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Nonprofit Essentials | January 2022

Dear Reader,

Notice anything different? We're still the National Council of Nonprofits, but we have a new look. We're excited about our recent brand update and particularly excited about our new tagline: **Champions for the public good**. Our unofficial motto has always been, "It isn't about us. It's about people in communities." That sentiment applies to our new tagline. You – leaders, staff members, board members, volunteers, and supporters of nonprofits – are all champions for the public good. The new tagline is about our collective power to help our communities. We hope you enjoy our new look and find the reorganized newsletter helpful. One thing hasn't changed: we're still committed to being a trusted voice connecting nonprofits with the latest resources that they need to advance their missions.

The Nonprofit Workforce Shortage

New report identifies policy solutions; we spoke with experts to gather operational strategies

*A healthcare and mental health provider in **Maine** wrote of empty beds in their group home due to staff vacancies and a growing list of special-needs children waiting for months for access to services – all while anticipating more vacancies in a workforce “stressed after working so many additional hours to try and fill these*

gaps.” An **Oregon** human service provider has stopped taking referrals due to vacancies at three locations. A **Nebraska** education nonprofit sadly reported, “We have stopped placing families on the waiting lists at many sites because they are unlikely to get off of it and will need to find other services.”

The paragraph above is lifted from a new report from the National Council of Nonprofits, [The Scope and Impact of Nonprofit Workforce Shortages](#). The report portrays the impact of workforce shortages on the ability of charitable nonprofits to advance their missions. While the data are compelling, the stories are heartbreaking.

Based on a survey of more than 1,000 nonprofits across all 50 states, the new report provides meaningful policy solutions to the crisis that nonprofits, funders, and governments can work together to implement. Meanwhile, nonprofit leaders are looking for more immediate fixes. How can we recruit and retain staff and volunteers while maintaining critical services for those we serve? How can we preserve our own physical and mental health at the same time (a real issue identified in the report)? Where nonprofits are able to increase salaries and benefits, the evidence shows that they’re doing that, but when budget limits are reached, nonprofits get creative. We’ve curated some ideas and examples in the accompanying blog post.

[Read the full article](#)

Games of Chance as Nonprofit Fundraisers

Due to the pandemic-induced cancellation of many nonprofit fundraising events, lawmakers in several states have been inspired to relax rules governing online fundraising opportunities. These can come in the form of online raffles and other games of chance that previously were highly regulated or forbidden. The potential for new fundraising opportunities is the good news. The bad news is that the laws and regulations, and the practices of online payment processors, vary widely and can seem like a three-dimensional chess game. Continue reading to learn some of the things to look out for and find resources to make events legal and successful ... where permitted by law.

[Learn More about Games of Chance](#)

Advertising or Qualified Sponsorship Payments?

Nonprofits often receive payments from businesses and others in connection with a meeting, publication, or event. It's important to distinguish between payments considered to be "advertising" and those that are "qualified sponsorship payments." While both can represent a significant nonprofit funding source, there are significant differences at tax time. Advertising most often subjects the nonprofit to "unrelated business income (UBI)" tax, while qualified sponsorship payments are tax-exempt.

What's the difference and how do you minimize UBI exposure? The tax law contains specific definitions of both terms, but their application to specific facts can be tricky. Continue reading on the blog for detailed guidance on the difference, plus additional resources, including a new "Issue Snapshot" from the IRS.

[Get the Details](#)

Data for Change

Be Heard through NFF's 2022 State of the Nonprofit Sector Survey

Raise your organization's voice through the Nonprofit Finance Fund [State of the Nonprofit Sector Survey](#), now until Feb. 28, 2022. This is a vital national survey on the financial health of nonprofits. The Survey collects data on the experiences of nonprofit leaders and informs our sector's efforts to improve the lives of people in communities across the country.

Vaccination and Testing Requirement

- ***OSHA Emergency Temporary Standard***: Last Thursday, the U.S. Supreme Court reinstated a stay of the [OSHA Emergency Temporary Standard on COVID-19 vaccination/testing for employers with 100 or more employees](#). The Court hasn't technically struck down the standard, but put it on hold to allow the litigation to work its way through the lower courts. The Supreme Court ruling did not affect any state or local COVID-19 vaccination and testing requirements.
- ***CMS Interim Final Rule***: On the same day, the Supreme Court lifted injunctions against a rule from the [rule from the Centers for Medicare and](#)

[Medicaid Services](#) (CMS) requiring COVID-19 vaccination for all applicable staff of employers receiving payments under Medicaid and Medicare. Litigation will continue in the lower courts, but the vaccination mandate is no longer blocked and can be implemented by CMS.

New Data and Policies

- **Student Loan Repayment Moratorium Extended.** The U.S. Department of Education announced an [extension of the pause on student loan repayment](#), interest, and collections through May 1, 2022. For everyone who meets program requirements, these additional months will continue to count toward fulfillment of Public Service Loan Forgiveness (PSLF) obligations as though payments were being made. The PSLF coalition hosts live webinars the first Wednesday of the month to share information about qualifying for PSLF and the temporary waiver; the [next webinar is February 2](#). We encourage all nonprofits to share information about PSLF with their employees.
 - **Nonprofit Jobs Data:** Nonprofits added more than 9,000 jobs in December, but the sector is still more than 450,000 jobs short of pre-pandemic levels, according to [COVID-19 Jobs Update, December 2021](#) from the Center for Civil Society Studies at Johns Hopkins University.
 - **Federal Reserve Analysis:** “[Nonprofits Struggle in the Face of COVID-19](#)” is a follow-up by researcher Nishesh Chalise to the Federal Reserve survey report, [Perspectives from Main Street](#), and the related [national webinar](#). See also our blog post, “[The Data Show What We Know: The Nonprofit Helpers Need Help](#),” November 23, 2021.
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Past Their Expiration Date

The following tax provisions expired by the end of 2021, and it will require congressional action to restore them:

- **Child Tax Credit:** The maximum credit has reverted to \$2,000 from \$3,600 enacted as part of the American Rescue Plan Act, and eligible families will no longer receive monthly checks of between \$200 to \$250 per child under 18.
- **Earned Income Tax Credit** enhanced benefits and eligibility.

- **Universal Charitable (non-itemizer) Deduction** that allowed taxpayers claiming the standard deduction to still deduct charitable donations of up to \$300/individual and \$600/couple.
- **100% Adjusted Gross Income Cap** for charitable contributions of cash.
- **25% Taxable Income Limit** for charitable contributions by corporations.
- **Employee Retention Tax Credit** (repealed effective 10/1/2021).