Abstract

This August 24, 2026 Navigator News Update brings nonprofit leaders the federal news and regulatory, human-resources, IRS, and state developments shaping the sector this week. Congress passed a stopgap funding bill through December 11 as OMB's rewrite of the Uniform Guidance approaches a September 1 deadline that could reshape federal grantmaking. DHS's new public-charge rule, EEOC's sharpened DEI enforcement plan, and OBBBA's expanded executive-compensation excise tax all demand nonprofit attention. IRS enforcement continues on insider loans and noncash contributions, while a new report finds nonprofits face a growing cyberattack risk. State legislatures advanced contracting reform, pay transparency, and charitable-registration deadlines from Hawaii to New York. This update equips nonprofit executives, board members, and compliance teams with the regulatory intelligence needed to protect funding, staffing, and tax-exempt status in an unpredictable environment.

August 24, 2026 Navigator News Update: Including Federal Funding Stopgap, OMB's Uniform Guidance Overhaul and More!

From Nonprofit Management Navigator, a DBA of PMG46, LLC

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Introduction

Welcome to the August 24, 2026 edition of the Navigator News Update, your weekly briefing on the legal, regulatory, and operational developments affecting nonprofit organizations nationwide. This week's update tracks a consequential stretch for the sector: Congress advanced a stopgap funding measure while OMB races toward a September 1 deadline on its sweeping Uniform Guidance rewrite, changes that could reshape how billions in federal dollars flow to grantees. On the employment front, EEOC sharpened its enforcement posture toward DEI programs even as courts handed nonprofits relief on Public Service Loan Forgiveness eligibility. IRS and Treasury continue expanding scrutiny of nonprofit finances, from insider loans to a proposed overhaul of Form 990, while OBBBA's tax provisions reach further into executive compensation and college endowments. State legislatures were equally active, extending tax credits, tightening charitable-solicitation rules, and adding new filing deadlines. Each summary below is tagged with a priority indicator to help you focus first on what requires immediate action. As always, our goal is to save your organization time while keeping you fully informed.

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

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Nonprofit News and Federal Regulatory Developments

📋 **Executive Summary:** Congress passed a stopgap funding deal through December 11, keeping federal grants flowing at current levels but delaying new awards. OMB's rewrite of the Uniform Guidance governing virtually all federal grants nears a September 1 deadline, while DHS's new public-charge rule takes effect September 18. House committees advanced nonprofit-transparency, foreign-funding, and hospital-disclosure bills, and a nonprofit sued the IRS over donor-disclosure requirements. Courts blocked one agency's grant-termination rationale and dismissed a high-profile Title VI case against Harvard.

⚡ **Key Actions for This Section:** Organizations should prioritize the following steps in response to this section's developments:

- Review indirect cost and compliance provisions now ahead of OMB's Uniform Guidance rewrite, due by roughly September 1
- Track the House-Senate reconciliation of stopgap funding bills and plan for flat funding through the fall
- Prepare for increased demand for direct services as immigrant families avoid public benefits under the new public-charge rule
- Monitor House transparency, foreign-funding, and hospital-disclosure bills advancing through Ways and Means
- Preserve award records and consult counsel regarding the court ruling limiting agency grant terminations

🟡 **Senate Passes Stopgap Funding Deal Through December 11, Sends Bill to House**

The Senate passed its bipartisan continuing resolution 90-6 on August 8, funding federal agencies at current levels through December 11 and averting a shutdown when the fiscal year ends September 30. The bill would also block, until December 11, a separate OMB rule that would let political appointees pre-approve federal grants. It now heads to the House, which passed its own narrower version running only to December 4 before recess and returns in September to reconcile the two chambers' bills. For nonprofits, a stopgap means grants and contracts keep flowing but at flat funding, with no new awards, and another funding cliff arriving right after the midterm elections.

Source: [Roll Call, "Funding patch passes Senate to head off fall shutdown," Aug. 8, 2026]

🟢 **House Member Introduces Bill to Expand AmeriCorps and Raise Member Living Allowances**

Delegate Eleanor Holmes Norton (D-DC) introduced legislation on August 6 that would provide supplemental appropriations to increase the number of AmeriCorps members and raise their living allowances, referring the bill to the House Appropriations and Education and Workforce Committees. The measure comes as AmeriCorps funding levels remain unsettled in the broader fiscal year 2026 appropriations process. Nonprofits that rely on AmeriCorps members for direct-service staffing should track the bill's progress alongside the ongoing appropriations debate.

