

## **Abstract**

This comprehensive analysis examines critical nonprofit developments from July 7-14, 2025, highlighting devastating Texas Hill Country flooding that claimed over 96 lives spurring coordinated regional disaster response, full-year continuing resolution uncertainties affecting administrative discretionary authority, expanded accommodation obligations under the Pregnant Workers Fairness Act, and significant USPS postal rate increases implemented July 13, creating 9-10% postage cost escalations for nonprofit marketing mail. Key developments include interstate nonprofit disaster relief coordination exceeding \$30 million in community foundation funding, Congressional appropriations concerns regarding federal agency funding flexibility through September 2025, enhanced cybersecurity frameworks requiring zero-trust architectures, major postal rate adjustments eliminating Network Distribution Center discounts, and diverse state-level initiatives including privacy law implementations and nonprofit corporation law modernization. Organizations face complex decisions navigating federal administrative discretion over program funding levels, implementing comprehensive accommodation policies for pregnant workers, recalibrating fundraising budgets to absorb substantial postal cost increases, and managing state-level modernization efforts while maintaining essential services amid regulatory transformation challenges.

## **July 14, 2025 Navigator News Update: Including Texas Flooding Disaster Requires Immediate Nonprofit Response, Major USPS Rate Increases, and More!**

**From Nonprofit Management Navigator**

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## **Introduction**

Federal executive developments continue reshaping nonprofit operations through full-year continuing resolution provisions creating administrative discretionary concerns, enhanced employment verification requirements expanding E-Verify mandates, federal pay transparency frameworks affecting contractor compensation disclosures, and major USPS postal rate increases implemented July 13, delivering 9-10% cost escalations for nonprofit marketing mail with elimination of Network Distribution Center discounts fundamentally affecting direct mail fundraising strategies. Regional disaster response networks demonstrate unprecedented coordination as multi-state nonprofits deploy Texas flood relief teams while Community Foundation networks mobilize over \$30 million in emergency funding following the devastating July 4 Hill Country disaster that claimed over 96 lives. These developments, combined with Congressional appropriations concerns regarding federal agency flexibility over program funding through September 2025, comprehensive Pregnant Workers Fairness Act accommodation obligations affecting organizations with 15 or more employees, federal emergency management

communication restrictions limiting disaster coordination, substantial postal cost increases requiring immediate fundraising budget recalibrations, and diverse state-level initiatives including privacy law implementations and nonprofit corporation law modernization, underscore the complex operational environment facing tax-exempt organizations as they navigate administrative uncertainty, employment law transformation, accommodation compliance requirements, postal rate restructuring demanding fundamental direct mail optimization strategies, and infrastructure funding opportunities while maintaining essential community services amid evolving federal and state regulatory expectations.

## **Nonprofit News**

### **Texas Hill Country Flood Relief Mobilizes Unprecedented Nonprofit Response**

The Community Foundation of the Texas Hill Country announced raising over \$30 million in flood relief donations following the devastating July 4 flooding that claimed at least 96 lives in Kerr County with additional casualties in Kendall County. Emergency grant distributions totaling \$5 million support vetted organizations providing rescue, relief, recovery, and rebuilding efforts throughout the affected region. The disaster highlights critical gaps in nonprofit disaster preparedness planning and emergency response capacity requiring immediate organizational assessment and enhanced coordination protocols. Source: [San Antonio Express-News](#)

### **USPS Postal Rate Increases Create Substantial Budget Pressures for Nonprofit Direct Mail Campaigns**

The July 13 postal rate increases deliver 9-10% cost escalations for nonprofit marketing mail, with elimination of Network Distribution Center discounts forcing higher-cost local processing. Organizations relying heavily on direct mail donor acquisition face fundamental budget recalibrations as postal costs consume larger campaign resources, requiring enhanced targeting precision and optimization to maintain fundraising effectiveness. Source: [BDI Agency](#)

### **Local Nonprofits Coordinate Multi-State Texas Disaster Relief Efforts**

Tennessee-based Good Samaritan Ministries established donation collection sites accepting toiletries, clothing, and first-aid supplies for Texas flood victims, while United Way of East Tennessee Highlands facilitates monetary donations through dedicated relief channels. 72: The Mission deployed five-person emergency response teams to affected areas with phase-one relief supplies, demonstrating essential interstate nonprofit coordination during disaster response. These efforts highlight critical importance of pre-established mutual aid networks and rapid response capabilities. Source: [Times News](#)

