

Abstract

The October 5, 2026 Navigator News Update covers federal grant disruptions, nonprofit tax-exemption risks, workforce compliance, financial reporting and state policy changes. Supplied reports describe up to \$177 billion in frozen or cut grants and proposed rules affecting private schools' exempt status. Other developments include scrutiny of charitable grantmaking, unauthorized donation pages, employee volunteering, federal contractor requirements and delayed Single Audits. State coverage addresses Medicaid eligibility, California grant reforms and charity registration, IRA bequests, Florida funding risks, Hawaii tax relief and New York capital grants. Priority indicators identify immediate action, organizational response and issues to monitor. Leaders should match these developments to their funding, workforce, clients and reporting obligations while distinguishing proposals and unconfirmed reports from requirements already in effect.

October 5, 2026 Navigator News Update: Including Federal Grant Freezes and Cuts, Private School Tax Exemption Risks and More!

From Nonprofit Management Navigator, a DBA of PMG46, LLC

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

[Read more articles](#)

Introduction

Nonprofit leaders face overlapping funding, compliance and service-delivery pressures. This update brings together 38 developments affecting federal grants, nonprofit employment, tax exemption, accounting and state operations. The supplied summaries describe grant cuts and freezes, scrutiny of foundations and charities, proposed limits on bank-supported operating grants and changes affecting immigrant-serving programs. Workforce coverage addresses employee volunteering, loan forgiveness, reporting, immigration sponsorship and federal contractor duties. Finance coverage includes proposed tax-exemption rules, legislative protections, audit delays, group exemptions and year-end accounting. State developments add changes in Medicaid eligibility, charity registration, grant payments and available funding. Use the priorities and section actions to identify the items that apply to your organization. Near-term comment and relief deadlines warrant attention, while pending bills, proposed rules and reported enforcement plans require monitoring.

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 funding disruptions and expanding oversight create risks for nonprofit grants and services. The supplied summaries cover frozen or cut awards, congressional investigations, fraud enforcement and unauthorized donation pages. Court rulings address mail ballots, FEMA staffing and grant conditions. Other items concern disaster-mitigation funding, census changes, bank grant restrictions, public-charge rules and migrant children's legal services. Leaders should identify affected awards and clients, assess funding exposure, consider the October 13 comment deadlines and distinguish proposed measures from requirements in effect.

Key Actions for This Section

- Assess exposure to frozen or cut grants and disrupted legal-services funding.
- Review the census and bank-rule proposals and consider comments by October 13.
- Review public-charge implications with qualified advisers and prepare client communications.
- Check for unauthorized donation pages and review federal award documentation.
- Evaluate FEMA mitigation opportunities and monitor relevant court and oversight developments.

● Tracker Tallies Up to \$177 Billion in Frozen or Cut Federal Grants

A new public database, Lost Funds, estimates the administration has cut or frozen up to \$177 billion in grants since January 2025. That is nearly 10% of federal discretionary spending, and every state was affected. Examples include maternal health programs, education research and aid to minority farmers.

Courts have reversed some cuts, and the tracker will be updated regularly, giving grantees a way to gauge exposure.

Source: *PBS News*, Sept. 16, 2026 —

<https://www.pbs.org/newshour/politics/trump-administration-has-cut-or-frozen-177-billion-in-grants-across-every-state-analysis-shows>

● Supreme Court Keeps Mail-Ballot Restrictions Off the Table for 2026

The Supreme Court left in place an injunction blocking Postal Service rules that would have let it refuse delivery of mail ballots to voters not on lists submitted in advance by state officials. Justice Kavanaugh noted election officials lacked time to implement the rules before November.

Nonprofits doing nonpartisan voter engagement can tell voters that existing state mail-voting procedures remain in place.

Source: *Votebeat*, Sept. 15, 2026 —

<https://www.votebeat.org/national/2026/09/15/trump-mail-voting-executive-order-supreme-court-decision-2026-election/>

● House Oversight Opens Probe of Bloomberg Philanthropies' Grantmaking

On Sept. 14, Oversight Chairman James Comer and Rep. Eric Burlison opened an investigation into Bloomberg Philanthropies' funding of environmental groups that sue to block energy projects. They cite more than \$1 billion spent on such efforts since 2019 and name grantees such as Earthjustice.

