Abstract

The nonprofit sector faces unprecedented challenges as the September 30 government shutdown deadline approaches with zero appropriations bills enacted. Federal funding cuts potentially totaling 22.6% ($163 billion) in domestic discretionary spending—a portion of which represent cuts in nonprofit funding-- threaten organizational sustainability, while the Trump administration intensifies investigations into progressive nonprofits. New regulatory developments include expanded DOJ enforcement authority, revised Single Audit thresholds, and enhanced compliance monitoring. Human resources challenges include $100,000 H-1B visa fees limiting international recruitment. Organizations must implement immediate contingency planning for funding disruptions, enhanced security measures, and regulatory compliance while leveraging technology partnerships and diversified revenue strategies to maintain mission delivery amid federal hostility and operational uncertainty.

September 29, 2025 Navigator News Update: Including Possible Federal Government Shutdown, Nonprofit Crackdowns, 2026 Strategic Planning, and More!

From Nonprofit Management Navigator

Please see Understanding This Information and Disclaimer at the conclusion of the article.

Introduction

This week's Navigator News Update addresses critical developments as nonprofits navigate an increasingly hostile federal environment with immediate shutdown risks and long-term funding threats. The September 30 deadline looms with Congress having enacted zero appropriations bills, creating unprecedented uncertainty for organizations dependent on federal support. Simultaneously, the Trump administration's expanded investigations into progressive organizations represent a new era of political targeting that threatens sector independence. Regulatory changes affecting everything from audit thresholds to H-1B visa costs require immediate organizational attention. Despite these challenges, emerging opportunities provide pathways for operational efficiency and revenue diversification. Organizations must balance crisis management with strategic adaptation to ensure mission continuity in this transformed operating landscape.

Priority Legend

Priority indicators help nonprofit leaders quickly identify which developments require their most immediate attention based on urgency and operational impact.

🔴 Immediate Action 🟡 Requires Organizational Response 🟢 Monitor and Prepare

---

Nonprofit News

📋 **Executive Summary**: The sector confronts an imminent government shutdown. Zero appropriations bills have been enacted and additional 2026 federal funding cuts can be expected. The Trump administration's investigations into progressive nonprofits create unprecedented political targeting while security concerns escalate following political violence.

⚡ **Key Actions for This Section**: Organizations must take immediate protective measures while positioning for long-term sustainability:

- Contact grant administrators before September 30 shutdown deadline to clarify reimbursement timelines
- Assess cash reserves and arrange emergency credit facilities for potential payment delays
- Implement enhanced security protocols for staff, facilities, and public events
- Develop 2026 strategic plans prioritizing revenue diversification and federal funding alternatives

🔴 **Federal Budget 2026 Status and Shutdown Implications**

NOTE: The deadline for enacting either a fiscal 2026 federal budget or a continuing resolution to avoid a federal government shutdown is midnight September 30. The following post reflects the situation as of September 29.

Fiscal Year 2025 ends September 30, and Congress has enacted zero of the 12 full-year appropriations bills to fund the government for FY 2026. Without appropriations bills or a continuing resolution, federal agencies must discontinue all non-essential discretionary functions. For nonprofits, a government shutdown could significantly delay payments, disrupt critical services, increase costs, and make public-private partnerships less effective. Organizations should contact grant administrators before shutdown, assess cash reserves, and prepare contingency communications for stakeholders.

Source: Committee for a Responsible Federal Budget

🔴 **Nonprofit Government Shutdown Preparation Guidance**

Organizations must prepare for potential delayed payments, disrupted services, and increased costs during shutdown. Essential steps include engaging in scenario planning, communicating with stakeholders, and potentially arranging bridge loans or lines of credit. Organizations should contact grant administrators to clarify reimbursement timelines and contingency clauses, review contract terms, and coordinate with partner organizations for service continuity.

Source: Council of Nonprofits

🔴 **Trump Administration Intensifies Investigation Into Progressive Nonprofits**

The Trump administration has launched expanded investigations into progressive organizations without evidence of wrongdoing. Administration officials accuse major liberal nonprofits of promoting violence and supporting illegal activities. Trump threatens RICO charges and tax-exempt status revocation, while Deputy Chief of Staff Stephen Miller characterizes progressive groups as "a vast domestic terror movement." Organizations face unprecedented federal scrutiny despite constitutional protections.

