

COVID-19 RESOURCE FOR CHARITIES & NFPs

NEW, EXPANDED PROGRAMS ANNOUNCED TO HELP ORGANIZATIONS IN PANDEMIC

OCTOBER 13, 2020

Finance Minister Chrystia Freeland [announced](#) on Friday, October 9, 2020, a federal plan to extend and expand financial relief programs for organizations, including charities and not-for-profits, that have been seriously impacted by the COVID-19 pandemic. The government intends to introduce legislation that would create a new Canada Emergency Rent Subsidy (the “new Rent Subsidy”); the government also announced an expanded [Canada Emergency Business Account](#) (CEBA) and extended the [Canada Emergency Wage Subsidy](#) (CEWS). The announcement was made as the numbers of new COVID-19 cases are rising across the country and a “second wave” of the pandemic is expected to last through the winter. There was no exact date given for tabling the new Rent Subsidy legislation, but the government stated it would be introduced “in the near future.”

Unlike the Canada Emergency Commercial Rental Assistance program (CECRA), tenants can apply directly for the new Rent Subsidy, which will also provide support for property owners, the government stated. Along with other businesses, the new Rent Subsidy would help charities and non-profits that have suffered a drop in revenue by “subsidizing a percentage of their expenses” on a sliding scale, up to a maximum of 65% of “eligible expenses” until December 19, 2020. Claims could be made retroactively “for the period that began September 27 and ends October 24, 2020,” the government stated. Organizations that were temporarily shut down by a mandatory public health order during the pandemic would be eligible for an additional 25% subsidy. CECRA had previously been extended until the end of September 2020; the new Rent Subsidy program is meant to “pick up where the previous program left off” and “without the need for tenants to work through their landlords.” Future parameters for the new program in 2021 would be “adapted and targeted as needed.”

Not-for-profits that are eligible for CEBA loans — and “continue to be seriously impacted by the pandemic” — can apply for an additional \$20,000 interest-free loan, half of which would be forgivable if repaid by December 31, 2022, according to the government. Organizations applying for this must submit an attestation “of the impact of COVID-19 on the business” to access the additional financing. CEBA’s application deadline has been further extended to December 31, 2020. CEWS has been extended until June 2021, remaining at the current subsidy rate: up to a maximum of 65% of “eligible wages” until December 19, 2020. For more information on CEWS see the [Charity & NFP Law Bulletin No. 477](#).

To discuss how this may impact your charity or not-for-profit, call us toll-free at 1-877-942-0001 or email tcarter@carters.ca.



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