



Published on National Council of Nonprofits (<https://www.councilofnonprofits.org>)

Original URL: <https://www.councilofnonprofits.org/nonprofit-champion-september-23-2024>

Nonprofit Champion | September 23, 2024

Federal

Congress on Path to Fund Government, Avert a Shutdown

Congressional [leaders reached agreement](#) over the weekend to maintain federal funding through December 20 and avoid a government shutdown at the end of the month. The measure essentially maintains spending at the current levels and includes additional money for the Secret Service to increase security for presidential candidates ahead of Election Day. It would also replenish FEMA's disaster fund but not provide specific extra funding for disaster relief. Leaders reached the compromise after the House failed to pass Speaker Johnson's earlier draft that would have extended funding into March 2025 and included a measure requiring individuals to show proof of citizenship to register to vote in federal elections.

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.

Making the Case for Charitable Giving Tax Incentives

Charitable nonprofits continue to experience growing demand for their services, yet costs continue to rise due to inflation while private donations and the number of donors are declining. The needs in our communities are far greater than the ability of governments to address alone. Congress should empower millions more taxpayers to help solve these challenges by enacting tax incentives that encourage donations to the work of charitable organizations in their communities.

[READ THE ENTIRE POLICY PAPER](#)

[Read the full series of tax policy papers](#)

Take Action

Help Secure the Workforce Data Your Nonprofit Needs

The nonprofit sector is a significant part of our nation's economy, comprising about 10% of the private sector workforce in our country. Unfortunately, the Bureau of Labor Statistics (BLS) does not regularly report nonprofit employment and wage data. Charitable nonprofits, Congress, and the public need more up-to-date nonprofit employment and wage data to make informed decisions. To help overcome this deficiency, join charitable organizations across the country in asking President Biden to take executive action to ensure that BLS includes nonprofit employment data in its quarterly reports. We encourage your nonprofit to [sign onto the letter](#) to the White House. The deadline for signing on is October 2.

[SIGN THE LETTER](#)

Federal *FastView*

- **Generosity Commission Report Released:** Last week the Generosity Commission released "[Everyday Actions, Extraordinary Potential: The Power of Giving and Volunteering](#)," the culmination of a three-year investigation of the causes and remedies of fewer people giving to and volunteering with charitable nonprofits. The commission urges Congress to increase the availability of the charitable contribution tax deduction and to sufficiently fund the IRS Exempt organizations division and state charity regulators and makes recommendations to philanthropic and business communities to cope with the downturn in giving and volunteering. Read the [full report](#), [recommendations](#) and [commissioned research](#).
- **Overtime Litigation Update:** The U.S. Labor Department has the authority to set a salary threshold as part of the test for determining overtime exemptions under the Fair Labor Standards Act (FLSA), a federal court of appeals ruled in [Mayfield v. U.S. Department of Labor](#). The new ruling, that focuses on the 2019 changes to the federal overtime regulations, comes after the Supreme Court's [Loper Bright v. Raimondo](#) decision limiting judicial deference to agency prerogative that put into question most federal regulations. The appeals court expressly found that the language in FLSA granting DOL the authority to "define" and "delimit" the terms "administrative," "executive," and "professional," includes the authority to set a minimum salary threshold for exempt white-collar employees. **NOTE:** *This decision only applies to the 2019 changes to the overtime rule; the outcome does not affect the upcoming changes to take effect in 2025. Subsequent courts could determine that the large increase in the salary level test included in the Biden Administration's [Overtime Final Rule](#) is beyond the Department's authority.*
- **Congressional Letter Requesting Review of Student Loan Servicer:** MOHELA, the largest student loan servicer in the country, has mishandled responsibilities with borrower complaints, committed more than 1.5 million billing-related errors, and failed to "accurately and timely process Income Driven Repayment, Public Service Forgiveness, and refund applications – causing clear financial harm to borrowers," according to allegations in a [letter from more than 50 Senators and Representatives](#). The letter, led by Sen. Warren (D-MA), urges the Department of Education to "immediately review

whether MOHELA is meeting its contractual obligations ... and act quickly to apply corrective measures - including potential termination of MOHELA's federal contract....”

- **Tax Exempt IRS Forms Under Review:** The IRS [announced this month](#) that it is undertaking its regular paperwork reduction review of 134 forms related to tax-exempt organizations. All of the Form 990s and accompanying schedules are on the list, as is the controversial [IRS Form 1023-EZ](#) and other applications for tax-exempt status. The public comment period runs through **November 12, 2024**.
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Fearless Fund Case Settled, Equity-Focused Philanthropy Continues

This month, the Fearless Fund and the Fearless Foundation, a 501(c)(3) nonprofit, settled a lawsuit challenging “race-exclusive programs” and [agreed to close one grant program](#) for Black, female-owned businesses. The plaintiffs in the case had alleged the grant program violated Section 1981 of the Civil Rights Act of 1866, which prohibits racial discrimination in private contracts. The settlement restricts the impact of an 11th Circuit injunction against the program to Alabama, Florida, and Georgia. It also avoids a possible nationwide precedent if the case have gone to the Supreme Court’s conservative super-majority that [struck down affirmative action programs](#) last year. Grantmakers are encouraged to [continue giving in line with their values](#) to nonprofits and missions they support by legally ensuring the funding qualifies as a grant and not a contract.

