

NH NONPROFIT EMERGENCY RELIEF FUND

A Fund of the Governor's Office for Emergency Relief and Recovery

Grant Program Summary

September 2020

Prepared by the New Hampshire Center for Nonprofits, the New Hampshire Charitable Foundation,
and the New Hampshire Community Development Finance Authority

EXECUTIVE SUMMARY

In early August of 2020, Governor Chris Sununu approved \$39,792,601 in grants to 496 New Hampshire nonprofit organizations through the Nonprofit Emergency Relief Fund (NERF).

The NERF was established through the Governor's Office for Emergency Relief and Recovery (GOFERR) on May 15 with an allocation of \$60 million. The funds are part of the \$1.25 billion New Hampshire Coronavirus Relief Fund established through the federal CARES Act. The state contracted with the New Hampshire Center for Nonprofits, the New Hampshire Charitable Foundation, and the New Hampshire Community Development Finance Authority to administer the grant program in collaboration with GOFERR.

These grants will enable nonprofit organizations with a wide variety of missions to continue to serve tens of thousands of New Hampshire residents who have been impacted by the coronavirus epidemic. Grants will help address lost revenues allowing nonprofits to retain key staff, and/or cover the direct expenses of delivering services to respond to the effects of the COVID-19 crisis, so critical organizations are able to serve New Hampshire through and after the crisis. (Read more about the purpose and program design of Nonprofit Emergency Relief Fund in the [original program overview](#) posted May 15 on the GOFERR website). Separate funds were created by GOFERR for nonprofit organizations providing specific services, including child care, higher education, health care and for the New Hampshire Food Bank.

During the application period (June 11 to June 25), 599 nonprofit organizations applied for funding. The administering organizations reviewed all applications in detail to determine if they were eligible and had qualified expenses and losses incurred due to the COVID-19 crisis, as defined by the CARES Act and GOFERR. The three organizations submitted a list of their determinations to GOFERR on July 24.

On August 10, the governor approved all of the recommended grants at 75 percent of the eligible amount as determined by the administering organizations, up to a maximum of \$1 million per award. In a statement, GOFERR explained that the final award amount is designed to ensure nonprofit awards have parity when compared to other GOFERR programs that have only covered a percentage of eligible requests, while also retaining part of the overall allocation for future needs.

Grant award notifications were sent to all applicants the week of August 10. The list of approved grants is available on the GOFERR website: <https://www.goferr.nh.gov/covid-expenditures/nh-nonprofit-grants>.

GOFERR administered an appeals process that ran through August 31 to give applicant organizations the opportunity to contest the administering organizations' determinations and governor's approved grant awards. The net effect of the appeals process, as well as five organizations declining to accept their grant awards, resulted in 495 grants totaling \$40,077,201 awarded to New Hampshire nonprofits.

"The state's nonprofits have played a critical role in New Hampshire's response to this public health and economic crisis, and will continue to meet the needs of our most vulnerable residents and weave our communities back together," said Kathleen Reardon of the New Hampshire Center for Nonprofits, Richard Ober of the New Hampshire Charitable Foundation, and Katherine Easterly Martey of the Community Development Finance Authority, in a joint statement.

“These organizations contribute to the quality of life for everyone who lives in New Hampshire. We encouraged the state to establish the Nonprofit Emergency Relief Fund and worked collaboratively to run the program and distribute the resources. We are committed to working together to continue to support New Hampshire’s nonprofits and residents — especially those who are the most vulnerable, and the most affected by this pandemic — through and beyond this very challenging time.”

