FAQ: How is SANCA Responding to the COVID-19 Pandemic?

Last updated: May 4, 2020 (new text is RED)

The COVID-19 pandemic is an unprecedented crisis. SANCA is doing all we can to ensure the health and safety of our students, staff, and community. We are committed to ensuring the financial security of all our employees. We aim to keep our employees and artists who are financially vulnerable fully paid through this crisis utilizing the support of generous donors, grants, and government resources. This is essential because many of our artists are part time or gig workers, which puts them at high risk without good options for unemployment benefits or other safety nets. SANCA must be their safety net.

Why is SANCA closed?
SANCA responded to Governor Inslee’s stay at home order and order to close gyms and entertainment venues by closing its facility completely. The latest stay-home order by Governor Inslee runs through May 31.

Why is SANCA paying its employees?
While we have said that we are paying our employees in full, our overall payroll costs have been about half of what they usually are. We have 55 employees, most of whom work at SANCA part-time. Some of our staff have elected not to take SANCA pay during closure because of one of two reasons: 1) they have other means of support and do not need a paycheck right now, or, 2) they have been approved for unemployment benefits that sufficiently cover their needs. However, some SANCA staff have either not been approved for unemployment or their approved benefits are insufficient to support them during this closure. SANCA continues to support those workers and will for as long as it can while not jeopardizing the future of the organization.

Further, SANCA is doing everything in its power to reduce and limit expenses during this closure. This is a challenge because ongoing bills and invoices still come due every week. But we are pursuing every available avenue of support and reduced expenses we can to ensure that SANCA will survive this pandemic no matter how long it continues.

Did SANCA refund tuition to students for Spring session?
All Spring Sessions and Spring Break refunds have been issued, and the period for requesting them has closed. About 50% of Spring session students donated their tuition back to SANCA.
How are you taking care of your staff?
So far, SANCA continues to pay staff who have no other means of support. Our intention is to continue paying these staff members in full as long as resources are available for us to do so. We are also sharing all available information with our staff, including information about Individual and Artist relief funds, federal and state unemployment benefits, utility and rent relief, and other options for financial relief. It is important to note here that SANCA will not risk its future ability to reopen. We are actively monitoring our fiscal standing and creating projections based on worst-case scenarios.

How are you taking care of the circus community?
First, SANCA is caring for its community by following the recommendations of public health officials, both for safety when we were open and by closing to slow the spread of the virus. We also launched online Circus at Home classes for our community that provide healthy circus and fitness activities to help people stay fit, continue training, and connect to each other. We intend to continue online/home-based classes as part of our business model in the future. For more information and to sign up for a class, visit our website.

How much is the closure costing SANCA?
Revenue losses include class and camp tuition, rentals, events & parties, and shows. Between current and projected losses, SANCA is facing a minimum loss of $500,000. If we are able to re-open by June 22 for the start of summer camps (even in limited capacity), losses would not rise significantly above $500,000. If the closure extends beyond June 22, our losses could rise to $750,000.

Will SANCA close permanently?
As of right now, the answer is no. SANCA has been approved for a Paycheck Protection Program (PPP) loan from the Small Business Administration (SBA) as part of the federal CARES Act. While it does not cover all financial losses, this funding will help SANCA survive the remainder of the Spring. SANCA leadership expects to come out of this crisis intact whether at full operation or reduced operation. Even with the PPP loan, SANCA still needs significant support to ensure that SANCA can return to its previous vibrant operation and capacity. Our cash flow position is strong, and support from our community has been robust. Please see the financial projection models at the end of this document.

What will SANCA do about rent and other ongoing costs?
We've been working with our landlords, Orcas Business Park. They have generously extended two months of rent forgiveness to SANCA. We sincerely thank our landlords, the Harvey Family, for their generosity. While this support is helpful, SANCA’s other costs (utilities, insurance, etc.) continue to mount. SANCA’s only relief for these expenses are through generous donations, earned revenue from online classes, relief grants, and loans.

What government or foundation relief funds are available to SANCA?
SANCA has received a PPP loan from the SBA through Security Federal Bank. SANCA staff is researching every available avenue for relief funding that can support the organization and its people through this closure and crisis. The following list includes funding received and other possibilities.