The probe extends congressional scrutiny from individual charities to the foundations that fund them and the grantees they support.

Source: House Committee on Oversight and Government Reform, Sept. 14, 2026 —

<https://oversight.house.gov/release/comer-burlison-launch-investigation-into-bloomberg-philanthropies-funding-of-anti-american-energy-lawfare/>

● House Votes to Make DOJ's Fraud Division Permanent

H.R. 9576, passed Sept. 16, would write the Justice Department's new National Fraud Enforcement Division into law. A dedicated Assistant Attorney General would lead efforts to investigate, prosecute and prevent fraud in federally funded programs. The bill now goes to the Senate.

For nonprofits receiving federal funds, a permanent federal fraud-enforcement unit is a lasting fixture to plan around.

Source: Office of Rep. Brad Finstad, Sept. 16, 2026 —

<https://finstad.house.gov/2026/09/16/finstad-applauds-house-passage-of-the-national-fraud-enforcement-division-act-of-2026/>

● Senator Asks FTC to Investigate Unauthorized Charity Donation Pages

In a Sept. 14 letter, Sen. Sullivan (R-AK) asked the Federal Trade Commission to formally investigate GoFundMe's "Nonprofit Pages," created without charities' consent, and similar practices at PayPal, Charity Navigator, Pledge, JustGiving and For Good. He argued that state attorneys general acting alone can't handle a problem this large.

Federal action would add a new enforcement front on platforms that raise money in charities' names.

Source: National Council of Nonprofits, Nonprofit Champion, Sept. 21, 2026 —

<https://www.councilofnonprofits.org/articles/nonprofit-champion-september-21-2026>

● FEMA Releases Nearly \$180 Million for Disaster Mitigation

FEMA's Sept. 18 announcement includes more than \$160 million for pre-disaster mitigation projects, \$15 million for floodplain management and \$3.8 million for earthquake risk reduction. Within the earthquake funds, \$1.5 million is a competitive pool for nonprofits and colleges pursuing regional or national mitigation work.

The nonprofit set-aside is small and competitive, but it is a concrete funding opening.

Source: FEMA, Sept. 18, 2026 —

<https://www.fema.gov/press-release/20260918/fema-announces-nearly-180-million-help-communities-strengthen-their-0>

● Judge Rules DHS Plan to Halve FEMA's Workforce Unlawful

A federal judge in San Francisco ruled that the Department of Homeland Security violated post-Katrina protections that leave staffing decisions to FEMA itself and bar DHS from substantially shrinking FEMA's functions. The 50% cut was never fully carried out, and some staff have been rehired.

Nonprofits that partner with FEMA on disaster response and recovery should watch how staffing is resolved.

Source: *Federal News Network (AP)*, Sept. 2026 —

<https://federalnewsnetwork.com/workforce/2026/09/federal-judge-rules-trump-dhs-plan-for-50-fema-staffing-cuts-was-unlawful/>

● Census Proposal Would Shrink the Count; Comments Due Oct. 13

A Census Bureau rule proposed Sept. 10 would count only citizens and lawful permanent residents when dividing House seats among the states. It would also ban race, ethnicity and sexual-orientation questions from the 2030 census form.

Census figures drive congressional seats and the federal funding formulas behind many nonprofit programs. Organizations that rely on local demographic data to plan services or win grants have only days left to comment.

Source: *Federal Register*, Sept. 10, 2026 —

<https://www.federalregister.gov/documents/2026/09/10/2026-18481/decennial-census-of-the-population-of-americans-proposed-residence-criteria-and-proposed-regulations>

● Public Charge Rule Takes Effect as 22 States Sue

New York and 21 other states sued to block a Homeland Security rule letting immigration officers weigh any means-tested benefit, including Medicaid and housing, in green card and visa decisions. The rule took effect Sept. 18; no court had blocked it as of Sept. 19, and a first hearing in the states' case is set for Oct. 9.

The change could deter eligible families, including citizen children, from using benefits.

