Abstract

The September 28, 2026 Navigator News Update examines major developments affecting nonprofit federal grants, tax-exempt status, employment, finance, governance, and state compliance. OMB's paused Uniform Guidance rewrite raises potential DEI and E-Verify obligations, the continuing resolution may delay new competitive grant awards through December 11, and a proposed 2030 Census rule, proposed limits on bank grant credit under the Community Reinvestment Act, and new House investigations raise funding and oversight concerns. IRS proposals affecting schools and colleges and new reporting procedures create additional compliance demands. Employers face OFCCP affirmative-action rollbacks, H-1B fee changes, farmworker protection changes, and discrimination enforcement. State developments include Florida's nonprofit-law overhaul and property-tax ballot measure, new funding opportunities, privacy protections, governance enforcement, and mandatory California registry online filing.

September 28, 2026 Navigator News Update: Including OMB Uniform Guidance DEI/E-Verify Risks, IRS Tax-Exempt School Proposal and More!

From Nonprofit Management Navigator, a DBA of PMG46, LLC

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Introduction

Nonprofit leaders face a mix of immediate compliance requirements, proposed federal changes, funding uncertainty, heightened scrutiny, and state-level developments as September closes. The continuing resolution keeps many existing federal grants moving through December 11, but new competitive awards may be delayed, while OMB's paused Uniform Guidance rewrite continues to create planning questions involving DEI, E-Verify, and future grant conditions. A proposed 2030 Census rule, proposed limits on CRA credit for bank grants, House investigations of nonprofits and funders, a GAO investigation request over DHS customs summonses, and a call for FTC action on unauthorized online donation pages add new concerns.

Employment developments also require attention. Federal contractors must respond to OFCCP's disability self-identification changes and the October 26 rescission of Executive Order 11246 regulations, while nonprofits should monitor the H-1B fee rulemaking, farmworker enforcement changes, and recent EEOC actions involving disability, religion, and pregnancy discrimination.

IRS and state developments add further obligations and opportunities. New group-exemption reporting procedures, proposed rules affecting private schools and colleges, Florida corporate-law changes and a property-tax ballot measure, New York grant funding, a mandatory California registry online filing, and governance enforcement all reinforce the need to distinguish between measures requiring immediate action and those that should be monitored and incorporated into longer-term planning.

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 and Federal Regulatory Developments

Executive Summary: Federal grant policy remains the most consequential area this week. OMB's paused Uniform Guidance rewrite could impose new DEI and E-Verify restrictions if revived, while the continuing resolution keeps many existing grants moving but may delay new competitive awards through December 11. Court decisions continue to reshape DEI-related grant disputes, a proposed 2030 Census rule could affect future funding formulas, proposed CRA changes could reduce bank grants to nonprofits, and House investigations signal growing congressional scrutiny of nonprofits and funders. Nonprofits should distinguish current rules from proposed changes while preparing for deadlines, delayed awards, litigation, and oversight requests.

Key Actions for This Section: Prioritize grant continuity, compliance mapping, and upcoming federal deadlines while the OMB rewrite remains paused:

• Map federal grants and subawards that could be affected by proposed OMB DEI or E-Verify provisions.

• Adjust cash-flow and program-launch planning for possible delays in new competitive awards through December 11.

• Track OMB action after December 11 and continuing DEI grant litigation before treating proposed restrictions as final.
• Calendar the October 19 deadline for both HRSA service area competitions and monitor HUD and Solar for All agency guidance where relevant.
• Consider submitting comments on the proposed 2030 Census rule and the OCC/FDIC CRA proposal before their October 13 deadlines.
• Prepare grant records, board oversight documentation, and counsel contacts for possible congressional or federal information requests, and review handling of sensitive donor, staff, and client data.

• Search major online giving platforms for unauthorized donation pages that use the organization's name.