Source: The Conversation

🟡 **Over 100 Progressive Nonprofits Unite to Push Back Against Administration Crackdown Threats**

More than 120 progressive nonprofits, including Ford Foundation and Open Society Foundations, issued a joint letter defending their freedom of speech against Trump administration threats. The letter condemns political violence while rejecting attempts to restrict fundamental rights. Signatories include major philanthropies representing a unified front against potential tax-exempt status revocations.

Source: Democracy Docket

🟡 **Philanthropic Community Mobilizes Defense Strategy Against Federal Attacks**

Over 150 foundations coordinate defense strategies against potential federal investigations and tax-exempt status challenges, including 10% led by American Jewish philanthropists. Organizations establish legal defense funds, information sharing networks, and advocacy campaigns to protect nonprofit sector independence. The mobilization represents the largest coordinated philanthropic response to federal threats since the sector's modern establishment.

Source: eJewishPhilanthropy

🔴 **Federal Budget Cuts Threaten Nonprofit Mission Achievement in 2026**

The proposed FY26 "skinny budget" includes significant funding reductions targeting DEI and environmental justice organizations. The administration initiated a broad freeze on federal grants and loans, impacting over 2,600 programs. Nonprofits must diversify revenue streams, strengthen financial management systems, and develop contingency plans while maintaining program delivery commitments.

Source: GrantStation

🔴 **Federal Funding Cuts Potential Impact on 2026 Strategic Planning**

President Trump's FY 2026 budget proposes a devastating 22.6% ($163 billion) reduction in domestic discretionary spending—which likely includes significant cuts for nonprofit programs--while increasing defense spending by 13%. Government funding accounts for approximately 33% of nonprofit revenue, with 60-80% of organizations receiving federal funds facing financial instability. Strategic planning for 2026 must prioritize revenue diversification, cost-saving measures, and advocacy efforts.

Source: Council of Nonprofits

🟢 **Incorporating Private Sector Partnerships into 2026 Strategic Plans**

Corporate partnerships have evolved beyond one-time giving, with 93% of companies applying corporate purpose to business decisions. Strategic partnerships require developing "capacity for responsiveness" while building trust-based relationships extending beyond financial commitments. Successful 2026 strategies must create meaningful collaborations including customized workshops, skills-based volunteering, and employee engagement programs.

Source: FreeWill Nonprofit Resources

🟡 **Nonprofit Security Concerns Escalate Following Political Violence**

Organizations implement enhanced security measures for staff, buildings, and events following political tensions. Organizations report concerns about staff safety, particularly those involved in controversial advocacy work, while implementing threat assessment protocols. Security consulting services experience increased demand, creating new operational expenses for resource-constrained organizations.

Source: Chronicle of Philanthropy

🟡 **Justice Department Announces Formation of Multi-Agency Task Force to Combat Anti-Semitism on College Campuses**

The Justice Department established a multi-agency task force to investigate and prosecute anti-Semitic incidents on college campuses, expanding federal enforcement capabilities against nonprofit educational institutions. Universities and associated nonprofit organizations face increased federal oversight and potential funding consequences for failing to address anti-Semitic incidents adequately.

Source: U.S. Department of Justice

🟢 **Religious Liberty Commission Established to Review First Amendment Rights for Faith-Based Organizations**

The Trump administration established the Religious Liberty Commission to examine and strengthen First Amendment protections for faith-based organizations. Faith-based organizations anticipate expanded operational flexibility and potential relief from secular compliance requirements, while secular nonprofits express concern about differential treatment under federal law.

Source: White House Executive Orders

Nonprofit Regulatory Developments

📋 **Executive Summary**: Federal agencies expand enforcement authority across multiple domains while implementing new compliance requirements. The Single Audit threshold increase provides relief for smaller organizations, though enhanced scrutiny continues for larger entities. Immigration fee increases and regulatory changes create operational challenges requiring immediate policy reviews.

