

Ten actions to ensure emergency measures work for all

On November 10, 2020, Imagine Canada hosted a convening with charities and nonprofits to discuss how current federal COVID-19 support measures could be improved, and what resources and initiatives would help organizations access much-needed relief. This convening and survey data collected in November have informed the following recommendations.

1 Extend the CEWS and CERS beyond June 2021.

Due to the 2nd wave of COVID-19, it is anticipated that support will be needed beyond the spring. Providing details as to what these programs will look like beyond December 2020 would assist organizations' planning needs.

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2 Raise the subsidy rate for CEWS.

Raise the current maximum base CEWS rate of 40% for periods 8 - 10 to provide additional coverage during the 2nd wave. Additionally, the raised rate could extend into subsequent claim periods in 2021.

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3 Allow independent contractors to be covered by CEWS.

Due to the precarious funding environment of charities and nonprofits, many organizations rely on independent contractors. Yet, these costs are not covered by the CEWS. Coverage should be broadened to include these workers.

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4 Lower the revenue decline threshold for maximum base CERS.

The revenue decline threshold of 70% to receive the maximum base CERS rate of 65% should be lowered to ensure more adequate coverage of organizations' expenses.

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5 Make Lockdown Support more accessible.

The Lockdown Support would not be available to organizations that carry on activities, despite public health order restrictions, even if at a significantly reduced capacity. The Support could be remodelled after the CEWS top-up subsidy, which is contingent on achieving a certain revenue decline threshold.

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6 Provide additional retroactive CERS support.

Retroactive support for the CERS will be available to the period starting September 27, 2020. It is recommended that additional retroactive support be provided for organizations that were unable to access the CECRA program despite demonstrating significant need.

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7 Allocate resources to help organizations apply for COVID-19 supports.

Many charitable and nonprofit organizations face capacity challenges that limit their ability to apply. We recommend establishing a helpline to assist charities and nonprofits with understanding and applying for supports and providing incentives to consultancy firms with relevant expertise to help charities and nonprofits apply.

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8 Guarantee CEBA for those with smaller paid employment income.

Charities and nonprofits report being turned away by financial institutions despite meeting the CEBA eligibility criteria. They are told they are not eligible for the Non-Deferrable Expense Stream. Access to this stream should be guaranteed for charities and nonprofits.

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9 Allow for greater flexibility in revenue calculations for CEWS and CERS.

Charities and nonprofits do not always receive/earn revenues the same time each year, which can make month-to-month comparisons across two years challenging and delay access to funds. It is recommended that there be greater flexibility afforded in terms of forecasting revenue declines across many months and/or excluding restricted contributions from calculations.

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10 Allow for temporary use of newly opened payroll accounts.

There is an expectation that newly opened payroll program accounts continue to be used for future payroll remittances. But this does not take into account why organizations have third party payroll administrators in the first place. Organizations should be able to access much-needed relief without having to disrupt established administrative practices.

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