🟡 OMB Rewrite's DEI and E-Verify Provisions Draw Nonprofit Scrutiny

OMB's paused Uniform Guidance rewrite would bar federal grant funds from supporting DEI, DEIA, or 'gender ideology' programs — a direct compliance risk for nonprofits with diversity initiatives tied to federal funding. It would also extend DHS's E-Verify to virtually all grant and subaward employees with no funding-size threshold, meaning even a small nonprofit with one federal grant would have to enroll and report failed verifications or risk losing the award.

Source: Feldesman Tucker (Federal Grants Training): "OMB Proposed Uniform Guidance Changes"

🔴 How the Continuing Resolution Affects Current and New Grants

The continuing resolution funds agencies only at FY2026 levels through December 11, which keeps multi-year and formula grants flowing but acts as a freeze on new competitive awards: agencies delay funding notices and hold back award decisions that would lock in funding Congress hasn't enacted, prioritizing continuations over new starts. Nonprofits should expect current grants to continue uninterrupted but should budget for delayed new-award decisions until full-year appropriations pass.

Source: Granted (Grant Research & Strategy): "The CR Kept the Government Open and Quietly Froze the NOFO Pipeline"

🟡 What OMB Can Do Once the December 11 Pause Expires

Unless Congress extends the pause, OMB's options after December 11 include finalizing the proposal largely as written, issuing a modified rule reflecting the nearly 500,000 comments received, reopening portions for comment, or announcing a new timeline. For nonprofits, the safest planning assumption is that current Uniform Guidance rules remain in force until a final rule with its own effective date is published, whichever path OMB takes.

Sources: [BDO: "More Than a Funding Extension: What the Continuing Resolution Means for OMB's Proposed Uniform Guidance Rewrite"]; [Cordatis Law: "U.S. government cannot implement the overhaul of federal grant regulations through December 11, 2026"]

DEI Executive Orders in the Courts: A Deepening Split Heading to the Supreme Court

Courts are split on the administration's anti-DEI executive orders: the Fourth Circuit upheld them against facial challenge, while the Ninth Circuit ordered reinstatement of DEI-targeted grants and other courts struck down compliance conditions as arbitrary. The administration has asked the Supreme Court to review the Ninth Circuit's Thakur ruling; the response deadline was extended to October 19. Immediately, only plaintiffs in each case are protected, so nonprofits should challenge terminations case-by-case with documented non-discriminatory criteria. Long-term, the Court's ruling could affirm broad agency discretion or require reasoned justification before terminating any federal award.

Sources: [Feldesman Tucker: "Ninth Circuit Orders Reinstatement of Federal Research Grants"]; [Ogletree Deakins: "Federal Court Vacates DEI Conditions, Compliance Certification Connected to HHS, HUD Grants"]; [Epstein Becker Green: "Defunding DEI Hits a Legal Wall"]; [U.S. Supreme Court docket, No. 26-210, Trump v. Thakur]; [Littler: "Fourth Circuit Allows Implementation of DEI Executive Orders to Proceed"]

DHS's Use of an Obscure Customs Law to Monitor Nonprofits Draws Scrutiny

Reporting shows DHS has invoked a narrow customs-summons statute, intended for import investigations, to obtain phone and account records belonging to journalists, advocacy nonprofits, and unions without judicial approval. Legal experts describe it as a significant overreach of limited statutory authority, and on September 1 Sen. Ron Wyden and Rep. Pramila Jayapal asked GAO to investigate. Advocacy and immigration-focused nonprofits should review how they handle sensitive donor, staff, and client data given the risk of warrantless federal information requests.

Sources: [emptywheel.net: "Harmeet Dhillon's Team Is Using Customs Summonses to Spy on Journalists"]; [Rep. Pramila Jayapal: "Wyden and Jayapal Call for GAO Investigation of DHS Surveillance"]

House Committees Open Investigations Into Nonprofits and Foundations

House committees have launched inquiries into nonprofits without formal allegations of wrongdoing. The Oversight Committee is seeking Bloomberg Philanthropies' grant records over its funding of environmental litigation and China-linked entities, while the Natural Resources Committee is probing how 19 environmental groups recover attorney fees from lawsuits against federal agencies. Advocacy nonprofits and their funders should confirm that grant documentation, board oversight, and legal counsel are ready for congressional document requests.