PROGRAM INSIGHTS

1. As anticipated, nonprofits of all types are experiencing significant financial hardships due to COVID-19. Financial losses reported by applicants comprised nearly three-quarters of the financial impact experienced or projected. Grant funds to address these losses are in keeping with the program’s intent to help stabilize organizations so they are able to sustain their services and meet their public benefit missions.
2. Nonprofits that rely on earned revenue (e.g. ticket sales, camp tuition, rental income) to support their charitable programs and services showed particularly significant, quantifiable losses, which was unsurprising as many had to close their facilities due to the pandemic.
3. Many organizations that are more reliant on charitable contributions found it harder to predict the full effects of the economic crisis, and took a conservative approach when estimating future losses in donations and other contributed revenues, which underrepresents their concerns about the future.
4. More than half of the applicants received Payroll Protection Program (PPP) loans, which significantly impacted the award amounts. At the time of application, it was not known what proportion of these loans will be eligible for forgiveness. Nonetheless, per program guidelines established by GOFERR, 100 percent of the PPP loan amount was deducted from demonstrated need in determining award amounts — even though in many cases there were organizational expenses or losses that are not directly supported by the PPP.
5. The CARES Act requirement that expenses must be incurred by 12/30/20 categorically barred applicants from proposing longer-term expenditures to meet community needs that will extend into 2021. Further, this time limit likely inhibited many applicants from standing up new or expanded programs or services to meet increased community needs now, as it is difficult to launch and staff new efforts that will be funded only for several months.
6. Many nonprofit organizations were not eligible for the Nonprofit Emergency Relief Fund and thus, after review of program guidelines and technical assistance when needed, they did not apply. Therefore, NERF applications considered and recommended for funding do not capture significant aspects of the sector’s expenses and losses due to COVID-19. The administering organizations are mindful that additional gaps are likely to emerge as funding from GOFERR programs are deployed and the impacts of the public health emergency and economic disruptions continue.

OVERVIEW OF AWARDS

Awards from the Nonprofit Emergency Relief Fund were made to organizations in every county in New Hampshire, with total grant amounts corresponding closely to population distribution. Close to half of the \$40 million was awarded to organizations working in human services and related fields, and a quarter to arts and culture organizations. The remainder was awarded to organizations providing a wide range of services, from environmental protection to adult education to summer camps. Awards ranged from \$628 to \$1 million and were based on budget details submitted by applicants regarding qualifying expenditures and losses due to the pandemic, in accordance with the CARES Act and related U.S. Treasury guidance. Three-quarters of the awards totaled \$100,000 or less and more than half will go to small-sized organizations with annual budgets between \$50,000 and \$500,000.

A. AWARD DETERMINATIONS

Of the 599 applications submitted, 83 percent or 496 were recommended for approval. The governor approved the grants on August 10 at 75 percent of the eligible amount, up to a maximum of \$1 million per award, which totaled \$39,792,601. (Applications were declined if the organization was ineligible to apply; if the applicant could not demonstrate qualified expenditures or losses incurred between March 1 and December 30 of this year; if organizations were not in good standing with the Charitable Trust Division of the New Hampshire Attorney General’s Office; or if insufficient financial documentation was provided).

GOFERR administered an appeals process that ran through August 31 to give applicant organizations the opportunity to contest the administering organizations’ determinations and governor’s approved grant awards. The net effect of the appeals process, as well as five organizations declining to accept their grant awards, resulted in 495 grants totaling \$40,077,201 awarded to New Hampshire nonprofits.

Determination	Number of Requests	Percent of Requests	Amount Requested	Recommended by administering organizations	Final Approved Amount
Approved	495	83%	\$70,519,259	\$56,781,563	\$40,077,201
Declined	99	17%	\$15,465,805	N/A	N/A
Approved, But Organization Declined Award	5	<1%	\$401,838	\$372,676	\$279,507
Total	599	100%	\$86,386,902	\$57,154,239	\$40,354,707

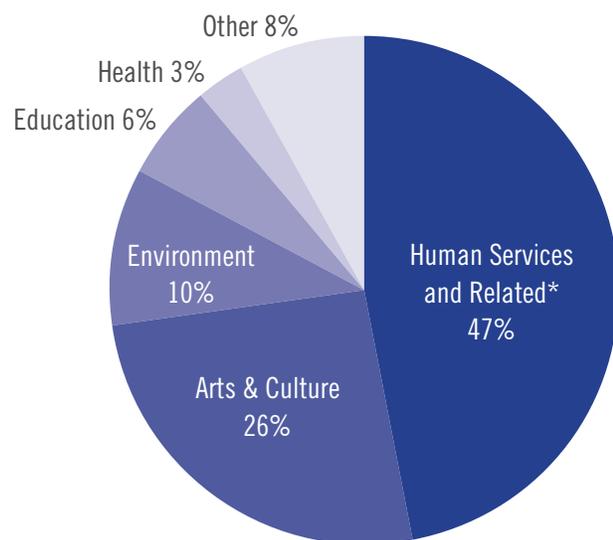
B. AWARDS BY LOCATION OF ORGANIZATION'S NEW HAMPSHIRE'S HEADQUARTERS

Awards will reach every county in New Hampshire and are generally aligned with the distribution of the state's population and community needs. Many organizations serve multiple counties.