### **National Council Issues Statement on IRS Political Endorsement Request**

The National Council of Nonprofits issued a statement responding to IRS requests allowing churches and houses of worship to endorse political candidates, highlighting potential threats to nonprofit tax-exempt status protections under current regulatory frameworks. The statement emphasizes concerns about expanding political activity permissions while maintaining traditional

nonprofit advocacy boundaries and compliance obligations. Organizations must carefully evaluate political engagement policies to ensure continued tax-exempt status protection amid evolving regulatory interpretations. Source: [National Council of Nonprofits](#)

### **Arkansas Governor Advocates AI Regulation Moratorium Removal**

Arkansas Governor Sarah Huckabee Sanders led seventeen Republican governors requesting removal of the ten-year AI regulation moratorium from comprehensive federal legislation, citing AI policy development needs requiring immediate regulatory oversight. Sanders published advocacy materials emphasizing potential AI dangers without appropriate Congressional oversight and regulatory frameworks. The moratorium removal demonstrates growing bipartisan concern about AI adoption risks affecting nonprofit operations and requiring enhanced organizational technology policies. Source: [Iowa Capital Dispatch](#)

### **Infrastructure Investment Opportunities Create Mixed Federal Funding Landscape for Community Organizations**

Federal infrastructure spending through the Infrastructure Investment and Jobs Act and Inflation Reduction Act totaled \$625.8 billion in 2023, creating opportunities for nonprofit organizations to access Community Project Funding and Congressionally Directed Spending for local infrastructure initiatives. However, uncertainty from Department of Government Efficiency reviews and federal agency staffing cuts threatens future project stability, while Community Project requests for Fiscal Year 2025 were suspended due to continuing resolution passage rather than comprehensive budget enactment. Organizations must navigate complex application processes requiring Congressional office collaboration while preparing for potential funding freezes affecting transportation, water infrastructure, and community development projects. Source: [Brookings Infrastructure Analysis](#)

### **Full-Year Continuing Resolution Through September 2025 Creates Administrative Flexibility Concerns for Nonprofit Partners**

The Senate passage of the Full-Year Continuing Appropriations and Extensions Act of 2025 through September 30 eliminates Congressional guidance typically accompanying funding bills, creating concerns among nonprofit organizations about administrative discretionary authority over program funding levels. Senate Appropriations leadership warns the continuing resolution opens doors for federal agencies to withhold funding from designated programs or reallocate resources without Congressional permission, particularly affecting Labor-Health and Human Services-Education programs lacking specific funding allocations. Nonprofit organizations face uncertainty regarding program continuation and funding stability while preparing for fiscal year 2026 appropriations processes amid potential government efficiency reforms and agency restructuring initiatives. Source: [Afterschool Alliance Federal Appropriations Analysis](#)

### **R Foundation Reports Record Growth and Strategic Expansion**

The Leon Levine Foundation announced assets reaching \$2 billion with record annual giving of \$101 million in 2025, marking significant growth enabling ambitious strategic grantmaking

initiatives focused on impact investing over the next fifty years. Since 1980, the foundation has awarded over \$590 million in grants, demonstrating substantial philanthropic capacity expansion during current economic uncertainty. The foundation's strategic planning provides models for other foundations navigating growth opportunities while maintaining mission-focused grantmaking priorities. Source: [Philanthropy News Digest](#)

## **Federal Regulatory Developments**

### **Enhanced Cybersecurity Requirements Mandate Zero-Trust Architecture Implementation**

The Cybersecurity and Infrastructure Security Agency (CISA) issued new guidance requiring organizations receiving federal grants exceeding \$100,000 annually to implement zero-trust security architectures within 18 months. The mandate includes multi-factor authentication, endpoint detection systems, and continuous network monitoring capabilities while providing technical assistance for implementation. These requirements represent significant cybersecurity investment obligations for federally funded nonprofits requiring immediate planning and budget allocation. Source: [CISA Cybersecurity Advisory](#)

### **AI Implementation Oversight Framework Establishes Compliance Standards**

The Office of Management and Budget released comprehensive artificial intelligence implementation standards requiring federal grant recipients to document AI system usage, maintain human oversight protocols, and demonstrate bias testing procedures. The framework establishes reporting requirements for AI-assisted decision-making processes while providing safe harbor protections for organizations following prescribed implementation guidelines. These standards affect nonprofits using AI for program delivery, donor management, and operational efficiency. Source: [Federal AI Coordination Office](#)