Sources: [House Committee on Oversight and Government Reform: "Comer, Burlison Launch Investigation into Bloomberg Philanthropies' Funding of Anti-American Energy Lawfare"]; [House Committee on Natural Resources: "Committee Investigates Radical Environmental Groups Profiting From Taxpayer Dollars"]

🟢 Senator Urges FTC Probe of Unauthorized Online Nonprofit Donation Pages

Sen. Dan Sullivan asked the FTC on September 14 to investigate whether GoFundMe's unauthorized "Nonprofit Pages," and comparable practices at PayPal, Charity Navigator, and other platforms, are unfair or deceptive, arguing state attorneys general acting alone cannot address the problem's scale. The request builds on a multistate inquiry and Alaska lawsuits. Nonprofits should search major platforms for pages using their name and confirm how routed donations are disclosed and disbursed.

Sources: [National Council of Nonprofits: "Nonprofit Champion | September 21, 2026"]; [Alaska Department of Law: "Attorney General Stephen Cox Sues FinTech Companies for Impersonating Alaska Nonprofits' Identities and Deceiving Donors"]

🟢 Kennedy Center Board Votes to Close Main Building for Two Years

Citing an unsafe building, a partial ceiling collapse, and finances "within weeks" of bankruptcy, the Kennedy Center's board voted to close its main building for about two years while continuing limited programming elsewhere; Trump has said renovation cannot begin until the D.C. Circuit rules on the board's naming decision. As a federally chartered nonprofit, the closure is a stark example of how deferred capital needs, governance disputes, and revenue strain can push even prominent institutions toward financial crisis.

Sources: [NPR, via KAXE: "Kennedy Center board votes to close it as judge again keeps Trump's name off"]; [Axios: "Trump's loyal Kennedy Center board votes to close building for two years"]

🟡 Bank Regulators Propose Changes Limiting CRA Credit for Nonprofit Grants

The OCC and FDIC jointly proposed changes to Community Reinvestment Act rules that would tighten how bank grants to nonprofits qualify for CRA credit — including, for large banks, denying credit if a grant recipient's administrative overhead exceeds 15% of the award. The proposal also asks whether to end CRA credit for grants entirely, and comments are due October 13. Nonprofits that rely on bank community-development grants should watch this rulemaking closely, since tighter overhead caps could affect which organizations banks choose to fund.

Sources: [Arnold & Porter: "The OCC's and FDIC's Proposed Amendments to the Community Reinvestment Act Regulations"]; [NCRC: "The Proposed 2026 CRA Rollbacks: Key Takeaways and Why it Matters"]

🟡 Census Proposed Rule Would Reshape 2030 Count; Comments Due October 13

The Census Bureau's September 10 proposed rule would count only U.S. citizens and lawful permanent residents for apportionment, bar race, ethnicity, and sexual orientation questions, and fix the enumeration period at January 3 to April 1. Because census data guides a decade of federal and state funding, nonprofits serving immigrant and minority communities face undercount and resource risks and should weigh submitting comments before the October 13 deadline.

Sources: [Federal Register: "Decennial Census of the Population of Americans; Proposed Residence Criteria and Proposed Regulations for Demographic Questions"]; [National Association of Counties: "Census Bureau proposes permanent changes to the 2030 Decennial Census"]

🔴 HRSA Opens $711 Million FY2027 Health Center Funding Competition

HRSA posted its FY2027 Service Area Competition, making roughly $711 million available across 189 awards in two notices (HRSA-27-006 and HRSA-27-007) for community health centers, with an October 19 application deadline. Eligible applicants include private nonprofits with or without 501(c)(3) status, and any organization may compete for a service area even if it's not the incumbent provider, creating both opportunity and risk for existing nonprofit health center grantees.

