

Assistance Available for Israeli Nonprofits in Response to the Corona Crisis Updated, May 26, 2020

Grants for Small Businesses and Nonprofits

Size of fund: NIS 5.2 billion

Who is eligible: Small businesses and nonprofits (with annual budgets up to NIS 20 million) who either regularly receive government support or whose fee-for-service contracts make up more than 33 percent of their income.

Size of grants: Up to NIS 400,000 (one-time grant)

Threshold requirements for applying: Organization must rely on fee-for-service revenues for at least one third of its income, and it must demonstrate that the Covid-19 shutdown has adversely impacted its income, operations or scope of work.

So far, two cycles of these grants have been awarded. Applications for the third cycle may be submitted from May 12 through August 10.

[Link detailing the NGO eligibility \(in Hebrew\)](#)

[Link to application form and other application materials \(in Hebrew\)](#)

Nonprofits Ask and Tax Authority Reps Answer (In Hebrew) **Wednesday, May 27, 10:00 am - 11:30 am (Israel time)**

Everything you need to know about the Government Aid Grants Fund for Small Business and Nonprofits
The Tax Authority's webinar will be dedicated to answering the nonprofit's questions about the Relief Fund's grants.

The Webinar will be led by Civic Leadership (an umbrella organization for Israeli nonprofits) and is part of the Prime Minister's Office Roundtable's Corona Subcommittee for Nonprofit Needs

[Click here to register for Webinar \(in Hebrew\)](#)

Approved Government Advances

To help support nonprofits through this difficult period, the Israeli government has adjusted the criteria for receiving state grants, so that grants can be allocated for services provided through digital and other out-of-the-ordinary means. In addition, the Ministry of Finance has approved advance payments of 2020 support grants.

Size of fund: Based on the 2020 budget and existing agreements.

Who Is eligible: Organizations that have existing contracts with the government for services and support in 2020. The government will make advance payments in accordance with the existing contracts in order to allow for efficient cash flow for non-profits. (Normally, the government only pays retroactively for services.)

Amount of aid available: The government is currently reviewing criteria and amount of support for this program.

Reimbursements for Services Already Provided to the Government

Nonprofits or public benefit companies that have already invoiced the government for services provided but not yet paid service should complete the [questionnaire in this link](#).

Joint Government-Philanthropy Relief Fund for Nonprofits During the Corona Crisis

Nonprofits not eligible for the above forms of aid, whether because they don't have large fee-for-service revenues or do not contract with the government, can receive support from a new joint government-philanthropic emergency relief fund, managed by JDC-Elka.

This fund will distribute fast-track grants to coronavirus crisis-impacted organizations that normally rely on donations and/or are not eligible for any other significant governmental compensation. This fund aims to help nonprofits maintain their operations and organizational infrastructure so they can return to normal operations in the future. The fund is structured so that grants can be administered promptly and efficiently while providing sufficient flexibility to the social organizations. Furthermore, eligible organizations will also have access to a range of supplementary services aimed at building organizational resilience.

The fund is managed by JDC-Elka and overseen by a committee made up of representatives from the Ministry of Welfare and Social Services, the Treasury Ministry, the Prime Minister's Office, and representatives of the foundations who have made significant contributions to the fund. The committee also will include observers from the Ministries of Health, Education and Absorption.

Full eligibility criteria and details are still being determined. In the next two weeks, once applications are available, we will post a link to the GuideStar site where nonprofits can apply for assistance.

Structure of the Government –Philanthropy Civil Society Relief Fund and Eligibility

- The fund complements the governmental range of solutions by focusing on organizations for which other governmental support does not provide a comprehensive solution. Accordingly, eligible nonprofits will be those whose income from fee-for-service is less than one third of their general income cycle and those not supported by the government at all.
- Grants will be allocated to nonprofits, public-benefit corporations and public institutions that have been operating in the past two years in the fields of welfare, education, health, or serving members of disadvantaged or at-risk populations. Educational institutions, hospitals, HMOs (national health care programs) and religious institutions are not eligible for support from this fund.
- Grants will be allocated to organizations that have either stopped or significantly reduced their work due to the government's emergency regulations for preventing the spread of the coronavirus, to an extent that puts their continued operation at risk.
- Support will be given only to nonprofits meeting the government's full terms of eligibility and with a valid certificate of "*Nihul Takin*" (proper management)).

