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Public Policy Agenda

The National Council of Nonprofits' Board of Directors unanimously adopted the [2025 Public Policy Agenda](#), which focuses on local, state, and federal issues of concern to all nonprofit organizations. Structured in six broad categories through which to educate policymakers and others about the work and impact of nonprofits, the agenda fits specific policy goals into a consistent broader context.

How You Can Use the Public Policy Agenda



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2025 Public Policy Agenda

Nonprofit organizations are invited to use this [Public Policy Agenda](#) to inform and expand their own public policy work. Here are a few suggestions:

- Share it with members of your Board and Public Policy Committee.
- If your organization already has its own public policy agenda for the year, feel free to augment yours with anything in the six categories.
- If your nonprofit has not developed a policy agenda of your own, please feel free to adopt this statement or to incorporate various segments and text as your starting point.

2025 Public Policy Agenda

Charitable nonprofit organizations throughout the United States improve lives, strengthen communities and the economy, and lighten the burdens of government, taxpayers, and society as a whole. They are a vital part of our social fabric. The National Council of Nonprofits advocates at all levels of government – federal, state, and local – in all three branches of government – legislative, executive, and judicial – to inform policymakers of the impact of charitable nonprofits and to promote policies that enable them to advance their missions. The National Council of Nonprofits understands that consistent policies that advance equity enable the work of charitable nonprofits everywhere and are critical for them to effectively serve their missions, provide for the public good, and address community needs. The National Council of Nonprofits is committed to identifying public policy solutions on behalf of the broad charitable nonprofit community.

Charitable nonprofits continue to make extraordinary contributions for the wellbeing of the people and communities they serve. Yet charitable nonprofits face an unprecedented workforce shortage, economic uncertainty, increased costs, natural disasters, and skyrocketing demand for services. Governments at all levels rely on an effective and efficient charitable nonprofit sector to provide these vital services and must not hinder or impede the work of charitable nonprofits contributing to the health and well-being of our communities. The National Council of Nonprofits is committed to securing relief for charitable nonprofit organizations, restoration and increases in the amount and duration of the above-the-line charitable deduction, and proper state and local investments in the charitable sector, and improvements to

government grants and contracting to make funding of charitable nonprofits more accessible, equitable, and efficient. These bipartisan solutions will save and restore thousands of jobs and will empower charitable nonprofits to continue providing the programs and services that are so urgently needed in our communities to help build a strong economy and thriving society for all.

I. Tax Policy: Empowering Community Solutions through Nonprofits

Sound tax policies that support charitable nonprofits are one of the most important ways to help organizations secure the resources necessary to effectively serve the public good and address community needs. The National Council of Nonprofits is committed to preserving the tax-exempt status of charitable nonprofits contributing to the well-being of their communities and strengthening and expanding incentives for individuals to give their time and money to the organizations whose missions they support. In practice, this commitment means:

1. Supporting tax and other incentives at all levels of government that encourage individuals to contribute resources and volunteer their time to the missions of charitable nonprofits. This includes, but is not limited to, supporting universal or non-itemizer charitable deductions and opposing unreasonable floors, caps, or limits that weaken existing charitable giving incentives.
2. Promoting charitable nonprofit relief and recovery efforts of charitable nonprofits through temporary, targeted tax incentives for contributions to charitable nonprofits affected by natural disasters or states of emergencies, refundable payroll tax credits and other mechanisms that will help organizations retain and pay their employees so that they may continue to serve their communities in the event of disruption of operations after natural disasters, and automatic extension of tax and other governmental filing deadlines for charitable nonprofits affected by disasters.
3. Opposing the imposition of unreasonable taxes, fees or involuntary fees or payments in lieu of taxes (PILOTS) on tax-exempt organizations.
4. Maintaining and – where appropriate – expanding charitable nonprofit exemptions from paying state and local property, sales, and use taxes and from collecting sales and use taxes.
5. Supporting and preserving the longstanding federal policy limiting the ability to receive tax-deductible charitable donations only to tax-exempt organizations

that refrain from participating in or intervening in any campaign on behalf of or in opposition to any candidate for public office.