⚡ **Key Actions for This Section**: Organizations must strengthen compliance systems while adapting to expanded federal oversight:

- Review and update anti-discrimination policies and training programs
- Implement enhanced Title IX compliance procedures for educational nonprofits
- Update procurement policies to reflect new micro-purchase thresholds
- Ensure accessibility compliance for telecommunications systems
- Prepare for revised Form 990 filing requirements with tax preparers

🟡 **Department of Justice Expands Nonprofit Anti-Discrimination Enforcement Authority**

The Justice Department announced expanded enforcement authority for investigating discrimination complaints against nonprofit organizations receiving federal funding. Enhanced enforcement includes proactive investigation capabilities and increased penalty authority. Nonprofits must strengthen anti-discrimination policies and training while ensuring employment and service delivery practices comply under expanded DOJ oversight authority.

Source: U.S. Department of Justice

🟡 **Immigration Fee Changes Under H.R.1 "One Big Beautiful Bill Act" Affect Nonprofit Service Providers**

Fee increases of up to 300% for certain immigration applications create barriers for low-income clients served by immigrant-serving nonprofits. Organizations must adjust service delivery models and explore fee assistance programs while advocating for vulnerable populations affected by cost barriers to legal immigration processes.

Source: [Congressional Research Service]()

🟡 Department of Labor Wage and Hour Compliance Requirements for Nonprofit Employers

DOL guidance clarifies volunteer versus employee distinctions while tightening oversight of unpaid internship programs. Organizations must review employment practices and volunteer programs to ensure compliance with updated federal wage and hour requirements, particularly affecting organizations with mixed volunteer-employee workforces.

Source: [U.S. Department of Labor]()

🟡 Department of Education Title IX Compliance Requirements for Educational Nonprofits

Modified sexual harassment investigation procedures and enhanced due process protections require policy revisions. Educational nonprofits must revise policies and procedures while providing additional training for staff involved in Title IX compliance, creating implementation costs for organizations serving vulnerable student populations.

Source: [U.S. Department of Education]()

🟡 Centers for Disease Control Updates Public Health Emergency Grant Requirements

Enhanced coordination requirements with state and local health departments and expanded reporting on emergency response capabilities affect public health nonprofits. Organizations must invest in emergency preparedness infrastructure and coordination systems while demonstrating measurable contributions to community health emergency response capacity.

Source: [Centers for Disease Control and Prevention]()

🟡 Federal Communications Commission Updates Accessibility Requirements for Nonprofit Telecommunications Users

Enhanced requirements for disability accommodation in communications systems affect nonprofits receiving E-rate funding. Organizations must evaluate communications infrastructure against revised accessibility standards and implement accommodation measures to maintain federal telecommunications support eligibility.

Source: [Federal Communications Commission]()

🟢 **Single Audit Threshold Increase to $1 Million Takes Effect for Fiscal Years Ending After September 30, 2025**

Organizations spending less than $1 million in federal awards annually will no longer require Single Audits, reducing administrative burden for smaller nonprofits. The change also increases the de minimis indirect cost rate from 10% to 15% and raises capital expenditure thresholds from $5,000 to $10,000.

Source: BPM Insights

🟢 **SAMHSA Announces Supplemental Funding Opportunity for National Anti-Drug Coalitions Training Programs**

Supplemental funding supports community-based nonprofits addressing substance abuse prevention through collaborative approaches. Eligible organizations can access enhanced technical assistance and capacity-building resources, though application processes require demonstration of measurable community impact and sustainable prevention strategies.

Source: SAMHSA

🟡 **Department of Housing and Urban Development Implements New Data Collection Requirements for Homeless Assistance Recipients**

Enhanced data collection and reporting requirements for Continuum of Care and Emergency Solutions Grants recipients include detailed demographic data and service outcome tracking. Organizations must invest in data management systems and staff training while ensuring client privacy protections.

Source: U.S. Department of Housing and Urban Development

Nonprofit Human Resources Developments

📋 **Executive Summary**: Human resources challenges intensify with H-1B visa fees increasing to $100,000, Public Service Loan Forgiveness program restrictions, and enhanced federal oversight of employment practices. Organizations face increased recruitment costs and compliance obligations affecting workforce planning.

