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Nonprofit Champion | August 8, 2022



WEBINAR: Volunteering For Democracy

Wed., Aug. 10, 2:00 pm Eastern

Many nonprofits rely on volunteers to power their programs and achieve their missions. Democracy relies on a strong volunteer force too. Learn about how your nonprofit can embrace policies and programs in nonpartisan ways that encourage your staff, people you serve, and supporters to participate in election-related opportunities.

Join the webinar, [Volunteering for Democracy](#), to get the information you need. [Register now!](#)

Take the Federal Reserve Survey

Last year's Federal Reserve COVID-19 Community Impact Survey into the impact of the pandemic on individuals and the nonprofits serving them led to crucial data the sector used for effective advocacy. Help the Federal Reserve and nonprofits by taking [this follow-up survey](#) to demonstrate how nonprofits are faring now. A robust response can help our collective advocacy efforts for more much-needed relief.

[Please Take the Survey!](#)

Federal

Inflation Reduction Act Poised for Passage

The Senate passed a \$739 billion package of climate, health, and tax provisions that were first proposed in early 2021. The [Inflation Reduction Act \(H.R. 5376\)](#), the result of extensive negotiations between Senate Majority Leader Schumer (D-NY) and Senator Manchin (D-WV), would promote clean energy, extend Obamacare subsidies for three years, and permit Medicare to negotiate drug prices. The measure would impose a minimum tax on corporations with billion-dollar revenues and tax stock buybacks. About \$300 billion of the revenues would go to deficit reduction. The bill now heads to the House, which plans to take it up on Friday.

The Inflation Reduction Act does not include longstanding [tax and funding policy priorities](#) of the charitable nonprofit community. The [YWCA USA responded with outrage](#) at the news that House-passed funding for child care and early childhood education were not included in the bill. On the other hand, an energy conservation income tax credit in the bill was modified to ensure that charitable nonprofits and governments would be able to transfer the tax break to contractors and reduce the cost of adapting energy efficiencies. Nonprofit advocates continue to promote tax policies that would enable organizations to recover from the pandemic and provide essential relief in communities. See next full article.

Nonprofits Demand Natural Disaster Relief for Communities

Last week, 27 national nonprofits [sent a letter to the President and congressional leaders](#) calling for prompt passage of disaster relief legislation to help community organizations respond to urgent local needs. Noting the increasing number and severity of recent disasters, the [letter urges restoration of three expired charitable giving incentives](#), plus the employee retention tax credit. In a [news release accompanying the letter](#), the nonprofits stressed the need for “Congress and the President to immediately provide the tools charitable nonprofits need to provide relief to millions of people across the country impacted by devastating natural

disasters, ranging from deadly floods to droughts to wildfires.” The goal of the letter ultimately is to encourage Congress to enact disaster relief by September – and to include key nonprofit policy priorities that will help nonprofits overcome longstanding challenges and enable organizations to rise to the demands of natural disasters.

Take Action: Tell your Senators and Representatives they must enact disaster relief legislation that restores and expands expired charitable giving and employment tax incentives before the next natural disaster hits. Not at the end of the year, but right now!

- **Email** ([Representatives](#), [Senators](#)) and **tweet** to your [Representative and Senators](#) the new nonprofit disaster-relief letter. <https://bit.ly/3TD9I0G>
 - **Retweet** messages from [@NatlCouncilNPs](#) and [#Relief4Charities](#) to your [Representative and Senators](#).
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Worth Quoting

- “Just this past month, the Federal Emergency Management Agency issued 10 natural disaster declarations. And we’re only now entering the seasons for major hurricanes and the worst of wildfires; we all know there is more to come, and more that needs to be done.”

— [Letter to President Biden and Congressional Leaders](#) signed by 27 national nonprofits, Aug. 3, 2022.

Worth Reading

- [Deadly Kentucky flood leaves Appalachian cultural center reeling](#), *PBS News Hour*, Aug. 1, 2022.
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Worth Studying (and Sharing)

- [Restoring and Improving Charitable Giving Incentives](#), National Council of Nonprofits, June 15, 2022.

- [Reinstating the Employee Retention Tax Credit](#), National Council of Nonprofits, June 15, 2022.
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In Memoriam

- “We are shocked and saddened by the sudden loss of U.S. Rep. Jackie Walorski and two members of her dedicated staff, Emma Thomson and Zachery Potts. As a former nonprofit director, co-chair of the Congressional Philanthropy Caucus, and a co-lead of powerful charitable giving legislation, Rep. Walorski was a true champion for our sector and nation. Our hearts go out to the families of all the victims, their loved ones, and the people of Indiana.”

