

## Tax Credits | Non-For-Profit Entities (CARES, PPP, ERC, FFCRA)

March 15, 2021

Dear Tax-Exempt Friends,

We are writing this short letter to make sure you are aware of a few possible tax credits available to most not-for-profit entities. These came about from the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Families First Coronavirus Response Act (FFCRA) and certain extensions from the Consolidated Appropriations Act, 2021. These are available for eligible “for-profit entities”; however, most are available for the “exempt sector” as well.

The second draw of the PPP loan is near the top of this list. Eligible entities include those that have at least a 25% reduction in gross revenues. There are different time periods allowed for calculating this reduction and different methods of calculating might apply.

The employee retention credit (“ERC”) is another potentially beneficial credit. This credit was enhanced as of January 1, 2021. The ability to claim this credit has proven to help some employers. It is available to most entities who are impacted by certain government orders or if an entity’s gross revenues have decreased by more than 20% (comparing certain periods of 2020 to 2019). This percentage was 50% in 2020. More organizations should find themselves able to qualify for this help, as there were a few large changes to this credit that originated late last year.

Another credit worth mentioning under the FFCRA, is the credit for sick and family leave. This credit is not contingent upon any decline in gross receipts; rather, it is based upon whether the employer continues to pay their employees, even though the employee has been unable to work due to a quarantine order. A similar credit also applies for employees who stay at home (quarantined) to help dependents or others.

These are just three of the more commonly obtained credits, keep in mind, there may be more help in the form of lesser-known tax credits available to assist you. We are all experiencing new challenges as we wade through these uncharted waters called Covid. Schmersahl Treloar is here to help in any way we can.

Above all, we hope that you and your families are safe and healthy. If you would like additional information regarding the issues presented in this bulletin please contact Schmersahl Treloar at 314-966-2727.



Roger Toennies, Partner, CPA  
rtoennies@stcpa.com



Tim Hennessey, Partner, CPA  
thennessey@stcpa.com



Mark Graves, Partner, CPA  
mgraves@stcpa.com



trusted advisors