



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

Original URL: <https://www.councilofnonprofits.org/nonprofit-champion-august-22-2022>

Nonprofit Champion | August 22, 2022

Take the Federal Reserve Survey

The last time the Federal Reserve surveyed nonprofits about their COVID-19 experiences, nonprofit advocates were able to use the data from this trusted government source to promote desperately needed relief. The Fed report helped inform other federal and state officials about the need for and how to shape equitable recovery programs, policies, and investments. That was last year. Now, the Federal Reserve is [seeking input in a follow-up survey](#) that is only open until August 23, 2022. Nonprofits can help themselves – and policymakers – by [responding to the survey](#) so that upcoming policy decisions fully reflect the range of challenges communities still face because of the COVID-19 pandemic. Please take a few minutes to complete the survey - and share the link with other nonprofits you know.

[Take the Survey](#)

Federal

Major Climate, Health, and Tax Bill Signed Into Law

On August 16, President Biden signed the [Inflation Reduction Act](#), P.L. 117-169, a \$739 billion package of climate, health, and tax provisions. The law promotes clean energy through spending and tax breaks, extends Affordable Care Act support for three years, and permits the federal government to negotiate drug prices. The measure also levies a minimum tax on corporations with billion-dollar revenues and taxes stock buybacks. About \$300 billion of the revenues will go to reduce the deficit. Read the National Council of Nonprofits summary, [A Nonprofit Perspective on the Inflation Reduction Act](#), for a listing of key measures of interest to charitable nonprofits. See also [Summary: Inflation Reduction Act of 2022 Provisions](#) from the National Conference of State Legislatures.

In Focus:

Enhanced IRS Funding

The Inflation Reduction Act provides \$80 billion to the IRS for staffing and tech upgrades. The IRS employed 79,000 workers last year, down from 117,000 in 1992 when the U.S. had 30 percent fewer residents. An estimated 50,000 IRS employees will retire in the next decade. To quell distrust about how the money will be spent and who will be targeted for increased enforcement, Treasury Secretary Yellen instructed the IRS to develop a plan that must include metrics for focus areas and targeted goals. Charitable nonprofits are particularly interested in seeing whether the increased resources will mean needed attention by the IRS to compliance within the tax-exempt sector to keep out bad actors and whether the IRS will enforce laws, like the longstanding [Johnson Amendment](#), that protect charitable organizations from scam artists and partisan operatives.

Nonprofits Demand Natural Disaster Relief for Communities

Earlier this month, 27 national nonprofits [sent a letter to the President and congressional leaders](#) calling for disaster relief legislation to help local charities respond to urgent local needs. The letter identifies recent disasters in more than a dozen states that have left nonprofits and residents reeling, warning “we all know there is more to come.” It stresses the immediate need for restoring three expired charitable giving incentives, plus the employee retention tax credit, so nonprofits have resources needed to help communities with relief and recovery from the devastation of natural disasters. [Read the letter](#).

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/3TD9l0G>
 - **Retweet** messages from [@NatlCouncilNPs](#) and [#Relief4Charities](#) to your [Representative and Senators](#).
-

Worth Quoting

- "The bleeding has stopped, and we are in the middle part of the recovery process. We are starting to dig deep to understand what people's true needs are. We need to try to get people back on their feet and get them the things they need to move forward."

— Erin Mann, former director of the Otsego County United Way, noting how destruction and pain from the May 20 tornado continues long after the natural disaster struck, quoted in [Gaylord tornado recovery moves beyond meeting basic needs](#), Paul Welitzkin, *Petoskey (MI) News-Review*, Aug. 9, 2022

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.
-

Student Loan Debt Developments

Two rapidly approaching dates loom large for people with federal student loans:

Announcements expected by August 31

While making the rounds on [Sunday morning news programs](#) yesterday, Education Secretary Miguel Cardona acknowledged, “We know August 31 is a date that many people are waiting to hear” about announcements affecting student loan program deadlines and restarting payments. “I can tell you the American people will hear within the next week or so.”