Source: U.S. Government Publishing Office, Congressional Record — House, Aug. 6, 2026

🔴 **OMB's Uniform Guidance Overhaul Heads Toward a September 1 Deadline**

OMB's sweeping proposal to rewrite the Uniform Guidance governing nearly all federal grants drew intense sector pushback, with hundreds of thousands of comments opposing changes that would broaden agencies' discretion to suspend, modify, or terminate awards. OMB must publish a final rule by roughly September 1 to meet its October 1 effective date. Nonprofit grantees of every size should review indirect cost and compliance provisions now, since the rewrite could reshape how federal dollars flow to the sector.

Source: Congressional Research Service via Congress.gov, "May 2026 Proposed Rule on Uniform Guidance for Federal Grants," June 2026

🟡 **DHS Finalizes Public Charge Rule, Expanding Officer Discretion**

DHS finalized a rule in July rescinding 2022 public-charge standards and giving immigration officers broad discretion to weigh past or future use of public benefits when reviewing green-card applications, effective September 18. Advocates warn the change will discourage eligible immigrant families from using benefits, potentially cutting federal and state benefit spending by billions annually. Nonprofits serving immigrant communities should brace for increased demand for direct services as families avoid public programs out of fear.

Source: AsAmNews, "DHS tightens standards for green card, visa, admission reviews," July 2026

🟢 **House Panel Advances Package of Nonprofit Transparency and Foreign-Funding Bills**

The House Ways and Means Committee advanced a package of nonprofit-transparency bills along party lines: one requiring fiscal sponsors to disclose detailed project-level information with new penalties, one requiring most nonprofits to track and report foreign-national donations, and one restricting transfers by tax-exempt groups receiving foreign funds. Together they would add significant donor-screening, recordkeeping, and reporting burdens for fiscally sponsored projects and internationally connected nonprofits if enacted, and are being closely watched as they head to the floor.

Source: U.S. House Committee on Ways and Means, press release, July 24, 2026

🟢 **Tax-Exempt Hospital Transparency Act Advances in House Committee**

The House Ways and Means Committee also advanced the Tax-Exempt Hospital Transparency Act, which would require nonprofit hospitals to disclose far more detail on Form 990 about charity care, community health needs, service-line profitability, and 340B drug-discount participation. While it wouldn't change tax-exemption standards directly, it would significantly expand hospitals' data-collection and reporting workload. Nonprofit hospital systems should begin assessing reporting gaps now, since the bill has already cleared committee on a party-line vote.

Source: [U.S. House Committee on Ways and Means, "What They Are Saying: Bringing Transparency to America's Nonprofit Hospital Sector," July 2026]

🟢 **Lawsuit Challenges IRS Collection of Nonprofit Donor Information**

A nonprofit sued the IRS and Treasury in July, arguing that mandatory Schedule B disclosure of major donors to the government violates the First Amendment, citing a prior leak of confidential taxpayer data by a former IRS contractor. The suit could reshape how much donor information nonprofits must report even though the data isn't made public. Nonprofits should watch this case closely, as a ruling limiting Schedule B collection could ease a long-standing compliance and privacy concern for the sector.

Source: [Accounting Today, "Taxpayer group sues IRS over providing donor lists," July 2026]

🟡 **Federal Court Blocks Grant Terminations Based on Shifting "Agency Priorities"**

A federal judge in Massachusetts ruled July 17 that agencies cannot terminate previously awarded grants because a new administration later adopts different program goals or priorities, rejecting a key legal basis used to cancel billions of dollars in research and other federal grants over the past year and a half. The ruling does not reinstate grants already terminated and may be appealed. Nonprofits facing similar terminations should preserve their award records and discuss this precedent with counsel.