— [Charitable Sector Mourns Loss of U.S. Rep. Walorski, Staff](#), Aug. 4, 2022, joint statement by Council on Foundations, Independent Sector, National Council of Nonprofits, Philanthropy Roundtable, and United Philanthropy Forum

Rules to Improve Public Service Loan Forgiveness Relief Under Review

The U.S. Department of Education has proposed new regulations to the Public Service Loan Forgiveness (PSLF) program that was designed by Congress as an incentive for people to provide public service rather than pursue personal profit: in exchange for working 10 years full-time at a charitable nonprofit or government and making timely payments on federally backed student loans, the government will forgive any remaining loan debt. The proposed rules would make permanent some of the relaxed eligibility terms in the [temporary Limited PSLF Waiver](#) set to expire Oct. 31. Key provisions would recognize more kinds of payments (certain types of deferment and forbearance, and payments made in advance, late, or in lump sum) to count as qualifying payments; clarifying and expanding the definitions of full-time employment and qualifying employer; and codifying the reconsideration process. The proposed regulations, if adopted, would also provide a hold-harmless option for deferment or forbearance, automate progress toward forgiveness, and eliminate prospective interest capitalization not required by statute.

In [public comments submitted today](#), the National Council of Nonprofits expressed strong support for many of the proposed regulatory improvements that, if substantially implemented as proposed, “would help ease some of the staffing challenges nonprofits are facing by clarifying and expanding the opportunity for loan forgiveness for charitable nonprofit employees, thus fulfilling the purpose behind PSLF as Congress originally intended.” All charitable nonprofits and their employees have the opportunity to submit [public comments to the proposed rule](#) by the **due date of Friday, August 12**. Comments can range in length from a paragraph to many pages. Feel free to use any part(s) of the National Council of Nonprofits comments as a template for your own submissions, and see this [updated Comparison of Key Provisions](#) chart to get started. Learn more about the ease of [drafting and filing public comments](#).

Worth Quoting

- “If my fellow nonprofit and government leaders don't act fast to spread the word, our colleagues may lose billions of dollars forever.”

— [Nonprofits should spread the word on little-known \\$10B federal student loan forgiveness for their employees](#), Rich Leimsider, *NYN Media*, June 2, 2022.
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Worth Reading

- [Urgent Need to Extend, Expand, and Harmonize the Limited Public Service Loan Forgiveness Waiver](#), letter signed by 20 state attorneys general, July 29, 2022.
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Federal FastView

Controversial Conversion to “Church” Status: The Family Research Council (FRC) gained permission from the IRS in 2020 to convert to the status of an association of churches, enabling the organization to maintain the secrecy of financial and governance information that 501(c)(3) organizations normally report. [As ProPublica reported](#), the new status means “the FRC was no longer required to file a public tax return, known as a Form 990, revealing key staffer salaries, the names of board members and related organizations, large payments to independent

contractors and grants the organization has made.” IRS auditors can’t initiate investigations without high-level Treasury approval. Last week, 40 U.S. Representatives sent a [letter to the Treasury Secretary and IRS Commissioner](#) urging them to reconsider its reclassification of FRC as a church which they claim “strains credulity.” The Representatives assert, “Tax-exempt organizations should not be exploiting tax laws applicable to churches to avoid public accountability and the IRS’ examination of their activities.” They also seek a review of “whether there are other political advocacy organizations that have obtained church status, but do not satisfy the IRS requirements for churches, integrated auxiliaries, and conventions or associations of churches.”

Advancing Affordable Housing: The Treasury Department released guidance updates and a [“How-To” Guide](#) for increasing investments in affordable housing using American Rescue Plan Act funds. The guidance makes clear states and local governments may use ARPA money to finance long-term affordable housing loans and to fund the development, repair, or operation of any affordable rental housing unit that provides long-term affordability of 20 years or more to households at or below 65% of the local area median income.

Registering as Government Grantees/Contractors: The federal government has changed how government grantees and contractors identify themselves for registration and reporting purposes. Rather than the DUNS Number, organizations must use the Unique Entity ID, a 12-character alphanumeric ID assigned to an entity by SAM.gov. For more information about this transition, visit [SAM.gov](#) or search for help at the [Federal Service Desk](#).

Worth Quoting

- “Charitable organizations have a significant stake in the outcome of this legislative debate. From clergy officiating marriage ceremonies in nonprofit houses of worship to nonprofit employers being fair in extending benefits to all employees, charitable nonprofits are committed to building caring and inclusive communities.”

— [Statement of the National Council of Nonprofits](#), July 24, 2022, endorsing the [Respect for Marriage Act \(H.R. 8404\)](#) that passed the House in July with a bipartisan vote of 267 to 157. The legislation would repeal the Defense of

Marriage Act, recognize marriage equality for the purposes of federal law, and provide additional legal protections for marriage equality.