Sources: [HRSA / Grants.gov: "Fiscal Year (FY) 2027 Service Area Competition (SAC)"]; [Simpler.Grants.gov: "FY 2027 Service Area Competition (HRSA-27-007)"]

🟡 Court Vacates EPA's Termination of $7 Billion Solar for All Program

A federal judge in Rhode Island ruled the EPA illegally terminated the Solar for All program, which funds solar access for more than 900,000 lower-income households through many nonprofit partners, and vacated the termination. The EPA is weighing an appeal. Nonprofits with paused or canceled Solar for All subawards should watch for agency guidance before resuming activity, since the ruling doesn't guarantee immediate reinstatement of funds.

Source: [Associated Press, via OPB: "Judge rules EPA illegally terminated $7 billion solar program intended to help poorer Americans"]

🟡 Appeals Court Lets HUD's FY2026 Homelessness Funding Competition Proceed

A First Circuit panel stayed a lower court order that had vacated HUD's FY2026 Continuum of Care funding notice, allowing the multibillion-dollar homelessness-assistance competition to continue while HUD's appeal proceeds. It is the second consecutive year of litigation over CoC funding rules. Nonprofit homeless-services grantees should expect continued uncertainty in renewal and new-project timelines and build contingency plans in case of further court action.

Source: Congressional Research Service: "HUD's FY2026 Continuum of Care Program Competition" (updated September 18, 2026)

🟢 Education Department's EDGAR Update Moves Toward Late-2026 Final Rule

The Education Department's proposal to amend the Education Department General Administrative Regulations (EDGAR) to align with 2024 OMB grants guidance and make other technical updates closed for public comment September 23, with finalization expected in late 2026. Nonprofit grantees of Education Department funds should watch for the final rule and its effective date, then update grant-management policies to reflect the revised requirements.

Source: govinfo.gov / Federal Register: "Education Department General Administrative Regulations" (Docket ID ED-2026-OPEPD-2542)

🟡 HHS and DOJ Reach Antisemitism Settlement With Lincoln Memorial University

HHS's Office for Civil Rights and DOJ's Civil Rights Division settled a joint Title VI and Section 1557 investigation into Lincoln Memorial University after finding its medical school denied Jewish students' requests to reschedule exams for religious holidays while granting similar requests to other students. The settlement requires policy changes, training, and reversal of penalties imposed on Jewish students. Nonprofit universities and health-training programs should review religious-accommodation policies for consistent application.

Sources: U.S. Department of Health and Human Services: "HHS OCR Announces Settlement Ending Discrimination Against Jewish Students at LMU"; Civil Rights Litigation Clearinghouse: "DOJ Settlement Ends Anti-Jewish Discrimination at Lincoln Memorial University"

Nonprofit Human Resources Developments

Executive Summary: Nonprofit employers face several immediate and emerging workforce compliance issues. OFCCP has eliminated the disability self-identification requirement for federal contractors and will formally rescind Executive Order 11246 regulations on October 26. The comment period has closed on DHS's proposed H-1B fee, which includes important nonprofit and university exemptions. DOL is changing farmworker enforcement coordination, and recent EEOC matters highlight continuing exposure involving disability, religious dress, and pregnancy accommodations. A DOL lawsuit against a nonprofit coffee chain also reinforces that wage, overtime, tip, and child-labor requirements apply fully to charitable employers regardless of mission.

Key Actions for This Section: Update current employment practices while monitoring proposed immigration and enforcement changes:

- Federal contractors should remove Form CC-305 and the retired disability self-identification invitation from workflows and prepare to retire race- and sex-based affirmative action plans when EO 11246 regulations are rescinded October 26, while maintaining VEVRAA obligations.
- Confirm whether planned H-1B positions qualify for cap-exempt nonprofit treatment and watch for a final fee rule before budgeting for future petitions.
- Train supervisors and interviewers on disability, religious-dress, and pregnancy accommodation requirements.
- Review tip pooling, overtime, and youth-employment practices where those rules apply to nonprofit operations.
- Organizations serving farmworkers should monitor complaint-routing and enforcement changes after September 30.

