

IN FEBRUARY, IMAGINE CANADA GATHERED NONPROFITS TO DISCUSS CHALLENGES WITH THE CANADA EMERGENCY RENT SUBSIDY (CERS). HERE ARE OUR RECOMMENDATIONS, BASED ON THEIR EXPERIENCE, TO IMPROVE CERS AND ENSURE NONPROFITS CAN ACCESS THIS MUCH NEEDED RELIEF.

7 ACTIONS TO MAKE "CERS" WORK BETTER FOR NONPROFITS



LOWER THE REVENUE DECLINE THRESHOLD FOR MAXIMUM BASE RATE.

The revenue decline threshold of 70% to receive the maximum base CERS rate of 65% should be lowered to ensure more adequate coverage of organizations' expenses.



PROVIDE ADDITIONAL RETROACTIVE SUPPORT.

It is recommended that additional retroactive support be provided for organizations that were unable to access the CECRA program despite demonstrating significant need.



MAKE LOCKDOWN SUPPORT MORE ACCESSIBLE.

The Lockdown Support is not available to organizations able to carry on activities, even if at a significantly reduced capacity. The Support could be remodelled after the CEWS top-up subsidy, which is contingent on achieving a certain revenue decline threshold.



ADD THIRD REFERENCE PERIOD FOR COMPARISON FOR THE REST OF WINTER.

Recent changes to reference periods leave a gap in subsidy coverage from December 20, 2020 to January 16, 2021 for organizations that have experienced a revenue drop in January 2021. We recommend adding "January 2021" as a third reference period for comparison for this claim period, and adding third reference periods for subsequent claim periods where similar coverage issues exist.



ALLOW FOR GREATER FLEXIBILITY IN REVENUE CALCULATIONS.

Charities and nonprofits have irregular revenue patterns which makes month-to-month comparisons across two years challenging and can delay access to funds. Greater flexibility should be afforded in terms of forecasting revenue declines across many months, excluding restricted contributions, and/or using average 2019 income as a point of comparison.



STREAMLINE COMMUNICATIONS ABOUT EMERGENCY SUPPORTS

We recommend establishing a centralized helpline with dedicated staff that are knowledgeable about emergency supports and about nonprofits to assist them with understanding and applying for financial assistance.



ACCEPT DOCUMENTATION OF REGULAR RENT PAYMENTS IN LIEU OF FORMAL AGREEMENT.

Eligible expenses must be paid under a written agreement in place before October 9, 2020. However, some organizations do not have a formal agreement, but have documentation establishing a pattern of regular rent payments – they should be eligible for the subsidy.

IF YOU HAVE ANY QUESTIONS OR WOULD LIKE TO DISCUSS THESE FINDINGS:

Contact us at publicpolicy@imaginecanada.ca