County	Total Award	% Award Amount	% NH Population
Hillsborough	\$13,342,491	33.3%	30.7%
Rockingham	\$5,813,201	14.5%	22.8%
Merrimack	\$4,704,882	11.7%	11.1%
Carroll	\$3,953,465	9.9%	3.6%
Grafton	\$3,332,074	8.3%	6.6%
Cheshire	\$2,733,263	6.8%	5.6%
Strafford	\$2,519,347	6.3%	9.6%
Coös	\$1,606,591	4.0%	2.4%
Sullivan	\$1,249,994	3.1%	3.2%
Belknap	\$821,896	2.1%	4.5%
Total	\$40,077,201	100%	100%

C. AWARDS BY ORGANIZATION MISSION

Distribution of awards is in alignment with the distribution of the New Hampshire nonprofit sub-sectors eligible for the NERF program. Nearly half of the total supports organizations in the human services and related fields. (Categories are based on the organizations' IRS Form 990 code.)



D. AWARDS BY GRANT SIZE

Of the 496 awards, the majority (63%) are \$50,000 or less.

Award Size	Award #	Award %	Amount \$	Amount %
\$50K or less	312	63.0%	\$5,866,620	14.6%
\$50,001-\$100K	84	17.0%	\$5,815,587	14.5%
\$100,001-\$500K	84	17.0%	\$17,584,280	43.9%
\$500,001-\$1M	15	3.0%	\$10,810,714	27.0%
Total	495	100%	\$40,077,201	100%

E. AWARDS BY ORGANIZATION SIZE

More than half of the awards are for small-sized organizations with an annual budget between \$50,000 and \$500,000.

Organization Annual Budget	# Awards	% Awards	\$ Amount	% Amount
Under \$50,000	57	11.5%	\$553,974	1.4%
\$50,001 - \$500,000	265	53.5%	\$8,898,842	22.2%
\$500,001 - \$1,000,000	77	15.6%	\$6,670,425	16.6%
\$1,000,001 - \$5,000,000	82	16.6%	\$16,930,764	42.2%
\$5,000,000+	14	2.8%	\$7,023,196	17.5%
Total	495	100%	\$40,077,201	100%

APPLICATION PROCESS AND TECHNICAL ASSISTANCE

Nonprofit organizations that are 501(c)(3) tax-exempt organizations were eligible to apply (for a full listing of eligibility restrictions, view the [Frequently Asked Questions document](#)) and had to demonstrate necessary and projected expenditures and/or losses due to the COVID-19 public health emergency between March and the end of 2020.

Grants were awarded through an application process developed by the administering organizations and announced through a call for applications on June 11.

During the application period, staff from the three partner organizations, including financial professionals, provided intensive technical assistance to applicants. More than 1,000 people attended webinars to learn about the program and ask questions. In addition, staff:

- Responded to 310 program-related email inquiries,
- Fielded 525 requests for technical help, and
- Held 173 one-on-one appointments with applicants to help with the application and financial questions.

A total of 599 applications were submitted from June 11 to June 25. Professional grant reviewers — 20 staff from the New Hampshire Charitable Foundation and Community Development Finance Authority and eight consultants — assessed all applications in detail, based on criteria established by GOFERR and applicable U.S. Treasury guidance for these CARES Act funds. A 12-person fund committee comprised of two board members and the chief executive officer of each of the administering organizations made the final grant determinations based on grant reviewer recommendations, which were submitted to GOFERR on July 24 for final approval and distribution of funds to the applicant organizations.

The administering organizations will continue to help answer questions from NERF recipients about grant administration, and deliver additional technical assistance and capacity-building services to help nonprofits move beyond the crisis phase.

For more information about the Nonprofit Emergency Relief Fund, please visit <https://www.goferr.nh.gov/covid-expenditures/nh-nonprofit-grants>.