● OFCCP Eliminates Disability Self-Identification Requirement for Contractors

Effective September 21, OFCCP's final rule eliminates the requirement that federal contractors invite applicants and employees to self-identify a disability, discontinues Form CC-305, and drops the 7% disability-utilization goal, though underlying ADA and Section 503 nondiscrimination duties remain. Nonprofits that are federal contractors or subcontractors should update applicant workflows now and remove the retired form from onboarding paperwork.

Source: Thompson Coburn: "OFCCP Finalizes Changes to Federal Contractor Obligations for Individuals with Disabilities"

OFCCP Rescinds Executive Order 11246 Rules and Revises VEVRAA Obligations

Beyond the disability changes, OFCCP's August 21 final rules formally rescind Executive Order 11246's race- and sex-based affirmative action regulations effective October 26 and update VEVRAA coverage thresholds and enforcement procedures effective September 21. Veterans' affirmative action duties continue. Nonprofit federal contractors should retire race- and sex-based plans carefully while watching Executive Order 14398, which directs agencies to add contract terms addressing DEI activities the administration deems discriminatory.

Sources: Crowell & Moring: "OFCCP Completes Overhaul of Federal Contractor Compliance Framework"; Freeman Mathis & Gary: "OFCCP formally ends EO 11246 affirmative action requirements"

DHS Proposes $103,265 H-1B Fee; Nonprofits and Universities Exempted

DHS proposed a new $103,265 fee on cap-subject H-1B petitions, layered on top of existing filing costs, but the rule would exempt petitions filed by universities, their affiliated nonprofits, and nonprofit or government research organizations under existing cap-exempt criteria. The comment period closed September 24. Nonprofits hiring H-1B staff outside those exemptions should watch for a final rule and confirm which positions qualify for cap-exempt treatment.

Sources: Manifest Law: "DHS Proposed H-1B Fee"; Fisher Phillips: "Employer Checklist for September 2026"

Labor Department Repeals Farmworker Protection Coordination Rule

DOL rescinded a 1980 regulation requiring agencies including OSHA and the National Farm Labor Coordinated Enforcement Committee to coordinate enforcement of protections for migrant and seasonal farmworkers, effective September 30. DOL says the change speeds enforcement; advocates warn it removes an interagency check. Nonprofits serving farmworker communities should watch for changes in how complaints get routed between agencies.

Source: Immigration Policy Tracking Project: "DOL Issues Final Rule Repealing Regulation Requiring Agencies to Coordinate Protections for Migrant and Seasonal Workers"

EEOC Settlement Highlights Disability-Hiring Risk for Nonprofit Employers

Indianapolis nonprofit Damar Services will pay $65,000 to settle an EEOC suit alleging it applied hiring standards that screened out applicants with hearing and vision disabilities and rejected a qualified deaf housekeeping applicant. Even mission-driven organizations serving people with disabilities face active enforcement scrutiny; nonprofits should review interview questions and physical-ability job standards for compliance with the Americans with Disabilities Act.

Source: [EEOC.gov: "Damar Services to Pay $65,000 in EEOC Disability Discrimination Suit"]

EEOC Sues Catering Company for Refusing to Hire Hijab-Wearing Applicant

The EEOC sued Design Cuisine and its parent, Elior North America, alleging staff asked a Muslim applicant twice whether she'd remove her hijab for an event-server job, then rejected her two days later although she was qualified for the job. Nonprofits that host or cater events through third-party vendors, and those with their own catering or hospitality staff, should ensure interview practices don't probe religious dress or observance.

Source: [EEOC.gov: "EEOC Sues Design Cuisine and Elior North America for Religious Discrimination"]

EEOC Recovers Over $97,000 in Two Pregnancy Discrimination Cases

The EEOC's San Francisco office conciliated two pregnancy-discrimination charges: one against a company that fired a pregnant worker rather than honor a doctor's radiation-exposure restriction, another against a nightclub that refused to schedule a pregnant employee's shifts. Both settlements involved violations of the Pregnant Workers Fairness Act. Nonprofit employers should ensure supervisors know how to process accommodation requests rather than defaulting to termination or schedule denial.

