

The Potential Impacts to Nonprofit Organizations Caused by the Coronavirus

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The nonprofit world is about coming together to help others and it is times like the current worldwide struggle that nonprofit work is more valuable than ever. There seem to be a ton of resources for small businesses but did you know that there are resources for nonprofits too? While you are providing the world with much needed services and goods and, the federal government and other organizations are providing you with a short-term plan for potential financial stresses (see below). We will be there to help you understand the areas of interest for your donors and the government in the near future.

Now first and foremost, most organizations are fully aware of the Coronavirus Aid, Relief and Economic Security Act (CARES) Act and hopefully you are too. If you haven't looked into it already and you are struggling financially, we would highly recommend looking at the ["Loans Available for Nonprofits in the Cares ACT" summary chart](#) provided by the [National Council of Nonprofits](#).

This resource breaks down the three different loan programs, including financing options available to nonprofits dependent upon the number of employees and type of nonprofit, where to obtain loans and what expenses can be covered by the loans. I use financing options as a loose term as a lot of the funding could eventually be converted to a grant. The chart also provides a brief breakdown of what is necessary for the loan to be forgiven. That's right – your organization's loan could be forgiven!

If you are unable to obtain the necessary funds from the federal government or are unable to meet the needs of your organization, the [Alliance of Arizona Nonprofits](#) has a great “[Loans and Relief Funding](#)” page on its especially dedicated [COVID-19 \(Coronavirus\) Resources](#) section. This page provides a list of other organizations to reach out for help, including contact information. This includes potential funding sources from the Arizona Community Foundation, Growth Partners AZ, Virginia G. Piper Charitable Trust, among others.

While the above may provide answers to the most crucial questions right now, the following will undoubtedly follow:

- We are working in a remote environment. How have my internal controls changed? How am I addressing the risks of fraud/error?
- Will I still be helping others in the future (or to put it in accounting terms, do I have a going concern)?
- What impact will this potentially have on my audit? (See also Patrick Copeland’s recent article “[Getting your Organization Ready for Remote Auditing](#)”)
- What impact will this potentially have on my audited financial statements? Do I have a decline in the value of assets? Are my assets potentially impaired?
- What documents do I foresee being required to be compliant with the CARES Act? What documents may be necessary to get my loan forgiven?
- What impact will this potentially have on my IRS Form 990?

Our firm will be working with you to tackle each of these concerns over the next few months. Be sure to watch for future articles on [our resources page](#) or [follow us on LinkedIn](#) for more guidance on your organization’s operations. And, as always, please feel free to reach out and let us know how we can help you!

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