

# There's Still Federal COVID-19 Money For Nonprofits, But Act Fast!

07.29.24 | Linda J. Rosenthal, JD



In the dark days of the pandemic, there was little good news.

One startling exception was the willingness of the U.S. Congress to pull together and enact waves of emergency funding including the American Rescue Plan Act (ARPA) in 2021. That downpour of money included \$350 billion in [State and Local Fiscal Recovery Funds \(SLFRF\)](#). See [Billions in Covid-19 Aid: Nonprofits Should Engage ASAP](#) (August 3, 2021) [FPLG Blog](#); [Suddenly, It's Raining Grant Money](#) (August 17, 2021) [FPLG Blog](#); [Nonprofits: Continue Engaging on Billions in Pandemic Aid](#) (October 21, 2021) [FPLG Blog](#); and [That Federal "Mountain of Money": More Updates](#) (November 21, 2022) [FPLG Blog](#).

It was clear through Treasury regulations published three years ago that state and local governmental units "can use their SLFRF resources on charitable nonprofits to (1) give direct assistance to nonprofits as beneficiaries trying to recover from the pandemic's impact on their organizations, and (2) hire nonprofits as providers of services to others on behalf of those governments."

Almost a year later, there was still lots of this federal money left to be allocated and disbursed. See [Billions Available for Nonprofits](#) (May 11, 2022) [FPLG Blog](#) and [Seriously, Nonprofits: It's Still Raining Money](#) (July 7, 2022) [FPLG Blog](#). On top of all of this generosity, the government of California – enjoying a record budget surplus – authorized an additional tranche of funding complementing the federal State and Local Fiscal Recovery Funds.

Another two years have passed. The stunning news from the Treasury Department – [relayed today by the National Council of Nonprofits \(NCN\)](#) – is that there are billions left from that 2021 windfall. To be specific, there is "at least \$86 billion ready to be invested in the missions of charitable nonprofits, if organizations take action."

Soon.

At the stroke of midnight on New Year's Eve 2025, any amount left in that pot of gold parked at the end of the rainbow will ... poof! ... disappear.

### *Information About the Grant Funds*

The Department of the Treasury has, since 2021, maintained and regularly updated a dedicated and comprehensive SLFRF website including detailed quarterly data from the non-federal governmental units which have sought and received money under this program.

Included at the Treasury website is information that "...shows which governments have been active nonprofit partners, provides examples of programs and projects funded by SLFRF, and shares tips on how nonprofits can still secure funding." Also helpful is the "Frequently Asked Questions" page. See *FAQ 1.8: "Can nonprofit or private organizations receive funds? If so, how?"* Within that answer, federal officials make clear that the nonprofit must seek the federal funds directly from the state or local governmental unit(s) that have been allocated SLFRF money.

See also our six posts from 2021 and 2022: Each is packed with information about how various nonprofits around the nation successfully snagged this government money by "educating" their local government officials about the many permitted uses for these funds that involve the nonprofit sector.

### *Charitable Nonprofits Must Act Now*

In the July 29, 2024, issue of Nonprofit Champion, the biweekly newsletter of the National Council of Nonprofits, NCN officials explain that "... charitable nonprofits only have a few months left to advocate for remaining State and Local Fiscal Recovery Funds (SLFRF) made available through the American Rescue Plan Act" of 2021."

"Governments must obligate – commit to spending via a written agreement – these funds by December 31, 2024; unobligated funds will be returned to the U.S. Department of the Treasury." Nonprofits should act now "... to access this once-in-a-lifetime funding opportunity."

NCN points out two aspects of the SLFRF Program, revealed by the "latest data," that are of special concern for the nation's nonprofits.

First, "...while many state, local, and territorial governments have partnered with nonprofits through direct relief programs and by hiring them as providers of services, more than 95% of SLFRF dollars have gone to other entities."

Second, the news that "... as of March 31, 2024, an estimated \$86.0 billion in SLFRF resources remain available ... is important because most local officials assume they have already disposed of SLFRF dollars." NCN advises: "Learn how these officials likely are mistaken," citing Commentary: Seize The Moment: Tap Into Remaining American Rescue Plan Act Funds (March 11, 2024) Donna Murray-Brown & David L. Thompson, *The NonProfit Times*.

### *Conclusion*

[Repeating the advice we gave back in October 2021 about the SLFRF money]: “Since early May, the Treasury Department has been shoveling it out the door as fast as it can, but a big chunk of that ‘whopping \$350 billion’ remains ....” Since “... money doesn’t just spend itself, [a]ssure our ‘government partners’ that, as always, we’re here to help them spend” it.

– *Linda J. Rosenthal, J.D., FPLG Information & Research Director*