Everyone who still has student loan debt may be interested in these **announcements** anticipated before August 31:

- Whether to continue the [student loan payment pause](#) past the current formal deadline of Aug. 31.
- Whether President Biden will decide to **cancel** a certain amount of student loan debt within the preciously indicated date of August 31.
- The formal announcement of, and more details than disclosed last week at a preview of, the [new Fresh Start program](#), which would “bring 7.5 million Americans in default on their federal student loans back into good standing ... sparing them from the seizure of wages, tax refunds and Social Security benefits.”

Actions nonprofit employees need to take before October 31

Millions of people with student loan debt who are employed by nonprofits or governments still need to **take action by October 31** to participate in the extra-special [temporary Public Service Loan Forgiveness \(PSLF\) waiver](#).

Spread the Word - ASAP!

Nonprofit employees have a little over two months to take advantage of the [temporary Public Service Loan Forgiveness \(PSLF\) waiver](#). Please join efforts to spread the word before the **waiver expires on October 31!**

The PSLF program forgives the balance of most **federal** student loans after ten years working for charitable nonprofits and governments. Too many debt-laden nonprofit workers don't know about the benefits of the PSLF program or realize that the temporary waiver can in some cases provide immediate forgiveness for borrowers. As Rich Leimsider of the PSLF.nyc Campaign recounts in this article revealing how he benefited – including elimination of hundreds of future monthly payments, plus receiving a refund: “Five million Americans, including millions of nonprofit workers, are eligible for as much as \$200 billion in loan relief.” [Time to Celebrate and Act: The Amazing Student Loan Forgiveness Program We Have Right Now](#). PLEASE urge nonprofit and government employees: if you've thought in the past that you couldn't qualify for forgiveness, follow Rich's lead, and definitely look again. People who had given up hope are discovering this new TEMPORARY program provides them with relief.

Nonprofit Employers: Share free [resources](#) and provide added awareness efforts, education, and assistance in the coming weeks.

Nonprofit Employees: A nonprofit, [The Institute of Student Loan Advisors \(TISLA\)](#), is a great resource with free information about PSLF, how you might qualify, and all things student loans.

Public Service Loan Forgiveness Regs Update

More than 4,000 individuals and organizations submitted comments to the U.S. Department of Education's [proposed rulemaking](#) to address student loan forgiveness and affordability issues. In our [public comments](#), 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.” NCN called on the Education Department to extend the [temporary Limited PSLF Waiver](#) that is set to expire on Oct. 31. See this [updated Comparison of Key Provisions](#) chart for more information

Worth Quoting

- “Many of these important staff are literally drowning in student debt, and PSLF is a lifeboat for them. But not everyone knows ... that these lifeboats are nearby.”

— Jan Masaoka, CEO of California Association of Nonprofits (CalNonprofits), quoted in [Nonprofit and Government Employees Could Get Student Loans Forgiven](#), *Richmond (CA) Pulse*, Aug. 12, 2022. Masaoka also pointed out that many borrowers who qualify for PSLF are women, people of color, low-income, or first-generation college students.

Federal FastView

Demanding Answers About the IRS Backlog: Ninety-three U.S. Senators and Representatives sent a [bipartisan letter to IRS Commissioner Rettig](#) seeking information about customer service issues, processing delays, and the outstanding backlog of returns. The lawmakers want details on how the IRS backlog increased in recent months. They also call on the IRS to “to extend the suspension of automated collections, continue the pause on automated notices, keep its surge teams in place until hiring challenges and processing backlogs are adequately addressed.” Among the tax filings caught in the morass are nonprofit claims for Employee Retention Tax Credits from 2020 and 2021, refunds that many organizations are counting on to remain operational.

IRS-State Collaboration Regs: Last week, the Internal Revenue Service issued final rules governing the [sharing of nonprofit tax information](#) with appropriate state officials. The new rules, first proposed in 2011, implement provisions of the 2006 Pension Protection Act that define when and how the federal government will share tax returns. First, states must guarantee and demonstrate they have the capacity to adhere to federal confidentiality standards and protect data in separate and secure locations. The regulations also lay out the procedures states must follow to request specific tax returns of charitable and other nonprofit organizations.