⚡ **Key Actions for This Section**: Organizations must adapt recruitment strategies and strengthen employment practices to navigate regulatory changes:

- Budget significantly higher costs for international talent recruitment
- Review volunteer program policies for federal employee participation restrictions

- Strengthen religious accommodation procedures and anti-discrimination training
- Audit contractor relationships for proper worker classification
- Implement enhanced workplace safety and anti-discrimination protocols

🔴 **H-1B $100,000 Fee Impact on Nonprofit Employment**

President Trump's September 19, 2025 proclamation imposes a $100,000 one-time fee for new H-1B visa petitions, effective September 21, 2025. The fee applies only to new petitions for foreign nationals outside the U.S. and doesn't affect current visa holders, renewals, or existing approved petitions. For nonprofits, this dramatically increases the cost of hiring international talent, potentially limiting access to specialized skills in technology, healthcare, and research. Organizations must budget significantly more for international recruitment, likely restricting H-1B sponsorship to only the most critical senior positions, affecting program capacity and innovation.

Source: NPR

🟡 **Department of Education Proposes Changes to Public Service Loan Forgiveness Program Affecting Nonprofit Employees**

The Department of Education announced proposed modifications to the Public Service Loan Forgiveness program that could restrict eligibility for nonprofit employees. Changes include narrower definitions of qualifying nonprofit organizations and stricter verification requirements for public service employment. Current and prospective nonprofit employees face uncertainty about loan forgiveness eligibility, potentially affecting recruitment and retention in the sector as student debt relief becomes less accessible for public service careers.

Source: Department of Education

🟢 **Office of Personnel Management Federal Employee Volunteer Guidelines Affecting Nonprofits**

OPM guidelines governing federal employee volunteer service with nonprofit organizations, include restrictions on certain types of advocacy and political activities. Guidelines limit federal employee participation in activities deemed political or controversial while affecting nonprofit volunteer recruitment. Organizations must review volunteer program policies and ensure federal employee volunteers comply with updated ethics requirements that may restrict their service activities.

Source: U.S. Office of Personnel Management

🟢 **Office of Special Counsel Releases Updated ADR Program Survey for Federal Agency Mediation Sessions**

The Office of Special Counsel submitted revised Alternative Dispute Resolution program survey procedures to OMB on September 23, 2025, streamlining participant feedback collection from federal mediation sessions. OSC now issues a single consolidated survey electronically to participants immediately after mediation concludes, replacing the previous two-part process. The 35-minute survey evaluates program effectiveness and identifies improvement opportunities for prohibited personnel practice complaints. Nonprofits serving as federal contractors or receiving federal grants should monitor ADR program changes as they affect dispute resolution procedures for employees covered by federal whistleblower protections.

Source: [Federal Register]()

🟡 **Federal Appeals Court Rules on Religious Accommodation in Employee Scheduling**

A federal appeals court issued a significant ruling on religious accommodation requirements for employee scheduling, affecting nonprofit organizations' duty to accommodate workers' religious practices. The decision clarifies that employers must demonstrate undue hardship when denying religious accommodation requests for work schedules. Factors include operational necessity, cost considerations, and impact on other employees' rights. Nonprofit organizations must review accommodation procedures and ensure good-faith efforts to accommodate religious practices including prayer time, holy day observances, and dress code requirements while maintaining program operations.

Source: [Federal Court Appeals]()

🟡 **Justice Department Civil Rights Division Announces Multi-Agency Task Force to Combat Anti-Semitism in Workplace Settings**

The Justice Department established a specialized task force to investigate and prosecute anti-Semitic incidents in workplace environments, creating new enforcement mechanisms affecting nonprofit employers. The initiative coordinates federal agencies to monitor workplace discrimination and ensure compliance with civil rights laws protecting Jewish employees. Enhanced enforcement includes expanded investigation authority and potential funding consequences for organizations failing to address anti-Semitic incidents. Nonprofit organizations must review anti-discrimination policies and incident response procedures to ensure adequate protection for Jewish employees and volunteers.