Source: *CNN*, Sept. 14, 2026; case status from *Lehigh Valley Immigration Law*, Sept. 2026 —

<https://www.cnn.com/2026/09/14/us/immigration-public-charge-green-card-lawsuits> ;
<https://www.lehighvalleyimmigrationlawyers.com/blog/public-charge-rule-in-effect-lawsuits-pennsylvania-2026>

● Appeals Court Keeps Block on New Conditions for Local Housing and Transit Grants

The Ninth Circuit largely upheld an injunction barring HUD, DOT and HHS from attaching new policy conditions to billions of dollars in grants to local governments. The court carved out an exception for antidiscrimination conditions in programs that receive federal financial assistance.

Nonprofits that receive these funds through local governments should track how the ruling applies to their awards.

Source: *Courthouse News Service*, Aug. 25, 2026 —

<https://www.courthousenews.com/ninth-circuit-upholds-block-on-federal-grant-conditions/>

● **Proposed Bank-Rule Changes Could Shrink Support for Nonprofit Operations;** **Comments Due Oct. 13**

Under an OCC–FDIC proposal, Community Reinvestment Act credit for community development grants would be limited to grants used directly for a specific project or initiative. Banks with more than \$10 billion in assets would also have to document that grant recipients' overhead costs do not exceed 15%.

Nonprofits that depend on flexible bank operating grants could see tighter terms. Comments are due Oct. 13.

Source: OCC Bulletin 2026-35, July 31, 2026; deadline from the Federal Register, Aug. 12, 2026 — <https://www.occ.gov/news-issuances/bulletins/2026/bulletin-2026-35.html> ; <https://www.federalregister.gov/documents/2026/08/12/2026-16454/community-reinvestment-act-regulations>

● **Federal Legal-Services Network for Migrant Children Dismantled**

The federal contract funding the Acacia Center for Justice's network of nearly 100 legal providers for unaccompanied immigrant children ended July 31. In August, a court ordered the administration to pay for services already delivered under an earlier injunction.

Legal aid nonprofits in the network face lost federal funding and disrupted cases, and many children risk losing their lawyers.

Source: Children's Immigration Law Academy, Sept. 28, 2026 — <https://cilacademy.org/2026/09/28/legal-service-providers-and-unaccompanied-children-navigate-uncertain-futures/>

Nonprofit Human Resources Developments

Executive Summary

Nonprofit employers face changes in volunteering, contractor compliance and workplace enforcement. Labor Department guidance distinguishes unpaid volunteer service from regular employee duties. Federal contractor developments affect disability identification and Executive Order 11246 regulations, while veteran obligations remain. Other summaries cover proposed EEO-1 changes, H-1B scrutiny, employee misconduct standards, loan-forgiveness litigation and faith-based and USERRA guidance. Employers should review current practices, maintain reporting duties until rules change and prepare for the October 26 rescission while tracking obligations applicable to their workforce.

Key Actions for This Section

- Review employee volunteering arrangements against the supplied Labor Department guidance.
- Update covered federal contractor onboarding for the disability self-identification change.
- Prepare for October 26 changes while retaining required veteran compliance practices.
- Continue applicable EEO-1 reporting and recordkeeping until requirements change.
- Review H-1B sponsorship, discipline consistency, USERRA guidance and loan-forgiveness communications.

● **DOL Clarifies When Nonprofit Staff Can Volunteer for Their Own Employer**

A new Labor Department opinion letter says nonprofit employees may volunteer for their own organization outside work hours only if they do so freely, expect no pay, and do work that differs from their regular duties. Similar work counts as the job: hourly staff must be paid; exempt staff are covered by salary if they still qualify.

DOL warns misclassification can bring back wages and damages.

Source: *U.S. Department of Labor, Opinion Letter FLSA2026-12, Sept. 7, 2026* —
<https://www.dol.gov/sites/dolgov/files/WHD/opinion-letters/FLSA/FLSA2026-12.pdf>

● **Administration Appeals Loss in Public Service Loan Forgiveness Case**

The federal government has appealed a court ruling that threw out an Education Department rule letting the department bar nonprofit employers from Public Service Loan Forgiveness based on their missions. The case now moves to a federal appeals court.

Staff who rely on the program face continued uncertainty. NCN and Public Service Promise will host a webinar on the program Oct. 22.

