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Nonprofit Champion | August 12, 2024

Free Webinar

Accessing Remaining Covid Funds Before It's Too Late



More than \$86 billion available to charitable nonprofits and others are sitting in the coffers of state and local governments that must be spent or committed by the end of this year or the money is lost. This webinar, hosted by *The NonProfit Times*, is dedicated to ensuring nonprofits know about the availability of these dollars and how to access them before it's too late.

Wednesday, August 28, 2:00 pm Eastern

[Register now](#)

The Coming Tax Debate

The expiration of key provisions of the 2017 tax law at the end of 2025 sets the stage for one of the most consequential tax debates in a generation. The networks of the National Council of Nonprofits are committed to identifying and promoting fundamental tax policy proposals that will enhance the abilities of organizations to advance their missions in communities while working to ensure that adverse policies, including benign proposals with identifiable, adverse consequences, are not adopted.

Natural Disaster Tax Relief

Days after Hurricane Debby ravaged the south and having just experienced the one-year anniversary of wildfires that devastated Maui, it is undeniable that natural disasters are a fact of life in the 21st Century affecting large segments of the United States population every year. Yet, it frequently takes an act of Congress to determine whether and to what level of support government and private resources can be dedicated to relief and recovery efforts in communities devastated by the forces of nature. That should change with enactment of a package of targeted and temporary tax provisions that would only be triggered by a natural disaster declaration by the President of the United States.

[Read the entire policy paper](#)

Charitable Giving Flat, Reduced Due to Tax Policy, Reports Find

New reports underscore what charitable nonprofits have known for years: giving trends are cause for worry and the 2017 tax law has been a principal cause. The latest report from the [Fundraising Effectiveness Project](#) found that total charitable giving slightly increased by 4.1% in the first quarter compared to reduced giving a year earlier, but showed declines of -1.3% and -3.0% in donors and donor retention metrics, respectively. Of particular concern, the survey found that micro-sized donors (those giving less than \$100) showed the largest drop in performance,

decreasing 10.4%. Separately, a report from the [National Bureau of Economic Research](#) found that the policy changes in the 2017 tax law resulted in charitable giving falling by about \$20 billion in 2018, the first year of the 2017 Tax Cuts and Jobs Act's (TCJA) implementation. On average, the report finds, giving fell by about \$880 per taxpayer who no longer itemized deductions. It points out that a large portion of the decline fell on organizations that help people in need.

Worth Studying

- [Cautious Optimism in Q1 2024 but Reliance on Large Donors Remains](#), Fundraising Effectiveness Project, July 30, 2024.
 - [Tax Incentives for Charitable Giving: New Findings from the TCJA](#), NBER Working Paper No. 32737, National Bureau of Economic Research, July 2024.
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Federal FastView

- **Expanding Nonprofit Retirement Security Options:** A bipartisan group of Senators introduced legislation designed to expand low-risk investment opportunities available to 403(b) retirement savings plans typically offered by nonprofit organizations. The [Retirement Fairness for Charities and Educational Institutions Act](#) (S. 4917) was introduced by Senators Britt (R-AL), Warnock (D-GA), Cassidy (R-LA), and Peters (D-MI). The bill would expand retirement savings opportunities for nonprofit employees by allowing 403(b) plan participants to invest in collective investment trusts (CITs), tax-exempt investment vehicles that provide a diversified, pooled investment option – similar to a mutual fund. The legislation would create parity between 403(b) and 401(k) retirement savings plans, reportedly benefitting over 15 million employees at hospitals, universities, charitable nonprofits, and other organizations. [Learn more.](#)
- **Increasing Child Care Availability:** New bipartisan legislation in the Senate seeks to expand child care availability through tax credits and workforce supports. The [Child Care Availability and Affordability Act](#) (S. 4874) would renew and increase tax credits and deductions for child care-related expenses, including refundability of the child and dependent care credit so that more low-income families could benefit. The [Child Care Workforce Act](#) (S.4880) would

create a grant program meant to help attract and retain child care workers and expand the quality and affordability of care. Both bills were introduced by Senators Kaine (D-VA) and Britt (R-AL).

- **Renewing the Affordable Connectivity Program:** The Affordable Connectivity Program (ACP) that provided eligible households with a subsidy for internet access expired earlier this year. Many households and communities benefitted from internet access and the ACP helped close the digital divide, but funding for the program remains uncertain. Shortly before adjourning for the August Recess, the U.S. Senate Committee on Commerce, Science, and Transportation approved by voice vote the [PLAN for Broadband Act](#) (S. 2238), a measure that authorizes \$7 billion for the Affordable Connectivity Fund.
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Worth Quoting

On Nonprofit Nonpartisanship

- “Politicizing the Church is divisive within the Body of Christ, harmful to the public witness of the Church and a distraction from the priorities of the kingdom — namely, the Great Commission to proclaim the gospel, and the Great Commandment to love our neighbors as ourselves. Furthermore, committed Christians can and do disagree on political issues because there is rarely only ‘one legitimate Christian answer’ for most political questions.”

— Richard Stearns, president emeritus of World Vision U.S., quoted in the [Should Pastors Endorse Politicians From the Pulpit?](#)

Worth Reading

- [Ten-Year Anniversary of the IRS Form 1023-EZ: No Celebrations in Sight](#), Linda J. Rosenthal, For Purpose Law Group blog, Aug. 8, 2024.
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Worth Studying

- **Report:** [Trends in Federal Policy on Child Care and Early Childhood Education](#), National Conference of State Legislatures, July 29, 2024.