Source: [U.S. Department of Justice]()

🟢 **Department of Labor Submits Job Openings and Labor Turnover Survey Data Collection to OMB for Review**

The Bureau of Labor Statistics submitted the Job Openings and Labor Turnover Survey for OMB review on September 22, 2025, extending data collection activities affecting nonprofit employers nationwide. JOLTS covers all private nonfarm establishments including nonprofit organizations, requiring monthly reporting on job openings, hires, separations, quits, and layoffs. The survey provides critical labor market data used for policy decisions affecting nonprofit workforce planning and compensation benchmarking. Organizations selected for JOLTS participation must provide detailed employment data that informs federal labor market analysis and regulatory decisions.

Source: [Federal Register]()

🟡 **Justice Department Secures Settlement with Climate Nonprofit Second Nature for Employment Discrimination Violations**

The Justice Department Civil Rights Division announced a multi-agency task force to combat anti-Semitism in workplace settings, expanding federal enforcement authority for investigating discrimination complaints against employers including nonprofit organizations. The task force coordinates FBI, Department of Education, and civil rights divisions to monitor workplace activities and potential violations. Enhanced enforcement includes proactive investigation capabilities and increased penalty authority for civil rights violations in employment contexts. Nonprofit employers must strengthen anti-discrimination policies and ensure compliance with federal civil rights requirements under expanded DOJ oversight authority.

Source: [U.S. Department of Justice]()

🟡 **DOL Guidance on Misclassification of Employees as Independent Contractors**

The Department of Labor guidance on worker classification standards, emphasizes economic reality tests for distinguishing employees from independent contractors. Guidance scrutinizes nonprofit organizations' use of consultants, program staff, and service providers to prevent misclassification violations. Factors include degree of control, opportunity for profit/loss, permanence of working relationship, and integration into organization operations. Nonprofits must review contractor agreements and working relationships to ensure proper classification and avoid penalties for wage and hour violations resulting from misclassification.

Source: [U.S. Department of Labor]()

IRS, Accounting and Finance Developments

📋 **Executive Summary**: Enhanced IRS compliance monitoring includes automated surveillance while new charitable deduction structures create mixed impacts for fundraising. Updated procurement thresholds provide operational flexibility, though crypto asset guidance creates new compliance obligations for organizations holding digital assets.

⚡ **Key Actions for This Section**: Organizations must prepare for enhanced scrutiny while leveraging new opportunities:

- Implement enhanced compliance training and communication protocols for IRS monitoring

- Update donor stewardship materials reflecting new charitable deduction calculations
- Leverage increased micro-purchase thresholds while strengthening internal controls
- Review indirect cost policies to accept federally negotiated rates
- Evaluate cryptocurrency holdings against new FASB accounting standards

🟡 Internal Revenue Service Enhanced Exempt Organization Compliance Monitoring

Enhanced monitoring includes automated systems for detecting potential violations and social media surveillance for political content. Organizations must implement enhanced compliance training and communication protocols while ensuring activities remain within tax-exempt parameters under increased federal scrutiny.

Source: Internal Revenue Service

🟡 IRS Releases Draft Instructions for 2025 Form 990 Filings

New requirements include enhanced reporting for tipped employee compensation, updated executive compensation disclosure thresholds, and revised unrelated business income reporting procedures. Organizations must coordinate with tax preparers early to implement necessary system changes and avoid filing delays.

Source: IRS Form 990 Instructions

🟡 Trump Tax Changes Create Mixed Impact for Small-Medium Nonprofits

The 2025 "One Big Beautiful Bill" introduces a permanent $1,000 charitable deduction for non-itemizers starting in 2026, potentially benefiting 90% of taxpayers. However, new barriers include a 0.5% floor on itemized charitable deductions and corporate giving faces a 1% minimum threshold, potentially reducing donations by $4.5 billion annually.

Source: Council on Foundations

🟡 IRS Releases Draft Schedule 1-A Form 1040 with New Additional Deductions Affecting Nonprofit Tax Compliance

Changes include modified charitable deduction calculation methods and enhanced documentation requirements for large donations. Nonprofits must update donor stewardship materials and tax advice provided to supporters while ensuring compliance with new substantiation requirements.

Source: Internal Revenue Service

🟢 FASB Issues ASU 2025-02 on Accounting for Crypto Asset Custodial Services

The standard provides guidance on recognition, measurement, and disclosure requirements for crypto assets. Organizations must implement enhanced internal controls and risk management procedures for digital asset transactions while ensuring appropriate financial statement presentation.