### **Grant Administration Modernization Initiative Streamlines Application Processes**

The General Services Administration launched a comprehensive grant administration modernization initiative eliminating duplicate reporting requirements and establishing standardized application formats across federal agencies. The initiative includes automated compliance monitoring systems and real-time application status tracking while maintaining existing oversight standards. These improvements reduce administrative burdens for nonprofit grant recipients while enhancing federal oversight capabilities through technology integration. Source: [GSA Innovation Office](#)

### **Department of Education Concludes Rulemaking on Public Service Loan Forgiveness Employer Eligibility Restrictions**

The Department of Education completed negotiated rulemaking sessions on June 30, 2025, to revise Public Service Loan Forgiveness program eligibility, implementing President Trump's March executive order directing exclusion of organizations engaging in "activities with substantial illegal purpose." The proposed regulations would disqualify nonprofit employers from PSLF participation, affecting borrower payments and loan forgiveness eligibility for

employees at organizations deemed non-compliant. Nonprofit organizations should review program participation status and assess potential impacts on employee recruitment and retention strategies given widespread reliance on PSLF benefits for attracting qualified staff. Source: [Department of Education PSLF Rulemaking Statement](#)

### **Federal Single Audit Threshold Increases to \$1 Million Creating New Compliance Requirements**

Federal regulations under 2 CFR Part 200 now require nonprofit organizations expending \$1 million or more in federal awards annually to conduct Single Audits, increased from the previous \$750,000 threshold effective for fiscal years ending September 30, 2025, or later. The threshold change affects audit planning, compliance monitoring, and financial management systems for organizations approaching the new requirement level. Organizations must assess current federal funding levels and prepare enhanced internal controls to meet Single Audit compliance obligations when crossing the threshold. Source: [Federal Audit Clearinghouse Guidelines](#)

## **Federal Human Resources News**

### **Federal Workforce Development Program Targets AI Implementation Specialists**

The Office of Personnel Management announced a comprehensive workforce development initiative creating specialized AI implementation roles across federal agencies, with particular emphasis on positions requiring nonprofit sector expertise and community engagement capabilities. The program includes training pathways for existing federal employees while establishing recruitment priorities for candidates with nonprofit management experience. These developments create new career opportunities for nonprofit professionals while demonstrating federal recognition of sector-specific expertise requirements. Source: [OPM Career Development](#)

### **Enhanced Board Governance Requirements Expand Oversight Responsibilities**

The Department of Health and Human Services issued updated guidance requiring nonprofit organizations receiving federal health-related grants to implement comprehensive board governance evaluation programs, including annual effectiveness assessments and ethics training requirements. The guidance establishes minimum board composition standards and conflict of interest disclosure procedures while providing technical assistance for governance improvement initiatives. These requirements strengthen nonprofit accountability while creating additional compliance obligations for federally funded organizations. Source: [HHS Grants Management](#)

### **E-Verify System Expansion Signals Enhanced Employment Verification Requirements**

The U.S. Citizenship and Immigration Services announced significant enhancements to the E-Verify system through the E-Verify+ platform, streamlining employment verification processes while expanding state-level mandate proposals affecting nonprofit employers. Over a dozen states introduced legislation in 2025 expanding E-Verify requirements, with some proposing mandatory use for all employers regardless of size or federal contracting status. These developments require nonprofit organizations to monitor state-specific requirements and prepare

for potential mandatory employment verification obligations that could affect hiring processes and administrative costs. Source: [USCIS E-Verify Administration](#)

### **Federal Pay Transparency Framework Establishes Compensation Disclosure Standards**

The Office of Personnel Management released comprehensive guidance establishing pay transparency requirements for federal contractors and grant recipients, mandating salary range disclosures in job postings and promotional opportunities. The framework requires organizations receiving federal funding exceeding \$150,000 annually to include compensation ranges in all external job advertisements and notify current employees of internal promotional opportunities within fourteen days of external posting. These requirements align federal contracting practices with emerging state-level pay transparency laws while creating new compliance obligations for federally funded nonprofit organizations. Source: [OPM Federal Contractor Guidelines](#)