Worth Reading

- [Additional Skepticism of Form 1023-EZ](#), Gene Takagi, NEO Law Group blog, Aug. 7, 2022.
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In Focus: Promoting Democracy

During this period hot with divisive partisan rhetoric and unrest, it's worth lifting up audacious, bipartisan efforts to promote American democratic values. Here are two pieces of federal legislation worth endorsing and celebrating:

[Civics Secures Democracy Act](#) (H.R. 1814/S. 879): Among its broad investment in civics education, this bipartisan bill includes \$200 million for nonprofit organizations to provide civics education and history programming to young people. It is based on the recognition that engaging youth in civics helps them learn about government and how to take an active role in the democratic process, while boosting their development.

[Building Civic Bridges Act](#) (H.R. 6843/S. 4530): This bill would establish a new, nonpartisan pilot program within AmeriCorps, focused on building relationships across lines of difference. The program would have four core pillars: administering a grant program to support civic bridge-building programs across the nation, supporting the training of AmeriCorps members in civic bridge-building skills and techniques, supporting research on civic engagement, and activating a public conversation about the importance of civic bridge-building – providing resources, networking, and collaboration opportunities to the field.

Worth Quoting

- “Americans are capable of doing big things, and most of that begins at the local level— in rotary clubs, schools, and community non-profits. This bill recognizes that civics starts locally and it provides tools to these local communities to promote civic engagement.”

— Senator Ben Sasse (R-NE), quoted in [Sens. Coons, Sasse announce legislation to reduce polarization and support community bridgebuilding](#), news release, Jun. 29, 2022, explaining the importance of the [Building Civic Bridges Act](#) (H.R. 6843/S. 4530), discussed above.

Worth Reading

- [Keeping Our Republic: The Roles of Charitable Nonprofits](#), National Council of Nonprofits, July 25, 2022.
 - [A Republican and a Democrat Walk into a Room and... Switch Votes?](#), Sophie Quinton, *Stateline*, Aug. 5, 2022, summarizing one of the sessions at the National Conference of State Legislatures that “encouraged lawmakers to reflect on partisan battles and how they might reach a détente.”
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Worth Celebrating

- August is [Civic Health Month](#), “a time to ensure that each and every voter is able to use the ballot box to shape the health of their communities.”
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Become a National Voter Registration Day Partner

National Voter Registration Day (September 20) is a great opportunity for nonprofits to ensure that their staff, volunteers, and community members are registered to vote. [Sign up to join the nationwide effort to register hundreds of thousands of voters](#) on September 20. As an official partner, your nonprofit will receive a free voter registration kit and access to other opportunities to support your nonpartisan voter registration work.

Overcoming Workforce Shortages

Despite job growth in other sectors, the chronic shortage of nonprofit workers throughout the country means people suffer because nonprofits don't have the staff to deliver the volumes of services the public needs. While the crisis continues, some solutions are in the works:

Job Training: On August 3, the U.S. Department of Commerce announced the winners of the American Rescue Plan Act's \$500 million [Good Jobs Challenge](#), an initiative that funds 32 projects and is expected to place an additional 50,000 workers in "quality jobs" through training programs. In the announcement, Assistant Secretary of Commerce for Economic Development Alejandra Castillo noted that "these awardees are focused on supporting underserved communities in diverse areas across the country, helping to remove systemic barriers for workers." Some of the projects with nonprofit partnerships include United Way of Central **Iowa's** \$1.8 million [healthcare workforce training program](#), \$23 million for employers in **Massachusetts**, such as the Alliance of Massachusetts YMCAs, for [pathways into quality child care](#), and \$18.5 million for the [Chicago Cook Workforce Partnership](#) to place individuals in sectors critical to the city's economy.

Child Care: A decrease in child care services leaves states with lower labor market participation rates. A report released by **Illinois** Partners for Human Service, [More Essential than Ever](#), found that nearly three in four (73%) organizations providing human services are experiencing "higher or much higher turnover" than before the COVID-19 pandemic, and competitive wages remains the most pressing issue for providers. The report offers some recommendations for philanthropy and governments to address the shortages, including reducing application and reporting requirements to allow organizations to commit more time and resources to their missions, and grants dedicated to general operations, advocacy, technology, and capacity building.

Learn more in our recently updated Special Report, [Nonprofit Workforce Shortages: A Crisis That Affects Everyone](#), which identifies progress and continuing challenges in the effort to alleviate workforce shortages.

Tracking ARPA Fund Investments

Kansas: The **Kansas Nonprofit Chamber** will receive \$325,000 in ARPA funds from the [City of Wichita](#) to support nonprofits in the city recover from the pandemic. Awards of between \$2,500 and \$5,000 will be available for small and medium nonprofits starting in September, and applications will be reviewed and awarded monthly until all funds are allocated.