Form 990-N Login Changes: This month, the IRS changed the login process for [Form 990-N](#) (e-Postcard), which smaller nonprofits – those that regularly have annual gross receipts of \$50,000 or less – can use for their annual tax filing. Under the new

process, small nonprofits filing the 990-N must sign into the IRS modernized authentication platform using either their active IRS username or create an account with [ID.me](#), which requires an email address and multifactor authentication. Form 990-N filers that have an existing IRS username and register for an ID.me account must use the same email address. Most smaller nonprofits opt to use Form 990-N because it is much simpler than the full Form 990 or even the Form 990-EZ.

Tax-Exempt Status as Federal Financial Assistance: Federal judges in two recent court cases have ruled that independent schools' status as a tax-exempt 501(c)(3) organization automatically deems them recipients of "federal financial assistance," and thereby subject to Title IX regulations. The cases involved the [Baltimore Lutheran High School Association](#) in Maryland and the [Valley Christian Academy](#) in California. Both cases involve troubling allegations of gender discrimination and seek relief under several laws. The defendants in the Maryland case are seeking to reverse the ruling, and numerous organizations, including the National Association of Independent Schools and others, have filed amicus curiae (friends of the court) briefs challenging the overly broad ruling that 501(c)(3) status alone can, as a matter of law, be treated as the equivalent of receiving direct federal assistance.

Prosecuting COVID-Relief Fraud: Earlier this month, President Biden signed into law two bipartisan bills that extend to 10 years the period the Justice Department can prosecute cases of fraud under the [Paycheck Protection Program](#) and the [Economic Injury Disaster Relief](#) (EIDL) program. Both programs provided lifelines of financial support to charitable nonprofits and other employers during the first year of the pandemic, but also resulted in [billions of dollars stolen by thousands of people](#). "My message to those cheats out there is this: You can't hide. We're going to find you. We're going to make you pay back what you stole and hold you accountable under the law," the [President said during the signing ceremony](#) at the White House.

Worth Reading

- [Prosecutors Struggle to Catch Up to a Tidal Wave of Pandemic Fraud](#), David A. Fahrenthold, *The New York Times*, Aug. 16, 2022.
-

In Focus: Promoting Democracy

Join a Nationwide Celebration of Democracy

On September 20th, thousands of nonprofits will be participating in one of the largest celebrations of democracy in our nation's history: the tenth annual [National Voter Registration Day](#) (NVRD). Over the course of the holiday's ten-year history, [more than 4.7 million people have been registered to vote](#) through the nonpartisan outreach efforts of nonprofits and others. The goal for this year is to register another 800,000 people.

Nonprofits are uniquely positioned to help our communities register and exercise their right to vote. We are places where people come together. We have earned the trust of our communities. And we are already experts at remaining nonpartisan. Getting people registered to vote and to the polls are more important than ever this year because many states have recently changed their rules about registration and procedures on how and where people can vote. We can help the people we serve exercise this most fundamental right – the ability to vote and have an equal voice in their own future.

Continue reading the full article, [Join a nationwide celebration of democracy](#).

Worth Watching

- [It's Time to Know Your Rights](#) (1:00), Election Protection, stressing the ease of voting; “all you have to do is know your rights.”
-

Worth Reading

- [Our Role Furthering Democracy](#), Common Good Vermont, Aug. 10, 2022, explaining “why nonprofits & democracy are a natural fit.”
 - [Misinformation is eroding the public's confidence in democracy](#), Gabriel R. Sanchez, Keesha Middlemass, and Aila Rodriquez, Brookings, July 26, 2022.
 - [Keeping Our Republic: The Roles of Charitable Nonprofits](#), Advocacy in Action, National Council of Nonprofits, July 25, 2022.
-