Source: [Dorsey & Whitney LLP, "Court Declares Unlawful Federal Grant Terminations Based on Changes to 'Program Goals or Agency Priorities,'" July 27, 2026]

🟢 **DOJ's Antisemitism Lawsuit Against Harvard Thrown Out of Court**

A federal judge dismissed the Justice Department's Title VI lawsuit against Harvard, which had sought compliance measures and clawback of nearly $1 billion in federal grants over alleged failure to address antisemitism after October 2023. The judge found the complaint relied almost entirely on older incidents and failed to plausibly allege an ongoing violation. DOJ disagrees and is weighing next steps. Nonprofits facing similar federal enforcement tied to funding or compliance should note the court's insistence on current, not historical, evidence.

Source: [Inside Higher Ed, "Trump's Antisemitism Lawsuit Against Harvard Dismissed," Aug. 13, 2026]

Nonprofit Human Resources Developments

📋 **Executive Summary:** EEOC finalized a new enforcement plan sharply focused on DEI programs and rescinded decades-old affirmative-action guidance, while its August 11 EEO-1 rescission hearing drew mostly witnesses urging retention or modernization, with written comments due August 24. Courts vacated a rule that would have stripped nonprofits of PSLF employer status, offering relief on loan-forgiveness compliance. DOL clarified when hybrid and field-worker travel time is compensable and proposed reviving an employer-friendly independent-contractor test. The $100,000 H-1B visa fee remains blocked in litigation, leaving nonprofit and university sponsors in limbo.

⚡ **Key Actions for This Section:** Organizations should prioritize the following steps in response to this section's developments:

- Have counsel review DEI, affinity, and voluntary demographic programs in light of EEOC's new enforcement priorities
- Reassess race- or sex-conscious hiring plans following EEOC's rescission of affirmative-action guidance
- Audit hybrid and field-staff timekeeping practices against DOL's new travel-time guidance
- Note that most witnesses at the EEOC's August 11 hearing urged retaining EEO-1 reporting; written comments are due August 24, and organizations should continue filing as usual until a final rule takes effect
- Continue monitoring H-1B fee litigation before sponsoring or renewing visa petitions

🟢 Courts Vacate Rule That Would Have Stripped Nonprofits of PSLF Employer Status

Two federal courts vacated the Education Department's rule letting officials strip nonprofit and local-government employers of Public Service Loan Forgiveness eligibility over a "substantial illegal purpose" finding, ruling it unlawful and, in one case, a First Amendment violation. The rule never took effect. Nonprofit employers can stand down compliance efforts built around the certification requirement, though HR teams should watch for a possible government appeal that could revive uncertainty for loan-forgiveness-eligible staff.

Source: NASFAA, "Federal Court Vacates PSLF Final Rule on Employer Eligibility," June 30, 2026

🟡 EEOC Adopts New National Enforcement Plan, Sharpening Focus on DEI Programs

The EEOC adopted a new National Enforcement Plan for fiscal years 2025 through 2029, replacing the prior Strategic Enforcement Plan and sharply narrowing disparate-impact enforcement while explicitly targeting DEI-labeled programs as potential intentional discrimination. The plan also elevates religious-accommodation and single-sex-space claims. Nonprofit employers with diversity initiatives, affinity programs, or voluntary demographic goals should have counsel review those practices now, given the agency's stated intent to pursue them as priority enforcement targets.

Source: U.S. Equal Employment Opportunity Commission, "EEOC Releases New National Enforcement Plan," June 4, 2026

🔴 EEOC Holds EEO-1 Rescission Hearing, Where Most Witnesses Urged Retention

At its August 11 public hearing on the proposal to rescind the EEO-1 through EEO-6 reports and related recordkeeping requirements, the EEOC heard from 22 witnesses, a majority of whom urged the Commission to retain or modernize the reporting framework rather than eliminate it. Employer groups, employee-side attorneys, civil rights organizations, and workforce data researchers testified that ending standardized reporting would not eliminate employers' data obligations, since the same information could still be sought through investigations, subpoenas, and litigation. The EEOC took no formal action at the hearing. The agency is accepting written comments on the proposal through August 24, 2026, and nearly 1,500 comments had already been submitted as of the hearing date, with some organizations asking the EEOC to extend the comment period. Larger nonprofit employers currently required to file EEO-1 data should keep preparing as usual for now, since existing obligations remain in place until a final rule actually takes effect.