Source: *National Council of Nonprofits, Nonprofit Champion, Sept. 21, 2026* —
<https://www.councilofnonprofits.org/articles/nonprofit-champion-september-21-2026>

● **EEOC Moves to Scrap EEO-1 Reporting, but Not Yet**

The EEOC proposed on July 23 to eliminate the EEO-1 report (the annual workforce demographic filing) and related recordkeeping rules. Until a final rule is issued, current filing and recordkeeping duties remain, and the agency can still demand records during investigations.

Covered nonprofits should keep complying and watch separate state reporting requirements, which would continue either way.

Source: *Jackson Lewis, Aug. 13, 2026* —
<https://www.jacksonlewis.com/insights/goodbye-eeo-1-reports-eeoc-proposes-rolling-back-certain-workforce-data-requirements-employer-obligations-remain>

● **H-1B Scrutiny Tightens Under New Executive Order**

A Sept. 18 executive order directs the State, Labor and Homeland Security departments to consider an employer's recent or planned layoffs of comparable U.S. workers when reviewing H-1B filings. Separately, DHS proposed a \$103,265 fee on H-1B cap-subject petitions; the comment period closed Sept. 24, and no final rule has been issued.

Nonprofits sponsoring foreign professionals should expect closer review.

Source: *Gibson Dunn, Sept. 2026; fee proposal from the Federal Register, Aug. 25, 2026* —
<https://www.gibsondunn.com/executive-order-on-h-1b-program-is-latest-sign-of-immigration-program-risks-for-employers/> ;
<https://www.federalregister.gov/documents/2026/08/25/2026-17324/fee-for-certain-h-1b-petitions>

● **NLRB Restores Employer-Friendly Test for Offensive Conduct**

In a Sept. 23 decision (Lion Elastomers), the labor board went back to its 2020 standard for misconduct during union or other protected activity. An employer now wins if it can show it would have imposed the same discipline even without the protected activity.

Nonprofit employers, union or not, regain room to discipline abusive conduct but should be ready to show consistent enforcement.

Source: *Ogletree Deakins*, Sept. 25, 2026 —

<https://ogletree.com/insights-resources/blog-posts/nlr-restores-employer-friendly-test-for-offensive-conduct-during-protected-activity/>

● **DOL Rescinds Executive Order 11246 Rules for Federal Contractors**

On Aug. 21, the Labor Department published final rules rescinding OFCCP's Executive Order 11246 regulations, including the only regulations containing the Uniform Guidelines on Employee Selection Procedures. The removal takes effect Oct. 26. Contractors must still invite veterans to self-identify and keep veterans' affirmative action plans.

Nonprofit federal contractors should update compliance programs while keeping veteran obligations current.

Source: *HR Daily Advisor*, Sept. 3, 2026; effective date from *The Employer Report*, Sept. 2026 —

<https://hrdailyadvisor.hci.org/2026/09/03/dol-guts-ofccp-regulations/> ;

<https://www.theemployerreport.com/2026/09/eeo-1-at-a-crossroads-navigating-federal-rescission-state-expansion-and-the-data-governance-imperative/>

● **OFCCP Ends Disability Self-ID and 7% Hiring Goal for Contractors**

As of Sept. 21, federal contractors no longer ask applicants and employees to identify disabilities, collect related data, or measure themselves against the 7% hiring goal. The CC-305 form is discontinued, with no grace period.

Nondiscrimination rules and core affirmative-action duties remain, and previously collected data does not need to be deleted. Nonprofits with federal contracts should update their onboarding processes now.

Source: *DLA Piper*, Sept. 2026 —

<https://www.dlapiper.com/en-us/insights/publications/2026/09/ofccp-eliminates-disability-self-identification-requirement-what-federal-contractors-need-to-know>

● **Labor Department Issues Faith-Based and USERRA Guidance**

The Labor Department's Sept. 8 guidance package includes a Center for Faith resource answering faith-based organizations' common wage-and-hour questions. It also includes an opinion letter on whether USERRA, the law protecting service members' jobs, bars any retaliation against employees who exercise their rights under it.

Faith-based nonprofits and those employing reservists should review both.