Signing Up Poll Workers

There is a well-documented shortage of individuals willing to work the polls on election day, and numerous organizations are stepping up to provide nonpartisan assistance. The group [Power the Polls](#) reports that it generated 700,000 poll workers in 2020 and is expanding efforts to help solve this recurring problem. Their message is a good one: “Our democracy depends on ordinary people who make sure every election runs smoothly and everyone's vote is counted.” Also, [Vet the Vote](#), a project of the charitable nonprofit [We the Veterans Foundation](#), recently announced a national campaign to recruit 100,000 veterans and military family members to become the next generation of poll workers. Their message is powerful, as well: “Democracy runs on elections. Elections run on poll workers.”

State and Local

Nonprofit Workforce Shortages: Expanding the Pipeline of Diverse Talent

Paid internships remove barriers blocking many students from full access to valuable networking, mentorship, and skill-building opportunities. Successful models of [partnerships to support nonprofits and interns](#) exist around the country. Governments can help by making investments in workforce pipelines through paid internships. Some have been doing so by using their ARPA funds, according to [Treasury reporting data](#). For example, Anne Arundel County, **Maryland**, funded a 2021 Summer Youth Internship Program to provide paid internships at local organizations. Ramsey County, **Minnesota**, invested \$2 million in the Right Track Plus program, which matched over 200 young adults ages 18-24 with paid internships with public and private employers. Young adults also participated in professional development activities supported by a community-based organization. The City of Cincinnati, **Ohio**, allocated \$100,000 for its CYC Youth Work Readiness program that will expand training in Diversity, Equity, and Inclusion, as well as internships and workshops for participating students. These investments can close earnings and opportunity gaps widened by the pandemic and build a pipeline into the nonprofit sector. Read the blog post, [Expanding the Pipeline of Diverse Talent for Nonprofits](#).

Worth Quoting

- “About 40 percent of charities say that employment remains their highest priority as service demands remain elevated because of inflation and the lingering pandemic.”

— Robert Downen, [U.S. Nonprofits Struggle to Find Workers, Funding](#), *Houston Chronicle*, Aug. 18, 2022 (citing a report by a global accounting firm, which also found an uneven financial recovery across the nonprofit sector).

Pressures on Nonprofit Workforce Shortages

Workforce shortages have been developing beyond charitable nonprofits, intensifying the pressures on nonprofits and other employers. Classrooms are among the most visible places for workforce shortages now, as students go back to school, where there are not enough teachers and support staff. According to the [National Education Association](#), there is a nationwide shortage of 300,000 teachers and staff. The immediate needs are driving a variety of short-term proposed solutions. **Arizona** has stopped requiring a bachelor's degree for educators to teach in their public schools, and now students enrolled to get a college degree can begin teaching. The [new Arizona law](#) also provides flexibility for teachers with expired licenses to return to teaching. In **New Jersey**, a bill would establish the [Grow Your Own Teacher Loan Redemption Program](#), which would encourage students who graduated high school from a district with a teacher shortage to return to their home district, with the incentive of paying "a portion of a participant's eligible student loan expenses for each year employed full-time in the school district from which the participant graduated." At the federal level, the [Supporting Effective Educator Development \(SEED\)](#), grant program supports higher education institutions and national nonprofits' efforts to "increase the pipeline of highly effective educators."

Tracking ARPA Fund Investments

The City and County Honolulu, **Hawai`i**, will use \$30 million in ARPA funds for a [nonprofit grant program](#) for organizations negatively affected by the pandemic. In the announcement, Mayor Blangiardi stated, "It doesn't take much to sink even the

most successful nonprofit, and my administration is interested in growing our City's nonprofit resource capacity versus allowing vital organizations to shrink because of COVID-19. The work that they do for the people of the City and County of Honolulu is just too important." Pinellas County, **Florida**, in collaboration with the Pinellas Community Foundation, will distribute the \$19 million [ARPA Nonprofit Capital Project Fund](#) to nonprofits that are also seeking to expand services and upgrade facilities in the County, with a priority for applicants with "leadership and clients from underrepresented communities." Thirty-one nonprofits in Valdosta, **Georgia**, will receive grants ranging from \$5,000 to \$85,000 to [provide services](#) such as after school programs, domestic assault prevention, and shelter services.