Source: Ogletree Deakins, "EEOC Hearing on EEO-1 Rescission: Most Speakers Urge Retention or Reform," Aug. 14, 2026

🟡 **EEOC Rescinds Decades-Old Affirmative Action Guidance**

The EEOC rescinded its 40-year-old guidance on voluntary affirmative action under Title VII, along with the related compliance-manual section, saying the framework no longer aligns with Title VII's text and recent Supreme Court rulings. Nonprofits with voluntary affirmative-action or diversity-conscious hiring plans lose their traditional good-faith defense and face a narrower federal enforcement posture. HR and legal teams should review any race- or sex-conscious workforce programs promptly in light of the shift.

Source: Jackson Lewis P.C., "EEOC Rescinds Long-Standing Guidance on Voluntary Affirmative Action Plans," July 2026

🟡 **DOL Clarifies When Hybrid and Field-Worker Travel Time Is Compensable**

The Department of Labor issued two opinion letters clarifying when travel time is compensable under the FLSA for hybrid and field-based employees, concluding that voluntary midday commutes between home and office generally remain unpaid, while time spent actively working before a commute can convert the drive into paid time. Nonprofit employers with hybrid or field staff should carefully review current timekeeping practices against these new distinctions to avoid unexpected wage-and-hour liability and potential back-pay claims.

Source: Akerman LLP, "When a Commute Is No Longer Just a Commute: DOL Issues New Guidance on Travel Time and Remote Work," July 2026

🟢 **DOL Proposes Reviving Employer-Friendly Independent Contractor Test**

The Department of Labor proposed reviving a 2021-style, two-factor economic-reality test for classifying independent contractors under the FLSA, rescinding the Biden-era 2024 rule's six-factor "totality of circumstances" approach. If finalized, the change would generally make it easier to classify workers as contractors rather than employees. Nonprofits using contractors for programs, consulting, or gig-style work should monitor the rulemaking, since a shift could affect benefits eligibility and payroll-tax obligations once finalized.

Source: Dechert LLP, "DOL Proposes Independent Contractor & Joint Employment Rules," June 11, 2026

🟢 **Court Fight Over $100,000 H-1B Visa Fee Leaves Nonprofit Employers in Limbo**

A federal court struck down the Trump administration's $100,000 fee on new H-1B visa petitions on June 8, 2026, ruling it unlawful, and on July 24 the First Circuit Court of Appeals denied the government's request to keep the fee active while it appeals. As a result, the fee remains blocked and unenforceable by USCIS as of mid-August, though a separate D.C. Circuit case reached the opposite conclusion and DHS's appeal is ongoing, leaving the fee's ultimate fate uncertain. Nonprofit employers and universities that sponsor H-1B workers should continue monitoring the litigation.

Source: National Law Review (Ogletree, Deakins, Nash, Smoak & Stewart, P.C.), "$100,000 H-1B Fee on Hold While Government's Appeal Proceeds," July 29, 2026

IRS, Accounting and Finance Developments

📋 **Executive Summary:** IRS rolled out a new Form 15644 for group-exemption reporting and continues targeting insider loans and noncash-contribution deductions in its examination strategy. Treasury signaled a major Form 990 overhaul to trace government grants and fiscal-sponsorship arrangements, and separately announced expanded scrutiny of nonprofits over illicit-finance concerns. OBBBA provisions now reach former employees' deferred compensation and impose a tiered excise tax on wealthy college endowments. A new Okta report found nonprofits face the highest rate of cyberattacks of any industry.

⚡ **Key Actions for This Section:** Organizations should prioritize the following steps in response to this section's developments:

- Update compliance calendars for the new Form 15644 group-exemption filing process
- Begin reviewing fund-tracking and governance documentation ahead of expanded Form 990 reporting requirements
- Tighten due-diligence and recordkeeping practices given Treasury's expanded illicit-finance scrutiny
- Audit historical executive compensation files for former employees whose deferred pay may trigger OBBBA's excise tax
- Strengthen login authentication and access-management practices in light of nonprofits' record cyberattack rate

🟡 **IRS Rolls Out New Form 15644 for Group Exemption Reporting**

The IRS introduced Form 15644, now the required method for central organizations holding a group exemption to submit annual Supplemental Group Ruling Information under Revenue Procedure 2026-8. Filings are due 30 to 90 days before the close of the accounting period. Missing the standardized format risks processing delays or reporting gaps in IRS subordinate-organization records. Umbrella nonprofits and associations with group exemptions should update compliance calendars now to account for the new form and its current fax-only submission process.

