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## Nonprofit Essentials | July 2022

There's a lot going on in the world that's stressful. Before diving into this edition of *Knowledge Monthly*, let's take just a moment to appreciate that [July is National Ice Cream Month](#). (Go ahead and get some ice cream if you're able to.) Okay, that's better.

This month, President & CEO Tim Delaney writes about the federal government's "Advancing Equity and Racial Justice" project, an impressive effort that holds lessons for nonprofits. Our article on properly classifying employees covers court cases, legislative, and regulatory developments that nonprofit employers (and employees) need to know about. That article ends with an invitation for you to offer your frontline insights that we'll share with the Department of Labor (DOL). Happily, people at the DOL have indicated they're open to improving the guidance for nonprofits on classifying certain nonprofit-specific jobs like those in development and volunteer management. We've also got news for you on the Public Service Loan Forgiveness program, fundraising on Zoom, and a new edition of our Nonprofit Workforce Shortage Crisis report. Read to the end for a call to join [Nonprofit Staff Vote](#) to demonstrate your non-partisan commitment to boosting voter engagement and strengthening our democracy.

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### How Nonprofits Can Use Information from the Federal Government's Project to Advance Equity

## and Racial Justice

For most of us in the nonprofit space – whether as nonprofit employees, board members, volunteers, or donors – we’re driven by both a personal sense of calling and a collective sense of shared mission to make the world, our community, a better place. Fortunately, that drive to improve is not restricted to nonprofits.

- In 2021, the **federal government launched a comprehensive internal review of major services it provides to the public to assess whether systemic barriers are blocking people from receiving high-impact services.**
- Federal agencies then developed Equity Access Plans for removing barriers. Many of these plans have been assembled in a report, [Advancing Equity and Racial Justice Through the Federal Government](#), along with other useful information.
- As organizations committed to the public good, **nonprofits would benefit by learning more about this sweeping project.**

To that end, our article describes the government’s comprehensive approach, identifies how nonprofits can use the information, and offers steps nonprofits can replicate to advance equity and racial justice in their organizations.

[Read more](#)

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## Important Updates on Employee Classification

**Treating nonprofit employees fairly and legally – or, if you’re an employee, being treated that way – is essential to effective, sustainable organizations that serve the public good.**

- Misclassifying workers is a common mistake made by employers of all kinds, nonprofits included. It can result in serious consequences, including back wages and taxes owed, as well as violations of federal and state employment laws with associated penalties. Our article shares important updates on recent court decisions and state law changes.
- Another important development is on the horizon: proposed changes to the federal rules on exemption from overtime will be released by the U.S.

Department of Labor (DOL) in the fall. Many close observers are anticipating increases in the minimum salary threshold and other changes, potentially including the job duties test, for exempt employees.

The article includes **an invitation to share your insights with us so we can provide the most comprehensive input to the DOL on how they need to improve the job classification guidance for nonprofits.**

[Read more](#)

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## ***Resource Development***

### **Virtual fundraising is getting easier**

Nonprofits can now accept donations from within Zoom meetings and webinars using the Donations by Pledge App. New features released this month include displaying donations in real-time, adding custom backgrounds to individual donors' video, and text-to-donate. [Zoom](#) and [Pledge](#) offer guidance, case studies, and support.

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## **New Resources**

- Updates on the [Nonprofit Workforce Shortage Crisis](#): the current shortage of workers in all sectors is a matter of common knowledge, but the significance of the crisis affecting the work of charitable nonprofits – often involving human lives and wellbeing – is different. When nonprofits have unfilled jobs, it obviously limits (sometimes even eliminates) the volume of services they can deliver, meaning people relying on those services suffer. [Our freshly updated report on the Nonprofit Workforce Shortages Crisis](#) provides some new data, lays out challenges nonprofits are facing, and identifies positive policy solutions. Feel free to share the updated report with your local media and policymakers to raise awareness about the crisis.
- **Related to the workforce shortage - the child care shortage**: More than one child care worker in 10 hasn't returned to their jobs since the pandemic began, a shortage of nearly 100,000 workers, according to data from the [Bureau of Labor Statistics](#).

- **Sign your nonprofit up to be a [Nonprofit Staff Vote 2022](#) partner** and commit to offering paid time off to vote, as well as showing leadership in other ways to help boost voter engagement. You'll also receive tools and resources about integrating voter engagement into your nonprofit's ongoing programs and services while remaining non-partisan. Some nonprofits are even offering paid time off for staff to work at the polls. Consult the U.S. Election Assistance Commission to [find out more about recruiting poll workers in your community](#), helping to address the critical shortage of poll workers and strengthen our democracy.
  - **Employees donating paid leave to benefit nonprofits supporting Ukraine:** The [Internal Revenue Service recently clarified the tax treatment of donations of paid leave](#) to charitable nonprofits supporting humanitarian efforts in Ukraine. The new guidance explains that employees who forgo their paid time off in exchange for donations made on their behalf cannot claim charitable tax deductions on the funds; nor will their donated leave count as taxable income. However, employers can deduct the payments as business expenses under certain circumstances. The guidance is valid through the end of 2022.
  - It's National Ice Cream Month. According to the U.S. Census Bureau, "Ice cream has historically been a key feature of American communities." [Read the press release](#) for more sweet news. What does ice cream have to do with nonprofits? We like it.
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### ***PSLF Update***

## **Limited Public Service Loan Forgiveness (PSLF) Waiver Expires Oct. 31**

The [Limited PSLF Waiver](#) temporarily relaxed the rules to help millions of nonprofit and government workers qualify more easily for loan forgiveness. Borrowers who were previously ineligible because they had the wrong loan, were making payments under the wrong plan, or were knocked off track due to processing errors can now receive credit toward loan forgiveness for those years worked in public service – but **only if they apply by October 31**.

In related news, the Department of Education published a [notice of proposed rulemaking](#) last week to address student loan forgiveness and affordability issues.

The new rules propose making permanent some of the relaxed eligibility terms in the temporary waiver set to expire on October 31.

Some of the proposed changes have the potential to help nonprofit employees significantly, which could make hiring and retaining staff easier as well. You can submit public comments to the proposed rulemaking **on or before August 12** by going to [Regulations.gov](https://www.regulations.gov) and entering ED-2021-OPE-0077-1350 in the search window.

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### ***One more resource***

**State-Specific Nonprofit Compensation Reports**, job boards, and more! Did you know the [state data and reports page](#) of our **Nonprofit Impact Matters** site provides state-level data, reports, and other links to resources in your state? Take a look, as many states have recently released updated reports.