Worth Quoting

- “The attacks on DEI-related philanthropic programs wrongly assume that we now live in an equal-opportunity world and wrongly assert that discrimination in any form, even that designed to help fix social problems, is counter to public policy. In reality, we are waging a new civil rights battle for public policies that allow charities to do the right thing.”

— Roger Colinvaux, writing in [What the Fearless Fund Settlement Means for Philanthropic Freedom](#), *Chronicle of Philanthropy*, Sept. 17, 2024.

Worth Reading

- [Nonprofits, Legal Experts React to the Fearless Fund Decision to Shutter Grant Program to Black Entrepreneurs](#), Alex Daniels, *Chronicle of Philanthropy*, Sept. 16, 2024.
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Worth Watching

Remote video URL

- [What The Fearless Fund Settlement Might Mean For The DEI's Future](#), *Forbes*, Sept. 19, 2024, featuring an interview with Alphonso David, co-lead counsel to the Fearless Fund and President and CEO for the Global Black Economic Forum.



Election Tip

It's Not Too Late to Volunteer to Be a Poll Worker

Remote video URL

There is still time to sign up to be a poll worker and give back to your community. Many states need volunteers and paid workers now and through Election Day. Hear Donna Murray-Brown, Vice President of Strategy and Development at NCN, share her experience and be [inspired to apply now](#) with your state.

[Watch the Video](#)

Worth Reading

- [Nonprofits empower communities to vote](#), Marnie Taylor, *The Journal Record (OK)*, Sept. 17, 2024.

A blue gradient banner with the text "State and Local" in white.

State and Local

State and Local Fiscal Recovery Funds:

The Gwinnett County Experience



The 2021 American Rescue Plan Act allocated \$350 billion to the State and Local Fiscal Recovery Funds (SLFRF) program for state, local, Tribal, and territorial governments. All of these governments can use some or all of the funds to partner with charitable nonprofits to advance recovery from the COVID-19 pandemic. Fewer than 100 days remain for governments to obligate – have a written agreement – their remaining SLFRF dollars; any unobligated funds must be returned to the U.S. Treasury. As the deadline approaches, many governments are actively reaching out to nonprofits. We asked for positive examples and our colleagues at the [Gwinnett Coalition](#), which is northeast of Atlanta, pointed to their local government as a paragon of virtuous grantmaking with a purpose.

[Read the full blog post](#)

Reminder: The greatest, most accessible and innovative funding opportunity in most of our lifetimes is coming to an end. Has your organization done all it can to secure maximum support from your governments under the State and Local Fiscal Recovery Fund program?

Advocacy is key to contacting local leaders, sharing the eligibility and potential programs to fund, and securing any remaining funds in your town, city, or county. More resources on how to advocate and secure funding are covered in the recent webinar, [Accessing Remaining Covid Funds Before It's Too Late](#), and on NCN's [Accessing State and Local Fiscal Recovery Funds page](#).

New State Election Laws: How Will They Affect Election Outcomes?

Lawmakers in multiple states passed [changes to voting requirements](#) for this year's elections. Some new laws open access for eligible voters while others alter processes and the ability of voters to obtain ballots. The various laws may slow

processing and counting, which could delay the final results until well after Election Day.

- **Expanded Access:** Lawmakers in **Tennessee** and **Virginia** removed barriers for people with disabilities to vote and receive assistance in filling out their ballots. **Oregon** enacted two laws to expand requirements for translating voting materials into additional languages. **Kentucky** voters will have easier access to absentee and mail-in voting. Voters in [Colorado](#) and [Mississippi](#) will be able to use more forms of identification to vote this year while any [Idaho](#) resident who is 18 or older can now receive a free ID card that can be used to vote.
- **Restrictions on Voting:** At least five states (**Alabama, Arizona, Idaho, Indiana, and Tennessee**) are imposing additional restrictions on voting by making it more difficult to assist others with absentee voting, requiring election officials to compare voter registration information with the Bureau of Motor Vehicles, and shortening deadlines and cure periods for mail-in voting.
- **Processing and Challenges to Ballot Counts:** Last week the **Georgia** State Election Board approved a new rule to require that [paper ballots be counted by hand](#) after voting is completed, which may delay election results. The Democratic Party of Georgia has [sued to block the new rule](#). Earlier this year, Georgia lawmakers passed a bill ([SB 189](#)) clarifying the collection, handling, chain of custody, counting, and auditing of all ballots and removing the Secretary of State from the State Election Board. The law also permits a broad range of challenges to electors and postponement of certification.
- **Poll Watchers:** [South Dakota](#) passed a law that permits any candidate, party, or ballot question committee to have poll watchers present and allows the public to “observe the voting and counting process at any polling location in a manner that does not interfere with the duties of the poll workers or poll watchers.”