Source: Internal Revenue Service, "Exempt Organizations Update," July 14, 2026

🟢 **Treasury Signals Major Expansion of Form 990 Reporting**

Treasury announced plans to revise Form 990 to require clearer reporting on government grants, government contracts, and fiscal sponsorship arrangements, aiming to trace who controls public funds and how they're spent. Proposed regulations and a public comment period are expected before any changes take effect. Nonprofits that receive government funding or sponsor other groups' projects should start reviewing fund-tracking, governance, and documentation practices now, since the changes could require far more granular disclosure than current filings.

Source: [Blue & Co., LLC, "Federal Funding and Form 990 Changes: What Exempt Organizations Need to Know," July 7, 2026]

🟡 Treasury Expands Scrutiny of Nonprofits Over Illicit Finance Concerns

Treasury announced it is expanding efforts to identify nonprofit and charitable structures allegedly used to move illicit funds, directing agencies including IRS Criminal Investigation to examine tax-exempt status, foreign-influence conduits, and officer and director accountability. The announcement signals heightened federal scrutiny of grantmaking and governance practices sector-wide. Nonprofits, especially those with international grantmaking or politically active programming, should tighten due-diligence and recordkeeping practices given this expanded enforcement posture.

Source: [U.S. Department of the Treasury, remarks by Secretary Bessent, July 16, 2026]

🟢 IRS Weighs Rule on Racial Discrimination and Tax-Exempt Schools

A pending IRS and Treasury proposal on the 2025-2026 Priority Guidance Plan would clarify how the fundamental public-policy doctrine against racial discrimination applies to private schools' tax-exempt eligibility, with practitioners split on whether it will stay narrowly focused on segregation-era precedent or extend more broadly to admissions and diversity practices at other 501(c)(3) organizations. The rule remains under White House review. Schools and universities with race-conscious programming should watch closely, since scope remains genuinely uncertain.

Source: [The NonProfit Times, "IRS Proposes Regulations Changing Education Institution 501(c)(3) Status," July 14, 2026]

🟢 Johnson Amendment Guidance for Houses of Worship Still Pending

Treasury and the IRS reaffirmed plans to issue new guidance clarifying how the Johnson Amendment's political-campaign-activity ban applies to houses of worship, including communications made during religious services, after placing the topic on their 2025-2026 Priority Guidance Plan. Until new guidance is issued, the broad prohibition on campaign intervention remains fully in effect for all 501(c)(3) organizations, including churches. Religious and secular nonprofits alike should continue treating candidate endorsements as prohibited pending any formal rule change.

Source: [Holtzman Vogel, "Religious Organizations and Political Activity: A 2026 Election-Year Guide," June 30, 2026]

🟡 IRS Compliance Strategy Continues to Target Insider Loans

The IRS's active Tax Exempt and Government Entities examination strategy continues to target loans made by nonprofits to officers, directors, and other insiders, scrutinizing whether such loans improperly use charitable assets for private benefit or trigger excess-benefit-transaction penalties. Organizations found in violation face excise taxes and possible revocation risk. Nonprofits with any outstanding or contemplated insider loans should document independent review, fair-market terms, and board approval now to preserve the rebuttable-presumption protection against penalties.

Source: [Internal Revenue Service, “TE/GE: In-Process Compliance Strategies”]

🟡 **OBBBA Expands Nonprofit Executive Compensation Excise Tax to Reach Former Employees**

The One Big Beautiful Bill Act broadened the 21% excise tax on tax-exempt organization pay above $1 million so it applies to anyone who ever held "covered employee" status, with a lookback to January 1, 2017. That means older severance packages, pensions, and other delayed payouts can trigger the tax years after someone has left, though pay for medical services stays outside its reach. Nonprofits should audit historical compensation files and flag former employees whose deferred pay could be taxable.