6. Removing existing tax policy impediments to charitable nonprofits as employers and extending to charitable nonprofits the tax incentives enjoyed by for-profit businesses.
7. Promoting the ability of charitable nonprofits to recruit and support volunteers who wish to dedicate their time to missions and communities by removing current disincentives in tax policy.
8. Opposing efforts to revoke the tax-exempt status of charitable nonprofits on partisan or discriminatory grounds or without adequate due process of law.

II. Budget & Spending: Addressing Community Needs

As front-line providers of services and as organizations grounded in their communities, charitable nonprofits have a stake in the strength and well-being of the economy, and of governments at all levels, and in ensuring that the needs of all of our residents, especially those that have been historically underserved and underrepresented, are heard and addressed.

Budget and spending decisions by governments affect all residents and these decisions can have immediate and significant consequences for the people charitable nonprofits serve and the communities in which they operate.

The National Council of Nonprofits supports budget and spending decisions at all levels of government that close resource gaps for people in historically marginalized communities and that build stronger, fairer communities.

The National Council of Nonprofits opposes arbitrary and across-the-board budget cuts at any level of government and will work to inform policymakers of the impact of budget proposals on communities. The Council of Nonprofits likewise opposes policies or gimmicks that institutionalize restrictions on lawmakers' fiscal options.

The National Council of Nonprofits opposes the offloading of government services onto charitable nonprofits without paying nonprofits the cost of providing these services. When federal, state, and local revenue is reduced, charitable nonprofits providing public services through grants and contracts with government typically receive disproportionate cuts. The National Council of Nonprofits opposes the inappropriate reallocation of resources and early termination of programs supporting

charitable nonprofit operations and relief.

When disasters and emergencies strike, many charitable nonprofits are directly affected, sustaining damage to their facilities or disruption of their operations. In addition, many charitable nonprofits provide relief and recovery services to individuals, businesses, and communities affected by these disasters. As policymakers develop solutions to assist with disaster relief, recovery, and resilience, it is important that they include policies that support the recovery of charitable nonprofits, including adequate government funding for charitable nonprofits as both entities harmed by the disasters and providers of relief and recovery.

III. The Economy: Strengthening Communities through a Strong Nonprofit Workforce

As of 2022, charitable organizations employed 12.8 million individuals, making up nearly 10 percent of the workforce.[\[1\]](#)

The charitable nonprofit sector not only provides invaluable programs and services that impact the economy but is a significant employer, making it a vital part of the economy. Charitable nonprofits collectively employ more Americans than the construction, finance, and insurance industries combined. In many states, charitable nonprofit employment exceeds 10 percent of the workforce and employs more people than all but the top one or two industries.

Data consistently show that charitable organizations could perform even more effectively with sufficient financial and human resources to meet the needs of our nation's communities. As proven job creators, charitable nonprofits can and should participate in the development of job growth policies at the federal, state, and local levels. The National Council of Nonprofits strongly endorses policies that promote job creation in all sectors of the economy, especially policies that promote and incentivize employment at charitable nonprofits and that promote equity, and pathways to growth and advancement. Incentives to encourage job creation by employers in general, or by specific industries, should apply equally to charitable nonprofit employers. As they do for for-profit employers, governments have a responsibility to collect and disseminate charitable nonprofit employment and economic data that identify the impact of charitable nonprofit organizations in their jurisdictions.

Federal, state, and local government changes to employment laws and rules (minimum wage, overtime, family/medical leave) affect the work of and people served by charitable nonprofits differently depending on each organization's mission and focus area. Fundamental fairness dictates that any changes in governmental employment policies must incorporate revisions to existing and future contracts and grants through which charitable nonprofits perform services in communities on behalf of governments.

For charitable organizations and the communities they serve, workforce shortages are not merely producing inconveniences and brief delays but are causing the loss of critical services on which individuals rely. The National Council of Nonprofits calls on Congress and state policymakers to help alleviate the charitable nonprofit workforce shortage through such policies as employee hiring and retention credits; expansion of the federal Public Service Loan Forgiveness program; improved incentives to promote giving to support the work of charitable organizations; robust funding to expand access to high quality child care that is affordable, dependable, and accessible; and reforms to government grantmaking and contracts to ensure full employment costs are covered.