Source: [FASB ASU 2025-02]

🟢 **Updated Uniform Guidance Increases Micro-Purchase Threshold to $10,000 with Self-Certification Allowed Up to $50,000**

The revised guidance doubles the micro-purchase threshold while allowing self-certification for purchases up to $50,000. Organizations must update procurement policies and staff training while leveraging increased flexibility and strengthening internal controls.

Source: [OMB Uniform Guidance Procurement Standards]

🟡 **Pass-Through Entities Must Now Accept All Federally Negotiated Indirect Cost Rates Under Revised OMB Guidance**

The change eliminates pass-through entities' ability to impose lower rates on indirect cost recovery. Organizations serving as pass-through entities must revise subrecipient agreements and update grant management systems to ensure compliance with new requirements.

Source: [OMB Uniform Guidance Indirect Costs]

State Nonprofit News

📋 **Executive Summary**: State-level developments create diverse compliance challenges including Texas marketing law expansions, New Jersey privacy requirement additions, Arkansas advocacy reporting mandates, and various supportive initiatives for nonprofit cybersecurity and revenue generation.

⚡ **Key Actions for This Section**: Organizations must adapt to varying state requirements while leveraging available support programs:

- Audit digital marketing practices for Texas Mini-TCPA compliance
- Implement data protection procedures for New Jersey privacy requirements
- Establish biannual reporting procedures for Arkansas advocacy organizations
- Apply for available cybersecurity and disaster recovery support programs
- Review lobbying activities against state registration thresholds

🟡 **Texas Mini-TCPA Expansion Heightens Marketing Compliance for 501(c)(3) Organizations**

Texas nonprofits engaging in text message marketing face expanded compliance obligations under SB 140's amendments to the state's "Mini-TCPA" law, effective September 1, 2025. While 501(c)(3) organizations retain exemptions from registration requirements, the law now covers SMS and MMS communications with increased penalties up to $5,000 per violation. Violations trigger private rights of action under the Deceptive Trade Practices Act, exposing nonprofits to treble damages and attorney fees. Organizations should audit their digital marketing practices and implement enhanced consent documentation to avoid costly litigation risks.

Source: Lowenstein Legal Alert

🟡 **New Jersey Removes Nonprofit Privacy Law Exemptions**

New Jersey nonprofits lose traditional privacy law exclusions under recent legislative modifications removing organizational exemptions common in other state data protection statutes. Unlike most jurisdictions that exclude nonprofit entities from privacy compliance requirements, New Jersey's approach subjects charitable organizations to the same data protection standards as commercial entities. This creates unprecedented compliance obligations for nonprofits handling donor, volunteer, and beneficiary information. Organizations must implement data protection officers, conduct privacy impact assessments, and establish breach notification procedures typically associated with for-profit entities.

Source: New Jersey State Legislature

🟡 **Arkansas Mandates Biannual Reporting for Protection and Advocacy Nonprofits**

Arkansas nonprofits providing protection and advocacy services face enhanced transparency requirements under HB 1382, mandating biannual reporting to state authorities and Freedom of Information Act compliance. Independent advocacy organizations serving persons with disabilities must submit detailed operational and financial reports every six months, increasing administrative burdens significantly. The legislation subjects advocacy nonprofits to public records disclosure requirements typically reserved for government entities, potentially compromising client confidentiality protections. Organizations must balance transparency obligations with ethical duties to protect vulnerable population privacy rights.

Source: Arkansas General Assembly

🟢 **Washington State Launches Nonprofit Cybersecurity Capacity Initiative**

Washington nonprofits gain access to enhanced cybersecurity resources through a new state-sponsored capacity-building program addressing sector-specific vulnerabilities. The initiative provides technical assistance, training programs, and financial support for organizations improving digital security infrastructure. Nonprofits can access cybersecurity assessments, staff training resources, and technology upgrade funding to protect donor data and operational systems. The program recognizes nonprofits' unique cybersecurity challenges while building sector-wide resilience against increasingly sophisticated cyber threats targeting charitable organizations.