Government Grants and Contracting: Proposed Solutions

In 2023, a [workforce shortage survey](#) found that one out of five charitable nonprofits (20.6%) identified challenges caused by governments grants and contracts as factors affecting their ability to recruit and retain employees. This year, several bills

were introduced to address challenges, and more are expected to advance next year. Two new reports offer solutions for governments to consider.

- This month the **Oregon** Task Force on Modernizing Grant Funding and Contracting released its [report to the State Legislature](#), providing six key findings and six recommendations to “improve government partnerships with nonprofits.” A key solution is for state agencies to comply with the federal Office of Management and Budget’s Uniform Guidance administrative rates, ensuring consistency and fairness. The report categorizes the recommendations by a near-term timeline and whether they would require legislative or administrative action, or both. The **Nonprofit Association of Oregon** will hold a [virtual call](#) to discuss the proposed solutions and how nonprofits can get involved in the next legislative session.
 - On September 17, the **New York** City Office of the Comptroller released [recommendations](#) of how the city manages its contracts. One recommendation calls for the development and implementation of ContractStat, a system that would allow others to see where backlogs and delays occur. The goal of the report is to offer reforms that will “streamline the procurement process ... and ensure timely payments to the vast majority of City contractors who are providing high-quality services and make their best effort to administer public funds responsibly.”
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Worth Reading

- [More Minnesota nonprofits are facing financial crisis than any year since 2020](#), Kelly Smith, *The Minnesota Star Tribune*, Sept. 19, 2024.
 - [After funding cuts, nonprofits for domestic-violence survivors scale back](#), Ellie Silverman, *The Washington Post*, Sept. 17, 2024.
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Worth Studying

- [Measuring Poverty in America: History, Alternatives & Solutions](#), Ryan Gelman, National Community Action Partnership, Sept. 2024.
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Numbers in the News

11.1%

The percentage decrease in the official poverty rate between 2022 and 2023. In 2023, the average poverty threshold for a family of four was \$30,900.

Source: [Income, Poverty and Health Insurance Coverage in the United States: 2023](#), U.S. Census Bureau, Sept. 10, 2024.

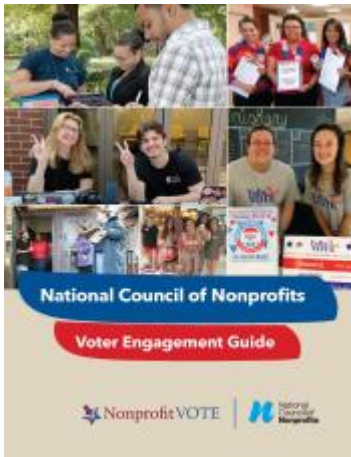
Nonprofit Events

- Sept. 24, [Measuring Advocacy Success](#), Florida Nonprofit Alliance
- Sept. 24, [Voter Engagement for Nonprofits](#) (virtual), Minnesota Council of Nonprofits
- Sept. 25, [Annual Summit](#), Forefront (Illinois)
- Sept. 26, [Alaska Nonprofit Voter Engagement Guide](#), The Foraker Group (Alaska)
- Sept. 27, [7th Annual Government Forum](#), NetworkPeninsula (Virginia)
- Sept. 30-Oct. 1, [Collaborative Conference](#), Pennsylvania Association of Nonprofit Organizations
- Oct. 2, [Accessing Federal Dollars](#), Council on Foundations
- Oct. 3, [Tennessee Nonprofit Conference](#), Tennessee Nonprofit Network
- Oct. 3-4, [Annual Conference - virtual](#), Montana Nonprofit Association
- Oct. 4, [HANOCON](#), Hawai'i Alliance of Nonprofit Organizations
- Oct. 9-11, [Annual Conference - in person](#), Montana Nonprofit Association
- Oct. 10, [UNA Annual Conference](#), Utah Nonprofits Association
- Oct. 10-11, [Annual Conference](#), Minnesota Council of Nonprofits

Advocacy in Action

We have no agenda. Go vote.

By: Tiffany Gourley Carter



Voting has started in several states. There's no time to waste for charitable nonprofits to engage for two important reasons. First, nonprofits are nonpartisan in law, fact, and purpose. Unlike other tax-exempt entities, charitable nonprofits under 501(c)(3) are absolutely prohibited from engaging in partisan politics under federal law, a protection that allows us to focus solely on our missions of serving our communities.

Next, charitable nonprofits can and do play an important role in helping their communities get registered and vote. Nonpartisanship frees charitable nonprofits to have their communities' voices heard at the ballot box with no hidden agenda.

Let me explain.

[Read the entire article](#)

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