Source: [EEOC.gov: "EEOC Recovers Over $97,000 in Two Pregnancy Discrimination Charges"]

DOL Sues Nonprofit Coffee Chain Over Tip and Child-Labor Violations

The Labor Department sued Oklahoma nonprofit Not Your Average Joe, which employs people with disabilities, and its founder personally, alleging it pooled and withheld employee tips without a defined formula, failed to pay overtime, and let minors operate prohibited industrial machinery. Covering roughly 320 workers and now in settlement talks, the case is a reminder that wage-and-hour and child-labor rules apply fully to nonprofits regardless of charitable mission.

Source: [Daily Coffee News: "Labor Department Sues Oklahoma Nonprofit Not Your Average Joe"]

IRS, Accounting and Finance Developments

Executive Summary: IRS developments this week combine proposed policy changes with new administrative procedures. Treasury and the IRS have proposed regulations affecting tax-exempt private schools, colleges, and universities that use race, color, or national origin in admissions, scholarships, or other programs, with critics warning of risks for supporting foundations. Central organizations with group exemptions now have a new annual reporting process using Form 15644 and specific filing windows. The IRS is transitioning from First-Time Abate toward automatic penalty relief, though late Form 990 penalties may not qualify. Nonprofits should separate proposed future rules from requirements affecting current filing and compliance practices.

Key Actions for This Section: Separate proposed tax policy changes from filing procedures that already require operational attention:

• Private schools, colleges, and universities, and foundations that fund race-based scholarships, should review admissions, scholarship, and program criteria before the November 3 comment deadline and the proposed applicability to tax years beginning after May 31, 2027.
• Central organizations with group exemptions should calendar the Form 15644 filing window 30 to 90 days before the tax year ends.
• Continue reviewing IRS penalty notices during the transition to automatic relief rather than assuming qualifying penalties will be removed immediately, and do not assume late Form 990 penalties qualify.
• Brief board and finance leaders on which developments are proposed, effective now, or still being implemented.

● Treasury and IRS Propose Ending Tax-Exempt Status for Race-Based School and College Policies

Treasury and the IRS proposed regulations that would deny 501(c)(3) status to private schools at every level, including colleges and universities, that consider race, color, or national origin in admissions, scholarships, or any other program. Up to 18,000 institutions could be affected, and critics warn supporting foundations may face risk. Comments are due November 3; rules would apply to tax years beginning after May 31, 2027.

Sources: IRS.gov: "Treasury, IRS Move to End Tax-Exempt Status for Discriminatory Practices in Private Schools"; Gibson Dunn: "Treasury and IRS Propose Regulations Denying Tax-Exempt Status to Private Schools That Use Race"; Chronicle of Philanthropy: "Trump's IRS threatens nonprofit tax-exempt status"

🔴 IRS Rolls Out New Form 15644 for Group Exemption Reporting

Central organizations that maintain a group exemption must now use new Form 15644 to submit required annual updates on subordinate organizations, replacing the prior letter-based process under Revenue Procedure 2026-8. Nonprofits operating under a group ruling should mark their filing window — 30 to 90 days before their tax year ends — since missing it could jeopardize subordinates' exempt status.

Source: [KPMG: "Notice 2026-36 / Form 15644: SGRI Submissions"]

🟢 IRS Replaces First-Time Abate With Automatic Penalty Relief

A new Automatic Exemption from Penalty program will automatically waive failure-to-file, failure-to-pay, and failure-to-deposit penalties for taxpayers, including nonprofits, with three years of on-time compliance, phasing out the manual First-Time Abate request process by January 2027. Nonprofits should still watch for penalty notices during the transition period, since automated relief is not yet fully operational. The program lists only penalties under Code sections 6651 and 6656, so late Form 990 penalties under section 6652 may not qualify.

