

PwC NPO COVID-19 Information - April 13, 2020

To our PwC not for profit clients,

We continue to receive a lot of information due to the impact of COVID-19. As we receive information / news that can be useful to you and your organization, we commit to passing this along. Please let me know at any time if you wish to be removed from this email mailing list. In addition, if you have questions or need help, please do not hesitate to reach out to your audit engagement partner.

Tax:

Canada - Changes to Canada Emergency Wage Subsidy (CEWS): The federal government announced changes to the CEWS program. The revenue loss threshold to qualify for the CEWS for March will be reduced from 30% to 15%. Employers may choose to compare their revenue of March, April, and May 2020 either to the same month of 2019, or to an average of their revenue earned in January and February 2020. Employers will be allowed to measure revenues either on an accrual basis or a cash basis. Rules will be provided to address issues for corporate groups, non-arm's length entities, and joint ventures. Registered charities and non-profit organizations will be able to use their revenue calculated either with or without government funding. Additionally, the CEWS will be expanded to include a 100% refund for certain employer-paid contributions to Employment Insurance, the Canada Pension Plan, the Quebec Pension Plan, and the Quebec Parental Insurance Plan made in respect of eligible employees on leave with pay and in respect of which the employer is eligible to claim the CEWS.

<https://www.canada.ca/en/department-finance/news/2020/04/additional-details-on-the-canada-emergency-wage-subsidy.html>

"For registered charities and non-profit organizations, the calculation will include most forms of revenue, excluding revenues from non-arm's length persons. These organizations would be allowed to choose whether or not to include revenue from government sources as part of the calculation. Once chosen, the same approach would have to apply throughout the program period."

Canada - Canada Emergency Wage Subsidy (CEWS) enacted: Bill C-14, which enacts the CEWS program, received royal assent on April 11, 2020. The changes to eligibility for the CEWS, announced last week, were included in Bill C-14.

<https://www.parl.ca/DocumentViewer/en/43-1/bill/C-14/royal-assent>

<https://www.canada.ca/en/department-finance/news/2020/04/government-introduces-covid-19-emergency-response-act-no-2-to-help-businesses-keep-canadians-in-their-jobs.html>

Canada - Canada Emergency Business Account (CEBA): Applications to the CEBA (the interest-free government loan program) opened on April 9, 2020.

<https://www.canada.ca/en/department-finance/news/2020/04/minister-morneau-and-minister-ng-mark-the-launch-of-the-canada-emergency-business-account.html>

"Eligible small business and non-profit organizations can get interest-free loans of up to \$40,000. If the loan is repaid by December 31, 2022, 25% of it will be forgiven, up to \$10,000. These loans are fully funded by the Government of Canada."

Alberta - Matching for charitable donations: Starting April 15, 2020, the Alberta government will match, dollar-for-dollar, donations up to \$2 million to designated charitable organizations which are raising funds to provide relief from COVID-19.

<https://www.alberta.ca/release.cfm?xID=7007558C88EA2-0676-88A4-A16942AEB2DF250E>

Spread the word! "Starting April 15, the Alberta government will match, dollar-for dollar, donations up to \$2 million to Alberta-based charities and non-profit organizations with COVID-19 fundraising campaigns."

Webinars:

* Last week, we told you about a couple of client information sessions we had originally planned for Tuesday and Thursday of this week. Due to the significant client interest regarding the government financial incentives, we wanted to ensure we were providing timely, efficient and consistent information. As such, in lieu of these smaller group sessions, we are inviting you to attend our next national webinar on April 17th where in addition to other information, we will have a focused discussion on the government financial incentives. We will also answer frequently asked questions that we've received from you and other clients. There will be an opportunity to submit other questions live during the webinar, to register, please [click here](#).

We would also like to take this opportunity to provide you with additional information on this topic. During the national webinar we held on April 3rd we had an in-depth discussion on government incentives. Please find the link to access the recording. Discussion of government financial incentives begins at the 40:40 mark. <https://www.pwc.com/ca/en/webcast-hub.html>

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