



LETTER TO MICHIGAN'S CONGRESSIONAL DELEGATION IN RESPONSE TO COVID-19

Michigan's foundations and nonprofits are on the frontlines of the coronavirus (COVID-19) response. The Council of Michigan Foundations, Michigan Association of United Ways, and Michigan Nonprofit Association and our members have been working around the clock to respond to the needs of Michiganders during this crisis. We operate as a strategic partner with government at the local, state and federal level to deliver vital services that ensure our quality of life and relieve the burden of government. Our partnership with government is more critical than ever as we work to align efforts that support those in greatest need.

As you can imagine, thousands of statewide and local nonprofit organizations, from food pantries, homeless centers/services and social service agencies to community foundations, United Ways and senior service providers are individually and collaboratively responding to ever changing needs in helping to ensure the public's safety, and leading recovery and restoration efforts.

The pressures on our nonprofits in Michigan continue to grow daily as the number of COVID-19 cases increase. The economic slow-down combined with social isolation policies are forcing the closure of businesses large and small including major automobile plants across the state which is providing additional stress on the sector.

Michigan's charitable sector employs nearly 470,000 people who provide critical services and economic benefit across our state and serves as a catalyst for more than one million volunteers. The financial hardships experienced by these organizations have as great of an impact on our state's workforce and economy as any business. Nonprofits matter and need your support.

As you and your colleagues take steps to stabilize losses from business closures across the country and work to manage this pandemic, we ask that you include nonprofit organizations (501(c)3 tax-exempt entities) of all sizes, in all economic and financial hardship relief efforts. Specifically, we are calling for:

- Essential needs support to help nonprofits rebuild their rapidly depleting resources.
- Frontline protection. After medical staff are fortified with disease protections, nonprofit human service providers need to be next—they are trying to serve vulnerable populations but otherwise face personal health risks in the process.
- Radically expand nonprofit capacity funding in both the short and long term as the crisis ripples through the healthcare community and local economies.
- Reduce restrictions on philanthropy to move resources in light of a declining market and escalating disaster. Amplify charitable incentives and temporarily suspend all excise tax burdens on foundations.

- Encourage the U.S. Treasury to exercise its emergency authority and give guidance on support to individuals. Expedite donor advised fund guidance and other regulatory gray areas.
- Direct government agencies to reduce or extend reporting requirements on federal grants.

Michigan's charitable sector has and will continue to respond. We are resilient and recognize that this is a time of extreme need. We are therefore expressing our desire that any future employment-focused relief or stimulus legislation include the above-noted considerations to support the general operations of the charitable sector and frontline staff.

We are your partners and welcome an opportunity to connect with your staff to exchange insights around strategies for meeting community needs. Your leadership to secure the strength of the charitable sector during this time of need is greatly appreciated and will make a truly significant impact for Michigan communities.

Sincerely,



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