IRS, Accounting and Finance Developments

Executive Summary

Tax-exemption risks and reporting changes require careful planning. Proposed private-school rules, a reported audit initiative and a possible Form 990 question remain distinct from enacted requirements. Pending House bills would add protections for exempt organizations and colleges. Meanwhile, the missing Compliance Supplement affects Single Audit timing, group exemption holders face a January deadline and scholarship organizations must check state participation. Finance leaders should maintain audit preparation, assess applicable year-end standards and organize responses to proposals without treating them as final.

Key Actions for This Section

- Assess the private-school proposal and consider comments by November 3.
- Coordinate Single Audit timing with auditors and continue preparation.
- Review group exemption structure and reporting ahead of January 22, 2027.
- Confirm scholarship organization approval in participating states and applicable year-end accounting updates.
- Monitor reported audit plans, the potential Form 990 question and pending exemption-protection bills.

● Private Schools and Colleges Face Loss of Exemption Over Race-Based Programs

Proposed Treasury and IRS rules issued Sept. 3 would make a private school's tax exemption, from K-12 through college, depend on racial nondiscrimination in every policy and program, including diversity-focused scholarships. Losing exemption would make income taxable and end gift deductibility. Comments are due Nov. 3; the rules would apply to tax years beginning after May 31, 2027.

State exemptions often depend on federal status, adding to the risk.

Source: Gibson Dunn, Sept. 2026 —

<https://www.gibsondunn.com/treasury-irs-propose-regulations-denying-tax-exempt-status-to-private-schools-that-use-race-in-admissions-scholarships-other-programs/>

● Reported IRS Plan for Sweeping Audits Draws Congressional Pushback

The New York Post reports the administration is drafting a plan for broad audits of certain left-leaning nonprofits, which could lead to penalties or loss of exempt status. Treasury has not confirmed the report. Sens. Wyden and Warnock and Reps. Sewell and Doggett have demanded the underlying documents.

The scope and timing are unclear. Democrats could press harder if they win a chamber in November.

Source: *WealthManagement.com*, Sept. 23, 2026 —

<https://www.wealthmanagement.com/philanthropy/trump-administration-planning-sweeping-audit-of-left-wing-nonprofits>

● **Two House Bills Would Shield Exempt Status**

The PROOF Act (H.R. 10258), from Reps. Doggett and Sewell, would bar the IRS from revoking exempt status without evidence and due process, including notice, written reasons, a hearing and appeal rights. The bipartisan Safeguarding America's Nonprofits Act (H.R. 10148), from Reps. Steube and DelBene, would clarify that tax exemption is not federal financial assistance, limiting added regulation.

Both bills were introduced in early September.

Source: *National Council of Nonprofits, Nonprofit Champion*, Sept. 8, 2026 —

<https://www.councilofnonprofits.org/nonprofit-champion-september-8-2026-0>

● **HONEST Act Would Add Due Process to IRS Probes of Colleges**

Reps. Alma Adams and Jamie Raskin introduced the HONEST Act (H.R. 10330) on Sept. 10 to require added procedures before the IRS investigates colleges and universities, mirroring protections that already apply to churches. The sponsors say the IRS would keep its power to hold schools accountable.

The bill responds to Treasury's proposed rules on private schools' exempt status; all cosponsors are Democrats.

Source: *Office of Rep. Alma Adams*, Sept. 2026; bill details from GovInfo —

<https://adams.house.gov/media-center/press-releases/rep-adams-raskin-introduce-honest-act-protect-colleges-politically> ; <https://www.govinfo.gov/app/details/BILLS-119hr10330ih>

● **IRS Weighs Requiring Disclosure of Leaders' Criminal Convictions**

The administration is considering adding a Form 990 question on whether top officials have been convicted of crimes such as fraud, money laundering, tax evasion or supporting terrorists. According to CBS's sources, the change could help the IRS suspend or revoke exemptions faster when an organization fails to disclose.

Federal law does not bar people with convictions from nonprofit boards. The proposal is still under consideration.

Source: *CBS News*, Aug. 18, 2026 —

<https://www.cbsnews.com/news/irs-proposal-nonprofits-fraud-terrorism/>

● **Missing 2026 Compliance Supplement Holds Up Single Audits**

OMB still hasn't issued the 2026 Compliance Supplement, which auditors must use for federal grant audits of fiscal years beginning after June 30, 2025, such as years ending June 30, 2026.