Free Professional Services Available to Nonprofits

Mentor - Counseling Center, Training and Support Services for Social Organizations

Several private and public institutions have come together to offer free professional support and consulting services to nonprofits hurt by the coronavirus pandemic. This initiative launched earlier this month has recruited top-notch consultants and experts who will offer free professional support, including helping organizations identify sources of financial assistance.

This project provides under one roof, a variety of mentoring and professional consulting services tailored to the needs of nonprofits and helping them build an emergency plan to deal with the consequences of the crisis. These services include assistance in applying for loans and applying for government relief funds.

The institutions, organizations and businesses involved in this project include: a new nonprofit support space in Kikar Atarim (a neighborhood of Tel Aviv) the Jewish Agency, Ogen Group, Israel's Social Security Administration, Matan – Investing in the Community, Keren Shemesh (a foundation), McKinsey Strategic Consulting (an international consulting firm), PWC (CONSULTING FIRM), 8200 Alumni (a group founded by alumni of a special IDF unit).

Contact: socialspacekikaratarim@gmail.com | For registration and more details in Hebrew [click here](#)

Loans Available for Nonprofits

Social Loan Fund in Collaboration with Philanthropic Foundations and Ogen Loans

The organization Ogen is operating an emergency loans fund for nonprofits and civil society organizations in collaboration with the Jewish Agency for Israel and donors such as the Gottesman Family, the Jewish Federations of North America (JFNA), private donors from Israel and abroad, and Migdal Insurance Company. Ogen offers a range of opportunities for loans under optimal conditions and not requiring personal guarantees or collateral.

[For further information \(in Hebrew\)](#)

Loan Fund for Social Organizations through a State Guarantee of 8 Billion NIS

Nonprofits are eligible for loans (made through private banks) through a specialized support fund that provides immediate relief for cash flow difficulties encountered by small- and medium-sized Israeli businesses. The fund, backed by government guarantees in the scope of 8 billion NIS, is operated by the Department of the Accountant General in the Ministry of Finance, allowing banks to offer government-backed credit under optimal conditions to businesses and nonprofit organizations.

This designated fund created to help organizations cope with the implications of the coronavirus outbreak, will enable small nonprofit organizations to receive government-backed loans of up to 16% of their revenue cycle, while medium-sized nonprofits would be able to receive a loan of up to 8 % of their revenue or up to a maximum of 20 million NIS. Social organizations with a turnover of up to 4 million NIS, would not be required to place a personal guarantee at all. The loans will be offered by all banks that have joined the mechanism, and organizations can choose which bank to use.

The loan application process has been improved to allow organizations direct access to the bank, without the need to pass through a coordinating government body, thereby resulting in reduced handling times. The loan provision process will be according to customary proceedings at the banks.

[Details regarding the terms of the loan and an explanation on how to apply can be found on the State Guarantee Fund website.](#)

Further Government Benefits Available to Nonprofit and Social Organizations

Discounts in Municipal Taxes, Electricity and Water Bills

All alleviations granted to the business sector in payment of municipal taxes, electricity and water bills will also apply to nonprofits. On 21 April 2020, new national economy regulations were published, by which eligibility criteria have been defined for discounts on municipal taxes for a sum amounting to three months of payment (as of 1 March 2020 until 31 May 2020). The discount will be granted based on the municipal tax classification of each property.

[More information here.](#)

Delaying of Governmental Audits

The Registrar of Non-Profit Organizations has updated guidelines regarding the return of supervision and auditing procedures to the non-profit organizations and companies for public benefit beginning in mid-June 2020.

[More information here.](#)

Regulatory Adjustments

The Department of the Accountant General in the Ministry of Finance is adjusting many of its regulations in response to the new needs created by the pandemic. In addition, the Department is examining further adjustments in additional fields such as the rate of self-funding required of the organization, management expenses rates, maximal deficit rates, reduction of bureaucratic procedures, and more. In the coming days, the Ministry of Finance is expected to publish an amendment to the existing procedure.