Source: [Aprio via Atherton & Associates, LLP, "One Big Beautiful Bill: Nonprofit Tax Impact," Aug. 6, 2026]

🟡 **Tiered Excise Tax on Private College Endowments Takes Effect Under OBBBA**

Private colleges and universities used to owe a single 1.4% tax on net investment income; the OBBBA now sorts them into three brackets keyed to endowment assets per enrolled student, with the levy climbing as high as 8% for the wealthiest schools with 3,000 or more students. Assets held by affiliated foundations can count toward that per-student figure under new combination rules, adding complexity to the calculation. Affected institutions should have finance staff recalculate their bracket and reassess endowment spending plans.

Source: [Aprio via Atherton & Associates, LLP, "One Big Beautiful Bill: Nonprofit Tax Impact," Aug. 6, 2026]

🔴 **Cyberattacks on Nonprofits Surge to Highest Rate of Any Industry**

A new Okta report, Nonprofits at Work 2026, found that the ratio of fraudulent to legitimate login attempts at nonprofits reached 78% this year, up from 18% last year and 2.6% two years ago, making nonprofits the most-attacked industry in Okta’s dataset, surpassing finance and energy. The report also found that 76% of nonprofits lack a formal AI strategy and rank last among industries studied for automated user-access management, leaving sensitive donor and grant data increasingly exposed.

Source: [The NonProfit Times, "NPO Authentication Attacks Skyrocketing," Aug. 13, 2026]

🟡 **IRS Steps Up Audits of Noncash Charitable Contribution Deductions**

Tax practitioners report a renewed wave of IRS examinations targeting noncash charitable contributions, particularly hard-to-value assets such as art, intellectual property, and privately held business interests, building on the agency’s earlier crackdown on syndicated conservation easements. Examiners are focusing less on disputing fair market value and more on technical defects, such as missing qualified appraisals or incomplete substantiation, that can invalidate a deduction. Taxpayers claimed over $160 billion in noncash charitable deductions, making valuation an IRS enforcement priority.

Source: [McDermott Will & Schulte, "Latest Tax Updates: Charitable Donation Scrutiny, Regulation Invalidity, and Codified Economic Substance Guidance," Aug. 4, 2026]

State Nonprofit News Developments

📋 **Executive Summary:** States moved in both directions this month: Colorado extended two donor tax credits, Illinois created a new investment pool for nonprofit reserves, and Hawaii opened a charitable-registration amnesty through August 31. Florida overhauled its Nonprofit Corporation Act and tightened foreign-source solicitation rules, while North Carolina and Pennsylvania added new annual-report deadlines. New York's contracting-reform bills await the Governor's signature, Maine's pay-transparency law took effect, and New Hampshire nonprofits face deepening budget cuts to health and behavioral-health contracts.

⚡ **Key Actions for This Section:** Organizations should prioritize the following steps in response to this section's developments:

- Hawaii nonprofits behind on filings should use the amnesty window before it closes August 31
- Florida nonprofits should update articles of incorporation, bylaws, and gift-acceptance policies for the new corporation act and solicitation rules
- North Carolina and Pennsylvania nonprofits should calendar their new annual-report deadlines
- New York nonprofits should urge the Governor to sign the pending contracting-reform bills
- Maine nonprofits with 10 or more employees should audit job postings for pay-range compliance

🟢 **Colorado Extends Child Care Contribution Tax Credit Through 2038**

Colorado's HB26-1004 took effect August 12, extending the state's 50% income-tax credit for qualifying child-care contributions for ten more years, through tax years beginning before 2038. Each year the credit generates roughly $66 million in donations to more than 6,000 child-care programs statewide at a fraction of that cost to the state budget. Colorado nonprofits operating child-care centers, homeless youth shelters, or residential treatment programs should highlight the credit's extension in fundraising appeals to donors.

Source: [Colorado General Assembly, HB26-1004 bill page]

🟢 **Colorado Extends Homeless Contribution Tax Credit Through 2030**

Colorado's HB26-1015, signed into law June 2, extends the state's Homeless Contribution Tax Credit through tax year 2030, preserving a 25% credit (30% in rural areas) for donations to approved homelessness-services nonprofits. The credit generated over $20 million in its first year with a more than fourfold public-private return. Colorado nonprofits providing shelter, prevention, or transitional housing services should continue promoting the credit to donors, since it was set to expire without this extension.