Kentucky: The **Kentucky Nonprofit Network** released various resources for nonprofits in the Commonwealth seeking to apply for the new Nonprofit Assistance Fund. These include a recording of a [town hall meeting](#) with the Public Protection Cabinet overseeing the program and an [application checklist](#) to give qualifying nonprofits a “head start in preparing to complete the online application.” The association of nonprofits led efforts to secure this grant opportunity and is working to ensure as many nonprofits as possible meet the requirements given how few nonprofits were able to access previous relief at the federal, state, and local levels.

Michigan: Midland County, Michigan is partnering with the [Midland Area Community Foundation](#) to distribute \$600,000 in ARPA funds to “local nonprofits that positively impact the quality of life in Midland County.” Application requests between \$100,000 and \$150,000 are currently being accepted through October 15. The groups are looking for collaborative proposals between nonprofits and diverse sectors in Midland County.

Nevada: Nevada has freed up \$30 million in ARPA funds for use by 55 charitable nonprofits for various priorities including domestic violence, education, and food insecurity. The state’s [website for reporting the funds](#) is particularly helpful and worth exploring.

West Virginia: Last week, the Berkeley County Council approved [\\$1.2 million in funding to nonprofit organizations](#) that reported negative financial impacts from COVID-19. Among the grantees are the local Meals on Wheels, a Boys and Girls Club, plus cultural and health-oriented charitable nonprofits.

Tracking ARPA Spending

Nationwide: [ARPA Spending, National Council of Nonprofits](#), updated regularly.

State & Local: [State and Local Fiscal Recovery Fund](#) interactive dashboard, Pandemic Response Accountability Committee, updated regularly.

State: [ARPA State Fiscal Recovery Fund Allocations](#), National Conference of State Legislatures, updated regularly.

Local: [Local Government ARPA Investment Tracker](#), Brookings Institute, updated regularly.

Worth Watching

- [How the American Rescue Plan Is Helping Advance Equity](#), Urban Institute, July 12, 2022, a panel that reflected on the findings from the White House's report on [Advancing Equity through the American Rescue Plan](#).
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Worth Recognizing

- [The NonProfit Times' 2022 Power & Influence Top 50](#), Aug. 1, 2022, naming three leaders from the National Council of Nonprofits network to the annual list of nonprofit sector influencers: [Sabeen Perwaiz Syed](#), President and CEO of **Florida Nonprofit Alliance** (and board member and Policy Committee Chair of the National Council of Nonprofits), Tim Delaney, President & CEO, and David L. Thompson, Vice President of Public Policy. See the [National Council of Nonprofits news release](#).
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Numbers in the News

\$10 billion

The estimated economic losses stemming from the nine major weather/climate disaster events in the United States in June 2022, according to the National Centers for Environmental Information. The impact of these events stresses the urgency to enable charitable nonprofits to respond to ongoing and future natural disasters.

Source: [U.S. Billion-Dollar Weather and Climate Disasters \(2022\)](#), National Centers for Environmental Information, Aug. 2022.

Upcoming Events

- Aug. 9, [Setting a Policy Agenda](#), Florida Nonprofit Alliance
- Aug. 11, [Advocacy in Action](#), The Foraker Group (Alaska)
- Aug. 11, [Voter Registration Town Hall](#), Montana Nonprofit Association
- Aug. 12, [Midsouth Nonprofit Conference](#), Momentum Nonprofit Partners (Memphis, TN)
- Aug. 16, [Public Policy Action Network](#), Momentum Nonprofit Partners (Memphis, TN)
- Aug. 16, [Making Your Nonprofit's Case](#) (Part 1), North Carolina Center for Nonprofits
- Aug. 17, [Elections, Nonprofits, and More](#), Minnesota Council of Nonprofits
- Aug. 18, [Advocacy Prep](#), NetworkPeninsula (Virginia)

Advocacy in Action

Turning Eligibility into Investments

Regular readers of *Nonprofit Advocacy Updates* are well aware of the once-in-a-generation financial opportunity that exists thanks to the American Rescue Plan Act (ARPA). Perhaps more significant to the readers of the publication is the importance of advocacy. Nonprofit advocacy at the federal level was required to make sure charitable nonprofits would be eligible to receive ARPA funds from state and local governments. Now, charitable nonprofits need to convince their state and local governments to make sure leaders include charitable nonprofits as trusted partners serving the same constituents in the same communities. Unless nonprofits speak up for their missions and the people they serve, ARPA will only be a missed opportunity. Fortunately, many state associations of nonprofits are going the extra mile to ensure their nonprofit colleagues know of the potential funding and know how to secure reasonable investments. Here's just one example; more of our reporting is listed at the end of the article.

[Continue reading *Turning Eligibility into Investments*](#)