- SANCA has received a grant of $10,000 from the Seattle Office of Arts & Culture specifically to support COVID-19 closures.
- SANCA has received notification from 4Culture that we will receive a $4,000 relief grant.
• SANCA has applied to ArtsWA, the state arts commission, for a $5,000 relief grant. **We will not be notified of the status of this request until late June.**

• SANCA applied for Disaster Loan Assistance via the Small Business Administration (EIDL) but has not received an answer.

• SANCA applied for a Paycheck Protection Program loan through Chase Bank, but did not receive one in the first round of funding. **Fortunately, by applying through a different bank, Security Federal Bank, SANCA was approved for a PPP loan in the second round of funding.**

• We have submitted our organization information and COVID-19 impacts to the Seattle Foundation COVID-29 Relief Fund. Their advisory panel is considering requests and making awards. Their first wave of grants will be to emergency and front-line responders, which does not include SANCA. Additional waves of support will then go to organizations suffering revenue losses including event cancellations, ticket sales, tuition, and so on. There is no guarantee that SANCA will receive any of this funding.

We continue to research and apply for additional sources of support. We will update this document at least once a week with new information. If you are aware of other sources of support that SANCA should approach, please let us know by emailing jeff@sancaseattle.org.

**What else is SANCA doing to seek additional financial support?**
SANCA quickly responded to this crisis with a request for donations from our community. **As of May 3, our community has contributed over $142,000.** This initial funding has helped SANCA overcome the first wave of payroll costs, but we still have a long way to go.

SANCA is also offering a robust slate of online classes. For the most part, circus isn’t possible in an online environment where essential equipment such as mats, properly-rigged aerial gear, trampolines, tightwires, and floor space are not available. However, we are offering classes that provide fitness and conditioning to help people prepare for the return to circus and classes like juggling that can be done from home. We also offer some “outside the box” classes on mental health, makeup applications, and a session called Wine & Whine. More classes are added each week.

In keeping with SANCA’s motto that “Circus is for Every Body,” we elected to offer these online classes free of charge as a service to our community at a time when many cannot pay their own rent. We ask for donations at the time of registration and at the beginning of each class. The good news is that students have contributed more than double what we would have raised with a set class fee. In less than a month, online classes have helped SANCA raise over $13,000.

**Do donors have any additional incentive to make gifts?**
From the National Council of Nonprofits: Under the new bill passed by the federal government, there is a new above-the-line deduction (universal or non-itemizer deduction that applies to all taxpayers) for total charitable contributions of up to $300. The incentive applies to cash contributions made in 2020 and can be claimed on tax forms next year. The law also lifts the existing cap on annual contributions for those who itemize, raising it from 60 percent of adjusted gross income to 100 percent. For corporations, the law raises the annual limit from 10 percent to 25 percent.
What’s the bottom line impact of the COVID-19 pandemic on SANCA?
The budget below shows SANCA’s path forward in three possible scenarios. No matter the way the rest of 2020 pans out, SANCA will survive. We need to raise at least an additional $50,000 to weather this pandemic and avoid a deficit. Our team is confident we can do just that.

The worst-case scenario projection includes reduction of staff and downsizing of SANCA’s facility. We hope to avoid these drastic options, but there is a tentative plan in place should SANCA need to adapt to account for a long-term closure. If we are allowed to operate within social distancing guidelines at reduced capacity, we have approved a policy and procedure for this that will allow SANCA to provide limited classes. As the situation continues to change we will evaluate and adjust these projections.

The following budget projections for all of 2020 reflect the addition of the PPP loan and increased costs that accompany the loan, plus all other financial updates as of May 3, 2020.

SANCA leadership is confident that the amounts on line 28 can be raised through contributions by generous donors who care deeply about SANCA. Should we not reach those amounts, additional cutbacks can be made to keep the organization solvent.

If you have additional questions about SANCA’s financial status or wish to see financial reports, please contact Executive Director John Tannous at johnt@sancaseattle.org.

Dated: May 4, 2020. This FAQ will be updated regularly.

DONATE TODAY TO SUPPORT SANCA