Sources: [RSM US: "IRS Automatic Penalty Relief Replacing First Time Abate"]; [IRS.gov: "Eligible taxpayers may receive automatic penalty relief"]; [The Reed Corporation: "IRS Automatic Penalty Relief Replaces First Time Abate"]

State Nonprofit News Developments

Executive Summary: State developments span corporate governance, grant opportunities, local funding, regulatory climate, employee privacy, enforcement, and charity registration. Florida's nonprofit corporation law overhaul is already in effect and may require governing-document review, while a November property-tax amendment could reduce local government funding. New York has opened a major community-center grant round with prequalification, matching requirements, a September 30 question deadline, and a November 2 application opening. California is expanding privacy protections for immigration-service workers, now directs registry renewals through mandatory online filing. Minnesota's self-dealing settlement underscores continued state enforcement, while a national index illustrates how nonprofit regulatory environments differ significantly among states.

Key Actions for This Section: Address active state compliance changes and prepare early for grant and filing requirements:

• Florida nonprofits should compare articles, bylaws, board terms, amendment procedures, and dispute provisions with the revised statute.
• Florida nonprofits that rely on local government grants, contracts, or in-kind support should model potential Amendment 3 revenue effects before the November 3 vote.
• New York grant applicants should complete state prequalification early, submit questions by September 30, and plan for the required 20% cost match before applications open November 2.
• California charities should activate Online Filing Service accounts and file renewals on standard due dates now that deadline relief has ended, while tracking Safe at Home implementation and the Governor's action on SB 1240.
• Boards should reinforce conflict-of-interest, related-party transaction, and charitable-asset controls in light of continuing state enforcement.
• Multi-state organizations should budget for differing registration, reporting, and regulatory requirements across jurisdictions.

🔴 Florida's Sweeping Nonprofit Corporation Act Overhaul Now in Effect

Florida's HB 797 took effect July 1, comprehensively rewriting Chapter 617 to align with the ABA's Model Nonprofit Corporation Act, changing board-size minimums, director terms, amendment procedures, and dispute rules. Florida nonprofits should review and likely update their articles of incorporation and bylaws, since prior statutory defaults no longer match current law.

Source: Foley & Lardner: "Time to Update Your Bylaws: What Florida Nonprofits Need to Know About HB 797"

🟢 Florida Property Tax Amendment Poses Local Funding Risk for Nonprofits

Florida's Amendment 3, which needs 60% voter approval on November 3, would raise the homestead exemption for non-school property taxes to $150,000 in 2027 and $250,000 in 2028 and cut the annual assessment cap on non-homestead property from 10% to 5%. State estimators project a $12 billion recurring cost. In a Florida Nonprofit Alliance survey, 77% of nonprofits anticipating an impact expected reduced local government funding or in-kind services.

Sources: Florida Policy Institute: "Amendment 3: Property Tax Ballot Language Summary and Local Fiscal Impacts"; Pulse of Manatee: "Florida Amendment 3 Would Expand Homestead Tax Exemption, Reshape Local Property Taxes"

New York Opens $75 Million Second Round of NY BRICKS Grants

Governor Hochul announced $75 million in NY BRICKS grants, ranging from $250,000 to $15 million, for municipalities and nonprofits to build or renovate community centers, with priority for underserved areas. Nonprofit applicants must be prequalified in the state's financial system before applications open November 2 (questions due September 30; applications due December 7) and must supply a 20% cost match, a hurdle smaller organizations should plan for early.

Sources: Office of Governor Kathy Hochul: "Unplug and Play: $75 Million Available Through NY BRICKS"; WCAX: "Hochul announces $75 million for community center grants"

Index Ranks States by How Friendly Their Laws Are to Philanthropy

The Philanthropy Roundtable's Free to Give Index ranked Montana, Wyoming, South Dakota, Iowa, and Indiana as the most nonprofit- and donor-friendly states, while California, New Jersey, Washington, New York, and Connecticut ranked least friendly due to heavier regulation and weaker donor protections. Nonprofits operating in lower-ranked states may face greater registration, reporting, and audit burdens worth factoring into compliance budgets.