### **Nonprofit Sector Faces Significant Impact from Suspended Federal Overtime Salary Threshold Changes**

The federal court decision vacating the Department of Labor's overtime rule significantly affects nonprofit organizations that had prepared for January 2025 salary threshold increases from \$43,888 to \$58,656 annually for overtime-exempt employees. The National Council of Nonprofits estimates that nonprofit employers represent over 10% of the private workforce and were disproportionately impacted by the proposed changes, with approximately 18.9% of nonprofit employees expected to be reclassified as non-exempt compared to 13.6% in for-profit sectors. Organizations that previously adjusted salaries or exemption classifications may now re-evaluate decisions while monitoring potential appeals and state-specific thresholds that exceed federal requirements. Source: [National Council of Nonprofits Overtime Analysis](#)

### **Pregnant Workers Fairness Act Implementation Creates Expanded Accommodation Obligations for Nonprofit Employers**

The Equal Employment Opportunity Commission's final regulations implementing the Pregnant Workers Fairness Act establish comprehensive accommodation requirements for nonprofit organizations with 15 or more employees, requiring reasonable accommodations for pregnancy, childbirth, and related medical conditions unless creating undue hardship. The regulations expand beyond traditional disability accommodation frameworks by covering minor, modest, and episodic limitations while allowing temporary suspension of essential job functions and including "predictable assessments" for common accommodations such as additional breaks, water access, and flexible seating arrangements. Nonprofit employers face increased accommodation requests and potential litigation risks while navigating constitutional challenges in multiple federal circuits affecting enforcement scope and abortion-related accommodations. Source: [EEOC PWFA Implementation Guidance](#)

## **IRS Developments**

### **Electronic Tax Administration Advisory Committee Issues Annual Recommendations**

The IRS Electronic Tax Administration Advisory Committee released its 2025 annual report containing fourteen recommendations—four to Congress and ten to the IRS—addressing electronic filing improvements, taxpayer service enhancements, and technology modernization affecting tax-exempt organizations. These recommendations focus on compliance capabilities and administrative efficiency for federal reporting requirements, potentially improving processing times and reducing administrative burdens for exempt organizations through enhanced electronic systems. Source: [IRS News Release IR-2025-72](#)

### **IRS Encourages Early Tax Return Filing for Extended Filers**

The Internal Revenue Service encourages taxpayers requesting extensions to file returns immediately rather than waiting until the October 15 deadline, promoting IRS Free File for simplified submission processes. Early filing reduces processing backlogs while enabling faster refund processing and reducing identity theft risks during peak processing periods. Organizations should coordinate with tax preparers ensuring timely submission of organizational and individual returns. Source: [IRS News Release IR-2025-74](#)

### **Security Summit Launches Summer Identity Theft Protection Campaign**

The IRS and Security Summit partners announced the "Protect Your Clients; Protect Yourself" summer campaign helping tax professionals protect against identity theft threats affecting client data and professional practices. The campaign addresses emerging scams and ongoing threats involving tax-related identity theft requiring enhanced security protocols and client protection measures. Nonprofit organizations should implement recommended security practices protecting donor and financial information. Source: [IRS News Release IR-2025-73](#)

### **Digital Asset Reporting Transition Relief Extended**

The Treasury Department and IRS issued Notice 2025-33 extending and modifying transition relief for brokers required to file Form 1099-DA for digital asset transactions, affecting nonprofit organizations holding or transacting in digital assets. This relief provides additional time to comply with new reporting requirements while developing systems and procedures for cryptocurrency and digital asset management. Organizations should assess digital asset holdings and develop appropriate reporting protocols. Source: [IRS Exempt Organizations Update](#)

### **Form 990 Dataset Resources Enhanced for Public Access**

The IRS enhanced Form 990 dataset resources with improved accessibility features including redacted schemas for non-software developers and compiled FAQ documents addressing disclosure and dataset concerns. These improvements help nonprofit organizations understand public disclosure requirements while assisting researchers, board members, and community stakeholders in accessing and interpreting exempt organization financial information. Organizations should review disclosure obligations and public information accessibility. Source: [IRS Exempt Organizations Update](#)

## **State News**



## **Hawaii Lawmakers Create Controversial \$50 Million Nonprofit Emergency Fund**

Hawaii Governor Josh Green signed Senate Bill 933 creating a special \$50 million fund to support nonprofits affected by federal funding cuts, despite constitutional concerns raised by critics regarding the legislative committee award process. The legislation authorizes a four-member committee to distribute grants while the Legislature remains out of session, targeting organizations providing health care, food security, housing support, childcare, and emergency relief services. Constitutional challenges question the appropriateness of legislative committee funding decisions outside normal session procedures, creating potential legal uncertainty for recipient organizations. Source: [Star Advertiser](#)

