at or below the federal poverty line or qualifying for free & reduced lunch.*



ADDENDUM – SAMPLE Grant Application Format

West Virginia Nonprofit Strengthening Recovery Fund Simplified Grants Application [SAMPLE Form]

West Virginia Governor's Office is offering Grants to 501(c)3, 501(c)4, and 501(c)6 organizations impacted by the COVID-19 pandemic that demonstrate need and financial assistance for recovery and serving citizens and communities in our state with hundreds of needs due to the pandemic. The State of West Virginia has allocated \$50 Million of CARES Act Stimulus Funds providing grants in the range of \$10,000 to \$50,000 to qualified nonprofit organizations. The application process begins on _____. Deadline for applying is ongoing until funds are fully expended.

The Need

Due to the extensive level of challenges created by the COVID-19 pandemic that West Virginia nonprofits are addressing with over a 300% increase in need and service compounded by significant losses in revenue this fund is to help these organizations in serving more West Virginians. These grants will be awarded to nonprofits who have a burning desire to serve citizens, nonprofits, businesses, and communities negatively impacted by the pandemic and restore their work prior to the crisis.

How Does It Work?

Through a simple one-page application, nonprofits (tax codes: 501c3s, 501c4s, and 501c6s) affected by the COVID-19 pandemic can apply for grants to continue their services, staffing, and get back online.

The objective is to provide critical funding support for these nonprofits to sustain operations, continue services provided during the pandemic, and responding to the evolving needs created by the global crisis.

The grants shall fund short-term cash flow assistance to continue operations, provide increased services and supports, or to reopen a nonprofit following the COVID-19 pandemic. Any other use of the funds, including paying debts incurred prior to March 17, 2020, is not permitted.

All grant recipients are expected to report on the expenditure of grant funds and results of the supported project by the Spring of 2021.

Who Can Apply?

Nonprofit organizations (tax code: 501c3s, 501c4s, and 501c6s) directly affected by the COVID-19 pandemic



who require capital to maintain, re-start/recover their operations in West Virginia.

Deadlines and Instructions

[Set your application process (keeping it simple) with either a deadline, until all funds are expended for intended purposes or needs are met.]

Grant applications will be online or may be emailed to: [insert your email here], faxed to: [insert fax number here], or mailed to:

Your Name Here

Address

City, State Zip

You will be notified within *[insert time period] of your selection*. If you have any questions, please call _____, or email _____

Grants for WV Nonprofit Strengthening Recovery Fund

Nonprofit Information

Nonprofit Name: _____ Phone: _____

Mailing Address: _____

City: _____ County: _____ Zip: _____

CEO/Executive Director: _____ Email: _____

FEIN: _____ Tax Status: Is your organization a 501(c)3, 501(c)4, or 501(c)6s

Grant Request Information:

Amount Requested: \$ _____

Number of Employees Affected: _____

Brief Description of Need: *[Insert brief language that will allow the nonprofit to provide some detail on needs. For example, "Please include a brief summary of your nonprofit's needs and how it will continue your operations, serve your fellow West Virginians, and/or get your employees back to work. Share how the pandemic has impacted your organization's budget and services to your community and our state." If you warrant it include a request of a brief summary of items needed and expenses.]*