Source: [Colorado General Assembly, HB26-1015 bill page]

🟡 **New York Nonprofit Contracting Reform Bills Await Governor's Signature**

New York's legislature passed two nonprofit contracting reform bills, S9761 and S9855, which would require clearer invoicing and payment schedules, mandate a 25% advance payment within 30 days of contract execution, and expand a revolving loan fund for state-contracted nonprofits. Similar legislation passed unanimously last year but was vetoed by Governor Hochul. New York nonprofits reliant on state contracts should urge the Governor to sign both bills, since delayed payments have caused documented service disruptions and layoffs.

Source: Patch, "Nonprofits Applaud Legislature for Passing Contracting Reform Bills," June 9, 2026

🟡 **Maine's New Pay Transparency Law Takes Effect for Covered Nonprofits**

Maine's LD 54 took effect July 29, requiring employers with 10 or more employees to include pay ranges in job postings and to disclose pay ranges to current employees on request, while imposing new pay-history recordkeeping duties on all employers. The law doesn't specify whether the 10-employee threshold counts only Maine staff or the whole organization. Maine nonprofits should audit job postings now and update recruitment and recordkeeping policies to avoid noncompliance under this new wage-transparency mandate.

Source: Maine Department of Labor, "New Maine Labor Laws Strengthen Workplace Protections," 2026

🔴 **Hawaii Offers Charitable-Registration Amnesty Through August 31**

Hawaii's Attorney General is offering a 60-day amnesty period, running July 1 through August 31, allowing charitable organizations delinquent on registration or annual filings to correct their status and have late fees and penalties waived. The amnesty doesn't cover fraud or other substantive violations. Hawaii nonprofits that have fallen behind on filings should act before the deadline, since noncompliant charities also risk losing access to online donations through fundraising platforms under a related new law.

Source: Office of the Governor, State of Hawaiʻi, press release, June 30, 2026

🟡 **Florida's Revised Nonprofit Corporation Act Is Now in Effect**

Florida's HB 797 took effect July 1, comprehensively modernizing the state's Nonprofit Corporation Act to align with the American Bar Association's Model Nonprofit Corporation Act, the most significant overhaul of Chapter 617 in decades. Changes touch fiduciary duties, conflicts of interest, member rights, mergers, conversions, and director-removal procedures. Florida nonprofits should promptly review and update their articles of incorporation and bylaws to ensure they conform to the revised statutory framework, since several provisions changed key governance defaults.

Source: The NonProfit Times, "Florida's New Sweeping Nonprofit Law Now In Effect," July 14, 2026

🟡 **Florida Expands Charitable Solicitation Restrictions on Foreign Sources**

Florida's HB 905 took effect July 1, expanding the list of prohibited "foreign sources of concern" under the state's charitable solicitation law to include designated foreign terrorist organizations and their agents, on top of existing restrictions tied to countries of concern. Charities soliciting Florida residents, regardless of where they're incorporated, may not accept contributions from these sources. Florida-facing charities should update gift-acceptance and grantmaking screening policies now, since violations carry administrative penalties.

Source: Holland & Knight, "Florida Tightens Charitable Solicitation Rules," July 2026

🟡 **North Carolina Updates Nonprofit Corporation and Charitable Organization Law**

North Carolina's House Bill 517 became Session Law 2026-52 on July 8, making various changes to the state's Nonprofit Corporations Act, including new merger and domestication procedures, updated governance and board-vacancy rules, and a new requirement that all domestic and foreign nonprofit corporations file an annual report with the Secretary of State by November 15. The law also lets a federal tax-deduction acknowledgment satisfy state charitable-disclosure requirements. North Carolina nonprofits should calendar the new annual filing deadline.