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 Reading

- [A Billion Here, A Billion There: Where Have All of Ohio's COVID Relief Dollars Gone?](#), Advocates for Ohio's Future and the Ohio Poverty Law Center, Aug. 19, 2022, analyzing how Ohio's ARPA funds have been spent and provides recommendations for the remaining \$1.9 billion.
-

Contract Payment Delays Endemic

In **Maryland**, Baltimore City's backlog of payments to local nonprofits for federal housing grants ballooned during the pandemic, leaving many organizations to wait between 18 months and two years to receive their promised funds. Advocates for [Baltimore nonprofits say the delay can hobble organizations](#), especially those with

shoestring staffs, that rely on the federal grant funding to meet basic needs such as paying employees and providing them with health care benefits. “The problem really goes to the heart of an organization’s ability to deliver critical services,” said Heather Iliff, the president of **Maryland Nonprofits**, who observed that the housing funds are just the most extreme point in broader grant processing issues for the city. “Nonprofits have had to cut programs, lay off staff, even go out of business because of these problems.”

Worth Reading

- [A Fighter for Nonprofits Who’s Not Afraid to Ruffle Donors’ Feathers](#), Dan Parks, *The Chronicle of Philanthropy*, Aug. 9, 2022, focusing on Jan Masaoka, CEO of **CalNonprofits**.
 - [Power and Possibility: The Impact of Wyoming’s Nonprofit Sector 2022](#), **Wyoming Nonprofit Network**, August 2022.
-

Numbers in the News

\$600 million

The amount of ARPA funds governments are dedicating for job training, hiring, and worker retention programs.

Source: [The Billion Dollar Jobs Push Using ARPA Funds](#), Liz Farmer, *Route Fifty*, Aug. 16, 2022.

August is

- [Black Philanthropy Month](#)
 - [National Water Quality Month](#)
-

Upcoming Events

- Aug. 25, [Engage Nonprofit Conference](#), Alliance of Arizona Nonprofits

- Aug. 30, [Advocacy Series: Storytelling](#), Kentucky Nonprofit Network
 - Aug. 30, [Making Your Nonprofit's Case](#) (Part 2), North Carolina Center for Nonprofits
 - Aug. 30-Sep. 1, [Nonprofit Statewide Conference](#), Idaho Nonprofit Center
 - Sep. 7, [Measuring Advocacy Impact](#), Florida Nonprofit Alliance
 - Sep. 13, [Making Your Nonprofit's Case](#) (Part 3), North Carolina Center for Nonprofits
-

Nonprofit VOTE Webinar

[What's On the Ballot? Nonpartisan Voter Guides](#)

Wednesday, August 24, 2:00 pm Eastern

Nearly two out of five “non-voters” believe that “a neutral source of basic information about candidates and issues” would be the best motivator. This webinar gives nonprofits the tools to correct that by sharing how to create nonpartisan voter guides and how to tell if a voter guide is too biased to be used by a 501(c)(3) nonprofit. [Register now!](#)

Advocacy in Action

Summer (or Back-to-School) Reading:

Novel Advocacy

Much of nonprofit advocacy involves culture change. Public attitudes about smoking, drunk driving, sexual harassment, and more didn’t change because politicians enacted laws. Rather, attitudes changed – the culture shifted – and the laws caught up to modern mores.

Sometimes, those changes occurred as a result of demonstrations, a damning report with detailed data and analysis, a shocking news exposé, direct lobbying, and letter-writing campaigns. More often than you’d imagine, those things followed in the wake of a ground-breaking novel that captured the public’s imagination and shifted

perceptions on a subject. August being the prime month for beach/vacation/staycation reading, let's look at some novels that have moved the culture.

[Continue Reading Novel Advocacy](#)