Source: [Washington State Department of Commerce]

🟡 Texas Nonprofits Face New Lobbying Registration Under Ethics Commission Rules

Texas nonprofits engaging in legislative advocacy confront enhanced registration requirements under updated State Ethics Commission regulations governing lobbying activities. Organizations spending above threshold amounts on legislative communication must register as lobbyists and file periodic activity reports, creating compliance obligations for policy-focused nonprofits. The rules clarify exempt communications while establishing reporting requirements for organizations previously operating without lobbying registration. Nonprofits must evaluate advocacy activities against registration thresholds while ensuring compliance with disclosure requirements that may affect donor privacy expectations.

Source: [Texas Ethics Commission]

🟢 Florida Announces Hurricane Recovery Grant Program for Service Nonprofits

Florida nonprofits providing hurricane recovery assistance access dedicated state funding through a new grant program supporting disaster response and community resilience activities. The initiative prioritizes organizations serving vulnerable populations, providing direct services, and demonstrating capacity for effective disaster response coordination. Eligible nonprofits can receive funding for equipment, staff, and operational support while participating in statewide recovery coordination efforts. The program recognizes nonprofits' essential role in disaster response while providing necessary resources for effective community service delivery.

Source: [Florida Division of Emergency Management]

🟢 Ohio Gaming Revenue Standards Enhance Nonprofit Transparency Requirements

Ohio charitable gaming organizations implement enhanced financial reporting requirements under new state oversight standards addressing public accountability concerns. Nonprofits must demonstrate that gaming proceeds support legitimate charitable purposes through detailed quarterly reports and annual audits. The regulations establish clear distribution requirements while providing enforcement mechanisms for organizations failing to meet charitable use standards. Organizations conducting gaming activities must balance compliance costs with fundraising effectiveness while maintaining community trust in gaming operation integrity.

Source: [Ohio Department of Commerce Division of Liquor Control]

🟢 Texas Cottage Food Law Expands to Include Nonprofits with $150,000 Cap

Texas nonprofits operating cottage food businesses benefit from historic expansions under SB 541, effective September 1, 2025. The law triples annual sales limits from $50,000 to $150,000 and permits nonprofit organizations to operate cottage food production facilities through director or officer home kitchens. Previously restricted food categories like refrigerated items are now permitted under an exclusion model, creating new revenue opportunities for community-based organizations. Nonprofits must navigate new registration requirements and labeling standards while ensuring operations remain within residential kitchen parameters.

Source: Expert Texan Analysis

Summary

The September 29, 2025 Navigator News Update reveals a nonprofit sector under siege from multiple federal threats while navigating immediate operational challenges. The impending government shutdown with zero appropriations bills enacted creates immediate cash flow risks, while the administration's systematic targeting of progressive organizations through investigations and threatened RICO prosecutions represents an unprecedented assault on sector independence. Federal funding cuts included in the so called "skinny budget" proposal totaling an estimated $163 billion—a portion of which represents reduced nonprofit funding-- combined with $100,000 H-1B visa fees fundamentally alter the operating landscape for organizations dependent on government support and international talent.

However, emerging opportunities through expanded corporate partnerships, and regulatory relief in areas like Single Audit thresholds provide pathways for organizational adaptation. State-level developments create additional compliance complexity through expanded privacy requirements and lobbying regulations, while offering new revenue streams through cottage food expansions and disaster recovery funding. Organizations must implement immediate crisis management protocols while developing long-term strategies emphasizing revenue diversification, enhanced security measures, and regulatory compliance to ensure mission continuity in this transformed environment.

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.

Understanding This Information and Disclaimer

Nonprofit Management Navigator is a trade name of PMG46, LLC doing business as Nonprofit Management Navigator This update from Nonprofit Management Navigator is designed to offer general insights and information. It is crucial to understand that this content is not, and should not be considered, a replacement for professional legal, accounting, or operational advice. Nonprofit Management Navigator does not provide legal advice. We urge you to consult with qualified legal, accounting, or operational professionals before taking action based on this content. While we aim for comprehensive and accurate information, Nonprofit Management Navigator cannot guarantee that every relevant development is included or that all information from our sources is entirely reliable or precise. This report draws on public sources, compiled with the support of artificial intelligence and Nonprofit Management Navigator staff.