Source: NC Political News, "Nonprofit corporation and charitable organization bill becomes law," July 9, 2026

🟡 **Pennsylvania's New Annual Report Requirement Nears End of Grace Period**

Pennsylvania's Act 122 replaced the state's old decennial report with a mandatory annual report for domestic and foreign nonprofit corporations, due by June 30 each year at no filing fee, listing basic entity, officer, and registered-office information. A transition period shields non-filers from penalties through reports due in 2026, but beginning in 2027 organizations that miss the deadline face administrative dissolution. Pennsylvania nonprofits should confirm their filings are current and update registered-office information to ensure they receive the Department's notices.

Source: Commonwealth of Pennsylvania, Department of State, "Annual Reports," 2026

🟢 **Illinois Enacts New State-Run Investment Pool for Nonprofits**

Illinois enacted a law creating a Non-Profit Investment Pool, modeled on the state's AAA-rated Illinois Funds program, letting qualifying 501(c)(3), (c)(4), (c)(5), and (c)(6) organizations pool reserves for safe, liquid, and competitive investment returns starting January 1, 2027. The program aims to help nonprofits offset shrinking federal funding by earning more on idle reserves at lower cost than they could alone. Illinois nonprofits should watch for enrollment details and start planning for reserve funds to participate once the pool launches.

Source: Illinois State Treasurer's Office, press release, July 14, 2026

🟡 **New Hampshire Budget Cuts Squeeze Nonprofit Health and Behavioral-Health Providers**

A New Hampshire Fiscal Policy Institute analysis found the state's health department cut over $10 million from behavioral health, public health, and food-assistance programs in fiscal year 2026 to meet a mandated $25.5 million reduction, including cuts to community mental health center training funds and a $500,000 reduction affecting a nonprofit transitional-care contract. Larger cuts are expected in fiscal year 2027 as one-time savings run out. New Hampshire nonprofit health and social-service providers should prepare for further state contract reductions.

Source: Business NH Magazine, “State Curtails Funding for Health Services, with Larger Cuts Expected This Fiscal Year,” 2026

🟢 **Ohio Bill to Authorize Fully Online Charitable Raffles Remains Pending**

Ohio's HB 476, which would explicitly authorize fully online charitable raffles including digital ticket sales and remote winner selection, passed the House in November 2025 and remains pending in the Senate as of this summer. The bill responds to enforcement actions that shut down online raffles run by local nonprofits, including volunteer fire departments. Ohio nonprofits currently relying on workaround physical drawings to stay compliant should track the bill's Senate progress before planning fall online fundraising campaigns.

Source: RallyUp, “Raffle Laws by State in 2026,” June 19, 2026

🟢 **Report Ranks States on Philanthropic Policy Friendliness**

The Philanthropy Roundtable’s new Free To Give Index scores every state’s laws, tax policies, and institutions on how well they support charitable giving, ranking Montana, Wyoming, South Dakota, Iowa, and Indiana as the most philanthropy-friendly states for 2026, while naming Illinois, Connecticut, Washington, New Jersey, and California the most burdensome. The top five states average 122 charities per billion dollars of GDP, compared with 63 in the bottom five. Nonprofits can use the state-by-state index to benchmark their regulatory environment.

Source: The NonProfit Times, "Best And Worst States For Philanthropy Driven By Policy," Aug. 4, 2026

Summary

This week's Navigator News Update highlights a sector navigating shifting federal priorities on multiple fronts at once. Federal funding remains stable but flat under a stopgap through December 11, while OMB's Uniform Guidance rewrite and DHS's public-charge rule both take effect within weeks and could reshape grantmaking and service demand. On the employment side, EEOC's new enforcement plan and rescinded affirmative-action guidance sharpen scrutiny of DEI programs, even as courts vacated a rule that had threatened nonprofits' PSLF employer status. IRS and Treasury continue tightening oversight of nonprofit finances, from a new group-exemption form to expanded illicit-finance scrutiny and OBBBA's reach into executive compensation and endowment taxation, while a new report finds nonprofits now face the highest cyberattack rate of any industry. States were active as well, with Colorado and Illinois expanding donor-friendly programs, Hawaii offering a compliance amnesty, and Florida, North Carolina, and Pennsylvania adding new governance and filing requirements. Together, these developments underscore the value of proactive compliance review, documented governance decisions, and close monitoring of pending rules as nonprofit leaders head into the fall.

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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