Charitable nonprofit employers recognize that providing health insurance coverage is critically important to attracting and retaining the high-quality workers needed to advance their missions, and that medical coverage is a vital part of a fairly compensated workforce. But rising health care costs add significantly to charitable nonprofits' operational costs, straining budgets and their capacity to meet escalating community needs. The National Council of Nonprofits strongly encourages federal and state policymakers to adopt policies that provide access to high quality and affordable health coverage and promote cost savings and increased flexibility.

IV. Public-Private Collaborations for the Public Good

Charitable nonprofits are private organizations that share a commitment with governments to improving lives and communities throughout the country. The National Council of Nonprofits is dedicated to improving government-nonprofit grants and contracting systems, and to strengthening the public-private partnership at all levels through collaboration and direct engagement. Specifically, the National Council of Nonprofits supports:

Federal

1. Building on reforms to government-nonprofit grant and contract processes that streamline policies and procedures to avoid duplication and waste; develop standardized definitions for contracting and grant language; ensure that payments to charitable nonprofit organizations for direct and indirect costs from the federal government through state and local governments are sufficient to cover the costs of providing services; are applied consistently, fairly, and in a timely manner; and eliminate from federal statutes and regulations arbitrary caps on reimbursement of charitable nonprofit indirect, administrative, or overhead costs.
2. Expansion of reforms that help make the federal government a more productive and collaborative partner with charitable nonprofit organizations.

State

1. Creation of a senior Executive Branch Liaison to the Nonprofit Sector, with the goal of ensuring collaboration between government and charitable nonprofits. This includes, but is not limited to, a full cabinet level official, special advisory council, or as a senior advisor in the Governor's Office, and/or in the office of the state's primary charitable nonprofit regulator and other cabinet-level departments.
2. The commitment of governments and charitable nonprofit providers to collaborate in streamlining and reforming the existing flawed grants and contracting systems, including legislative, regulatory, and other reforms. Periodic review, prompt payment parity, and process improvements can ensure individuals receive services they need and put taxpayer dollars to work so charitable nonprofit organizations can maximize their impact. This commitment extends to supporting adequate funding for government for management staff and technology upgrades that promote improvements to application processes (e.g., document vaults) and promote processing of contracts and payments to charitable nonprofits with government grants and contracts.
3. Collaboration between state and local governments and charitable nonprofit contractors and grantees to ensure full and fair implementation at the state and local levels of the cost principles and other federal grants reforms contained in the Office of Management and Budget Uniform Guidance, adoption of a uniform system based on the federal cost principles and reforms in the Uniform Guidance, and elimination from state statutes and local ordinances arbitrary caps on reimbursement of indirect, administrative, or overhead costs, or other

unreasonable and burdensome statutory or procedural requirements.

4. Creation of bipartisan nonprofit caucuses in state legislatures to serve as resources for information on the charitable nonprofit sector through which lawmakers can work together on legislative and regulatory issues impacting charitable nonprofits and the people they serve in their states and tap ideas and solutions tested in the real world by organizations dedicated to serving their communities.

V. Advocacy Rights: Promoting Civic Engagement

The charitable nonprofit sector is vital to the success of democracy in America; the rights of the people to gather through them to speak freely about public policies is essential to our country's future. Charitable nonprofits serve as safe havens for people to gather to amplify their collective voices and recognize their duty to stand up and speak out for the public good and promote a more diverse, inclusive, and equitable society. Likewise, charitable nonprofits share the responsibility to promote greater engagement of the citizenry, civic dialogue, open elections, open government, and a fair, accurate, and complete census.