Election Tip

National Voter Registration Day - September 17

Remote video URL

Sign up now to be a partner for National Voter Registration Day on September 17. Watch this video to hear Chyann Sapp, Campaign Director for National Voter Registration Day, share why and how nonprofits can get involved to ensure every community is #VoteReady! Hurry, community partners need to sign up to participate by Sept. 3 for free swag.

Worth Watching

- [Nonpartisan Voter Engagement “How To” for Nonprofits](#) (48:33), National Council of Nonprofits, July 30, 2024.
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Did You Know?

There are approximately [100,000 polling places](#) across the country, meaning the need for poll workers is enormous. Watch [The Poll Worker Experience](#) and consider [signing up to serve](#) on election day, Nov. 5.

State and Local

American Rescue Plan Act Investments in Nonprofits

As the December 31, 2024, deadline to obligate State and Local Fiscal Recovery Funds (SLFRF) approaches, governments continue to announce programs and updates for charitable nonprofits:

- Chicago, **Illinois**, Mayor Johnson issued a request for proposals late last week seeking bids for administering the \$21.5 million [Small Business and Not-For-](#)

[Profit Support Grant Program](#). The program will provide “grants to small businesses and nonprofits located in Chicago to assist in stabilizing their operations, supporting their workforce, and mitigating the long-term impact of the COVID-19 pandemic.” Requests for Proposal submissions must be submitted by **Friday, September 6, 2024**.

- Lafayette City, **Louisiana**, adopted an ordinance to use American Rescue Plan Act funds to support [housing assistance and emergency shelter programs](#). The initial payouts will go to three local nonprofits; the remaining funds will be made available to more nonprofits later this year.
- The City of Detroit, **Michigan**, announced a new round for its [Neighborhood Opportunity Fund ARPA Grant](#), through which applicants, including nonprofits, are eligible for grants between of \$10,000 and \$20,000. Applications open Monday, September 16.
- The Albany County, **New York**, council recently approved \$4 million in [nonprofit grants](#) ranging from \$10,000 to \$350,000. The largest grants will support a recovery center and another care center to hire staff to “work with young people struggling with mental health and substance abuse issues.”

Tip for Accessing Funds:

Nonprofits should not be discouraged about pursuing funding. Even if government officials say that all funds have been obligated, there will likely be many chances due to programs having leftover funds or grantees cancelling projects. Charitable nonprofits are eligible for State and Local Fiscal Recovery Funds and governments with unobligated funds must return them to the federal government. Advocacy will ensure more funds go toward nonprofit missions.

For more information on how to advocate for funds, register for *The NonProfit Times* webinar, [Accessing Remaining Covid Funds Before It's Too Late](#), on **Wednesday, August 28** at **2pm Eastern**.

Worth Studying

- [State and Local Fiscal Recovery Funds Still Available for the Asking. So Ask!.](#), Jessica Mendieta, *Nonprofit Champion*, May 20, 2024.
- [State Grants in Tennessee: Making Grants Work for Nonprofits](#), Tennessee Nonprofit Network, July 2024.

New Nonprofit Regulatory, Employment Laws

Governors are using their pens to impose and clarify regulatory requirements and employment measures affecting nonprofit operations and fundraising.

- **Illinois:** Beginning next year, a new law ([Public Act 103-0635](#)) signed by Governor Pritzker will require any private foundation or charitable nonprofit making grants to other charitable organizations of more than \$1 million annually to post on its website the aggregated demographic information of the organization's directors and officers, including race, ethnicity, gender, disability status, veteran status, sexual orientation, and gender identity. The law expressly allows individuals to decline to disclose any or all personal demographic information to the nonprofit.
- **North Carolina:** Governor Cooper signed legislation ([S. 319](#)) authorizing employers, including nonprofits, that offer employer-provided health plans to agree to have all of their employees receive plan documents electronically rather than in hard copies. It includes a right to opt out for individual employees.
- **Virginia:** With Governor Youngkin's signature on [H.B. 464](#), the audit threshold for charitable nonprofits increases from \$1 million to \$1.5 million in gross annual revenue.

Advancing Grants Reforms

Two comprehensive grants reform bills in **New Jersey** seek to build on nonprofit successes across the country over the past decade. The first measure ([A. 4692](#)) would require state and local governments to follow the federal OMB Uniform Guidance on indirect cost rates, allow grants to be adjusted for inflation, permit three month extensions when grants documents are processed slowly, reduce redundant reporting requirements, and mandate interest penalties for late payments. The second bill ([A. 4695](#)) would establish a nonprofit ombudsperson, appointed by the Governor in the Department of the Treasury, to advocate on behalf of the sector, communicate and consult with nonprofits, and provide technical assistance. The ombudsperson would have the power to investigate complaints from nonprofits regarding state agencies, assist in resolution of complaints, report

Numbers in the News

98%

The share of evangelical leaders who say pastors should not endorse politicians from the pulpit, an increase from 89% who responded the same way in 2017.

Source: [Should Pastors Endorse Politicians From the Pulpit?](#), May/June Evangelical Leaders Survey, National Association of Evangelicals, July 31, 2024.

\$96.7 billion

The amount in federal, state, and local taxes that undocumented immigrants paid in 2022.

Source: [Tax Payments by Undocumented Immigrants](#), Institute on Taxation and Economic Policy, July 30, 2024.

Advocacy in Action

Creating Advocacy Opportunities

Advancing Mission During the August Recess, Part 2

Nonprofit advocacy days, whether on Capitol Hill or at State Houses, create the opportunity for nonprofit leaders to meet with elected officials and staff to share the stories from their communities and the legislative solutions to champion. As the expert on your organization's mission and impact, nonprofit people can share with elected officials the news on what is happening at the local level and provide testimonials from your staff, members, clients, and partners. This helps build relationships and makes it more likely for the officials to support your policy priorities.

[Read the full article](#)

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