Source: Philanthropy Roundtable: "Free to Give: A State-by-State Regulatory Index"

California's New "Safe at Work Act" Shields Immigration-Nonprofit Staff

Governor Newsom signed AB 2624, extending California's address-confidentiality "Safe at Home" program to immigration-support-service nonprofit staff, employees, and volunteers who face threats or harassment, and barring malicious online posting of their addresses. The law, effective October 2027, followed public disputes over free-speech concerns; immigration-serving nonprofits should track enrollment procedures once the program opens to them.

Source: CalMatters: "What to know about the new California privacy law that became a flashpoint over free speech"

California Office of Nonprofit Empowerment Awaits Newsom's Decision

SB 1240, approved overwhelmingly by both chambers, would create an Office of Nonprofit Empowerment within the Government Operations Agency, subject to legislative appropriation, to coordinate state nonprofit policy, advise nonprofits on procurement and grant rules, and train agencies on advance payments. Governor Newsom must sign or veto it by September 30, and he vetoed key nonprofit grant reforms in 2023 and 2024. State-funded nonprofits should track the outcome.**(This**

summary was pepare on September 27. As of that date no final action had been taken on SB 1240. You should check to find out whether SB 1240 was signed or vetoed by the September 30 deadline.).

Sources: LegiScan: "California SB 1240, Office of Nonprofit Empowerment" (enrolled text); For Purpose Law Group: "Veto Watch for CA Charitable-Sector Legislation"

● **Minnesota AG Settlement Bans Nonprofit Leader for Self-Dealing**

Minnesota's Attorney General secured a settlement banning the former president of dissolved nonprofit Act for Cause from serving on any Minnesota nonprofit board for 20 years and imposing $200,000 in civil penalties, with $100,000 stayed, after alleging he diverted charitable assets to his own for-profit company. The case underscores that state charity regulators continue actively policing board governance and self-dealing violations.

Source: Minnesota Attorney General's Office: "AG Ellison Reaches Settlement With Saint Paul Nonprofit and Its President"

● **California Charity Registry Moves Renewals to Mandatory Online Filing Service**

California's Attorney General is phasing in a new mandatory Online Filing Service for the Registry of Charities and Fundraisers, currently live for new registrants, with existing charities transitioning through the remainder of 2026 as paper systems are retired. California's Registry of Charities and Fundraisers now directs annual renewals through its new Online Filing Service and mailed registration-code letters in August 2026 so charities can link their records. Temporary deadline relief ended August 31, 2026, so standard due dates again apply: four months and 15 days after fiscal year-end, or later with an IRS extension. Charities should activate accounts promptly to avoid delinquency and penalties.

Source: California Attorney General's Office: "Annual Registration Renewal"

Summary

The September 28 Navigator reflects a nonprofit operating environment in which current obligations, proposed rules, litigation, congressional scrutiny, funding opportunities, and implementation deadlines are moving simultaneously. Federal grantees should prepare for delayed new awards, monitor OMB’s paused Uniform Guidance rewrite, follow continuing DEI-related litigation, weigh comments on the proposed 2030 Census rule and CRA proposal by October 13, and prepare for possible congressional document requests and unauthorized online donation pages. Employers must implement OFCCP changes, including the October 26 rescission of Executive Order 11246 regulations, and review practices involving disability, religion, pregnancy, wages, tips, and child labor while tracking the H-1B fee rulemaking. Tax and finance teams should address Form 15644 reporting and monitor proposed school and college exemption rules and automatic penalty relief, which may not cover late Form 990 penalties. State developments require particular attention in Florida, New York, California, and Minnesota, with implications for governance, local funding, privacy, registry filings, and self-dealing controls. Across all sections, leaders should distinguish what is effective now from what remains proposed, contested, delayed, or still being implemented.

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