Join the #JLTeam.

Audit, Tax, & Consulting for Associations & Nonprofits



About Us Request sample

BECOME A MEMBER TODAY



Log out

POST A JOB

fast, free, simple 0

NEWS

CAREERS

RESOURCES

SALARIES

ASSOCIATION DATA

EVENTS

PEER GROUPS

Home » News » Now eligible for PPP, 501(c)(6) groups seek payroll funds

NEWS

Now eligible for PPP, 501(c)(6) groups seek payroll funds

Articles Now eligible for PPP, 501(c)(6) groups seek payroll funds has been updated.

View

Edit

Nodequeue

Uncertainty remains around \$1 million lobbying limit; 501(c)(3) associations that received loan in 2020 can apply for a second loan



Hamlin

Jan. 22, 2021

By Kathryn Walson

After advocating for access to the Paycheck Protection Program for nearly nine months, 501(c)(6) associations that meet certain criteria are now eligible for PPP loans.

Deborah Hamlin, CEO of the Irrigation Association, said a forgivable PPP loan would make a "significant difference" for the 501(c)(6) group. (Tax-exempt groups organized under section 501(c)(6) of the tax code include trade associations and chambers of commerce.) Lost revenue in 2020 led Hamlin to lay off six of 24 full-time employees and reduce salaries. The association is currently moving to a smaller office space.

CEO AND SENIOR-LEVEL JOBS (MEMBER ONLY)

Executive Director

Alexandria VA

Vice President, Development and Community Giving Chicago IL

Director, Pro Bono Programs Baltimore MD

MORE CEO AND SENIOR-LEVEL JOBS

LATEST NEWS

CEO DATELINE - SFA plans its only Fancy Food Show in 2021 for September

CEO DATELINE - Manufacturers association debuts vaccine campaign

CEO DATELINE - U.S. Travel Association to push for domestic travel tax credit

MORE NEWS

MID-LEVEL JOBS AT ASSOCIATIONJOBS.COM MORE MID-LEVEL JOBS (OPEN ACCESS)

FOLLOW US:

E-LETTER SIGNUP

Association NewsBite

Highlight the right experience to get the job

from CEO Update

Hamlin said the association will apply as soon as the bank's portal opens. She plans to use the funds to raise staff salaries to previous levels and hire "new people to fit our new needs" in marketing and technology. She is considering outsourcing the management of in-person events. The association reported \$5.3 million in tax year ending June 30, 2019, but revenue has dropped at least 30% due mainly to the loss of their annual trade show. Hamlin said.

"We are seriously looking at reducing our reliance on our (in-person) trade show for income moving forward, and so we need different skills," she said.

Other 501(c)(6) groups that said they plan to apply for PPP loans include the National Association of Personal Financial Advisors, American Gear Manufactures Association and Association Forum.

As part of the stimulus bill passed in December, Congress authorized \$284.5 billion for PPP lending and gave access to 501(c)(6) groups. Associations have until March 31 to apply through Small Business Administration-approved lenders. Previous bills allocated up to \$659 billion for PPP loans but excluded 501(c)(6) organizations.

Some uncertainty remains over how the SBA will interpret eligibility. The legislation states that lobbying activities cannot comprise more than 15% of total activities, "receipts" from lobbying cannot exceed more than 15% of all receipts, and total lobbying expenses may not exceed \$1 million for the tax year that ended by Feb. 15, 2020.

Jeffrey Tenenbaum, managing partner at Tenenbaum Law Group, said he expects the SBA to require the use of lobbying figures that associations report on IRS form 990s to determine eligibility. The vast majority of associations spend less than \$1 million annually on lobbying, he said. The 15% limit on receipts is "hopefully a non-issue" because most associations fund lobbying from their general revenue, such as membership dues, and not from special lobbying assessments, Tenenbaum said.

In the absence of SBA guidance, ASAE is advising groups to explain in their applications how they calculated lobbying costs, using either the number on the IRS Form 990 or the number they report to Congress under the Lobbying Disclosure Act, said Christ Vest, ASAE's vice president of corporate communications and public relations.

First-time applicants can receive up to \$10 million or 2.5 times their average monthly payroll costs—whichever amount is smaller.

Some 501(c)(3) associations that received a PPP loan in 2020 may be eligible for a second loan if they can show at least a 25% revenue drop from one quarter in 2019 to the same quarter in 2020.

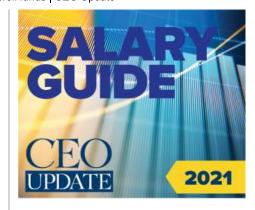
This story was updated Jan. 27 to add that lobbying activities cannot comprise more than 15% of total activities and to clarify that the 15% limit on receipts is "hopefully a non-issue," according to Tenenbaum.

Related content

Now eligible for PPP, 501(c)(6) groups seek payroll funds
CEO Chavez pushes investing, not retrenching, at education group
Bakers CEO serves up advocacy
Associations dial up diversity push with wave of new efforts
Association PACs consider next steps after Capitol assault
Honoring inaugural traditions, virtually
Building a learning culture means giving staff room to grow
Association Departures and Arrivals (January 22, 2021)

Join the discussion

Styles	Font Family	Font Size				



Path: p

SUBMIT COMMENT



Download recent issues of CEO Update

Read More



Now eligible for PPP, 501(c)(6) groups seek payroll funds

Read More



Bakers CEO serves up advocacy

Read More



Honoring inaugural traditions, virtually

Read More



Associations dial up diversity push with wave of new efforts

Read More



Association Departures and Arrivals (January 22, 2021)

Read More

News | Careers | People | Compensation | Association Intelligence | Contact Us | Resources | Advertising

Address: 1725 Eye Street NW, Suite 200, Washington, DC 20006 Telephone: 202.721.7656 Email: info@ceoupdate.com

Copyright 2018, CEO Update. All Rights Reserved