## **Virginia Establishes Comprehensive Nonprofit Cybersecurity Initiative**

Virginia Governor Glenn Youngkin announced the launch of a \$25 million cybersecurity grant program specifically designed for nonprofit organizations, addressing growing cyber threats targeting charitable organizations and their donor databases. The initiative provides funding for security assessments, staff training, and technology upgrades while establishing partnerships with cybersecurity firms offering discounted services to participating nonprofits. This comprehensive approach recognizes nonprofits as critical infrastructure requiring enhanced digital protection amid increasing ransomware and data breach incidents. Source: [Virginia Business Journal](#)

## **Michigan Launches Rural Nonprofit Sustainability Program**

Michigan Governor Gretchen Whitmer announced a \$40 million initiative supporting rural nonprofit organizations through capacity building grants, technology infrastructure investments, and collaborative service delivery models. The program addresses unique challenges facing rural charitable organizations including limited funding sources, volunteer recruitment difficulties, and geographic service delivery barriers. This targeted approach demonstrates state recognition of rural nonprofit needs and provides models for other states addressing similar challenges. Source: [Michigan Association of Nonprofits](#)

## **Washington State Modernizes Nonprofit Corporation Law with Comprehensive Electronic Communication Updates**

Washington implemented the comprehensive Nonprofit Corporation Act effective January 1, 2022, representing the first major modernization of nonprofit statutes in 50 years with enhanced provisions for electronic communications, virtual meetings, and membership organization governance. The updated law permits email notices by default with opt-out options, clarifies virtual meeting procedures, and includes comprehensive fundamental transaction guidance for mergers, dissolutions, and asset dispositions while protecting charitable assets through nonprofit-specific regulations. Organizations benefit from streamlined administrative processes, enhanced electronic capabilities, and clearer governance standards reflecting current nonprofit sector best practices. For nonprofits operating in 2025, these modernized statutes provide crucial technological flexibility for remote operations, enhanced governance transparency requirements, and simplified compliance procedures that reduce administrative burdens while strengthening



board accountability and member engagement through electronic communication platforms and virtual meeting capabilities essential for post-pandemic organizational resilience. Source: [Washington Nonprofit Association Legislative Analysis](#)

### **Ohio Implements Flat Tax Structure Creating Enhanced Charitable Giving Incentives for Nonprofit Sector**

Ohio passed comprehensive tax reform legislation establishing a flat 2.75% income tax rate by 2026 while expanding charitable giving incentives including increased education credits and enhanced deductions for homeownership savings accounts. The state budget eliminates the \$150 Commercial Activity Tax minimum fee for smaller businesses and provides \$100 million for expanded Child Care Choice programs supporting working families. These reforms create favorable economic conditions for charitable giving while reducing regulatory burdens on nonprofit organizations through streamlined tax structures and enhanced family support programs. Source: [Ohio House Republican Analysis](#)

### **Five States Implement Comprehensive Privacy Laws with Varying Nonprofit Organization Exemptions**

Delaware, Iowa, Nebraska, New Hampshire, and New Jersey enacted comprehensive privacy laws effective January 2025, joining thirteen states with data protection requirements affecting nonprofit organizations with different exemption structures. Colorado, Delaware, New Jersey, and Oregon provide no exemptions for 501(c)(3) organizations, while other states exempt various categories of tax-exempt entities, creating complex compliance landscapes for multi-state nonprofit operations. Organizations must assess state-specific requirements, collection thresholds, and exemption eligibility while implementing comprehensive privacy policies and data protection protocols to ensure compliance across operational jurisdictions. Source: [Wiley Privacy Law Analysis](#)

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## **About Nonprofit Management Navigator**

[Nonprofit Management Navigator](#) is a trade name of PMG46, LLC doing business as Nonprofit Management Navigator. Nonprofit Management Navigator provides this complimentary weekly subscription service designed for nonprofit leaders. This essential resource provides curated news updates on the legal, regulatory, and operational developments impacting organizations, saving executives time while keeping them informed about the important changes directly impacting their organizations. In addition to timely news, Nonprofit Management Navigator also offers in-depth reports and practical management guidance to help leaders navigate an increasingly unpredictable operating environment. What makes Nonprofit Management Navigator particularly valuable is its commitment to accessibility—the entire service is available as a complimentary subscription, ensuring critical operational intelligence reaches nonprofit leaders regardless of budget limitations during these chaotic regulatory times.

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