The National Council of Nonprofits works to create a culture in support of charitable nonprofit advocacy and to maintain the advocacy rights of charitable nonprofit organizations in the following ways that promote, support, and protect charitable nonprofit advocacy:

1. Supporting and preserving the longstanding federal policy that reserves the eligibility to receive tax-deductible charitable donations exclusively to charitable nonprofits that refrain from participating in or intervening in any campaign on behalf of or in opposition to any candidate for public office.
2. Supporting increased education about and enforcement of the prohibition against intervention or participation by section 501(c)(3) charitable organizations on behalf of or in opposition to any candidate for public office.
3. Supporting and preserving the longstanding federal policy allowing charitable nonprofits to engage in nonpartisan voter registration, voter education, and get-out-the-vote activities so long as organizations are not coordinating their activities with political campaigns, political parties, or political action committees.
4. Opposing new restrictions on the advocacy rights of charitable nonprofits.

5. Correcting misperceptions and educating constituencies on lobbying laws and regulations to empower charitable nonprofits to advocate fully and freely within the law.
6. Supporting an increase to the financial thresholds for charitable nonprofit lobbying activities and the elimination of the separate and more restrictive limits on grassroots lobbying for charitable nonprofits that have taken the Section 501(h) election.
7. Opposing policies and practices that prevent individuals from exercising their civic responsibilities.

VI. Public Accountability and Nonprofit Independence: Ensuring Public Trust

The National Council of Nonprofits asserts that charitable nonprofits operate ethically and responsibly in keeping with the public trust. The charitable nonprofit community recognizes that mission-driven nonprofits can be successful only by continuing to earn and maintain public trust through appropriate transparency, which can be guided by reasonable regulation that recognizes the unique role of these organizations in communities. For these reasons, the National Council of Nonprofits supports reasonable and not overly burdensome regulations and policies that already make the charitable nonprofit community the most transparent sector of the U.S. economy. An appropriate balance must be struck that recognizes and respects the independent activities of charitable nonprofits as public-spirited yet still private organizations. The National Council of Nonprofits also supports:

Federal

1. Maintaining the proper balance between protecting and informing the public and preventing excessive and disruptive regulatory burdens that hinder the ability of charitable organizations to advance their missions.
2. Adequate funding for quality education, transparent oversight, and fair enforcement of charitable nonprofit laws by the IRS.
3. Maintaining state primacy in the regulation and enforcement of consumer protections related to charitable nonprofit organizations.

State

1. Adequate funding for quality education, transparent oversight and administration, and fair enforcement activities by state regulators charged with promoting charitable nonprofit compliance and protecting the public.
2. Setting reasonable thresholds for, and reducing duplication of, mandated audits of charitable nonprofit finances.
3. Developing clear, uniform, and cost-free or inexpensive registration requirements, such as streamlining/standardizing multi-state charitable registration requirements, for charitable nonprofits that engage in fundraising in more than one state.
4. Programs that promote volunteering activities that mutually benefit individuals and the people served through charitable nonprofits but opposes proposals to condition receipt of government-provided benefits on requirements that individuals volunteer at charitable nonprofit organizations, a policy known as “mandatory volunteerism,” which imposes increased costs, burdens, and liabilities on charitable nonprofits by an influx of coerced individuals.
5. Protecting the decision-making autonomy and self-governance authority of charitable nonprofits.
6. Recognizing that, as in the case of for-profit businesses, receipt of public funding through arms-length transactions involving contracts or grants does not convert private independent charitable nonprofit organizations into governmental instrumentalities. The National Council of Nonprofits rejects any presumption or suggestion that most charitable nonprofit organizations, by virtue of their tax status or their sources of funds, are “quasi-governmental” or “government-sponsored” entities that require additional levels of scrutiny not applied equally to for-profit organizations. The National Council of Nonprofits opposes proposals that fail to acknowledge charitable nonprofit accountability, independence, and effectiveness.
7. Ensuring that personal information about individual donors to charitable nonprofits remains protected from public disclosure while also ensuring that government agencies that regulate and provide oversight of charitable nonprofits and other exempt organizations have access to information they need to protect the public and the integrity of all tax-exempt organizations.

[\[1\] Nonprofits accounted for 12.8 million jobs, 9.9 percent of private-sector employment, in 2022](#), U.S. Bureau of Labor Statistics, Aug. 16, 2024.

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