Financial-statement audits can proceed, but the Single Audit report can't be issued until the supplement is final.

Baker Tilly advises treating the delay as a timing and planning issue, not a reason to pause audit preparation.

Source: *Baker Tilly, Sept. 2026* —

<https://www.bakertilly.com/insights/2026-compliance-supplement-delay>

● **Group Exemption Holders Face Jan. 22, 2027 Deadline**

Revenue Procedure 2026-8 ended the IRS's freeze on new group exemptions and overhauled the rules for networks whose chapters share one tax-exempt ruling. By Jan. 22, 2027, existing holders must comply: one group exemption per central organization, all subordinates the same 501(c) type, and at least five subordinates for new groups. Annual subordinate reporting now uses Form 15644.

Chapter-based networks should review structure and oversight now.

Source: *Forvis Mazars, Sept. 2026* —

<https://www.forvismazars.us/forsights/2026/09/group-exemptions-updated-guidance-for-nonprofits>

● **Federal Scholarship Tax Credit: 30 States Opt In for 2027**

Starting Jan. 1, 2027, individuals may claim a federal tax credit for cash gifts of up to \$1,700 to Scholarship Granting Organizations. The credit applies only if the organization's state opts in and gives the IRS its list of approved organizations. As of Sept. 14, 30 states had elected to participate.

Education nonprofits in participating states should confirm they are on their state's list.

Source: *IRS, Federal Scholarship Tax Credit page, updated Sept. 16, 2026* —

<https://www.irs.gov/government-entities/federal-state-local-governments/federal-scholarship-tax-credit-fstc>

● **New Accounting Standards Take Effect for Dec. 31, 2026 Year-Ends**

Several new accounting standards updates apply to Dec. 31, 2026 financial statements. They cover income-tax disclosures, credit-loss measurement, induced debt conversions and stock compensation, and more updates are on the horizon.

Finance teams should confirm which updates apply to their organization before the year-end close.

Source: *Eide Bailly, July 20, 2026* —

<https://www.eidebailly.com/insights/alerts/2026/2026-accounting-standards-updates>

State Nonprofit News Developments

Executive Summary

State developments affect nonprofit funding, client coverage and operations. California grant-payment reforms were vetoed, while charity-registry legislation was signed. Medicaid eligibility changes require attention from health and immigrant-serving organizations. Other summaries describe delays in IRA bequests, Florida property-tax funding risks, Hawaii disaster tax relief and New York community-center capital grants. Oregon estate-tax reform stalled. Leaders should review their state's requirements,

prepare clients and budgets for relevant changes and organize relief requests or capital-project plans around the deadlines described below now.

Key Actions for This Section

- Prepare for applicable Medicaid and Medi-Cal coverage changes and client assistance needs.
- Review California grant-payment assumptions and monitor charity-registry implementation.
- Assess local funding exposure associated with Florida's Amendment 3 vote.
- Submit eligible Hawaii relief requests on Form L-115A by October 20.
- Plan qualifying NY BRICKS capital projects ahead of November 2 applications and improve IRA bequest documentation.

● California: Newsom Vetoes Office of Nonprofit Empowerment and Grant-Payment Reforms

On Sept. 27, Gov. Newsom vetoed SB 1240, which would have created an Office of Nonprofit Empowerment within state government to coordinate nonprofit policy and advise groups on procurement and grantmaking rules. He also vetoed AB 880, on prompt payment of claims and grantees' indirect costs, and AB 1039, on advance payments for state grants and contracts.

California nonprofits' top 2026 grant-reform priorities will not take effect.

Source: Office of the Governor of California, Sept. 27, 2026; bill summary from LegiScan — <https://www.gov.ca.gov/2026/09/27/governor-newsom-issues-legislative-update-9-27-2026/> ; <https://legiscan.com/CA/text/SB1240/id/3457329>

● Multistate: States Build Systems for Medicaid Eligibility Changes

States are overhauling systems to meet new federal Medicaid eligibility rules. Arkansas is relying on data matches to verify eligibility, New York released a communications toolkit through NY State of Health, and Kentucky passed a law requiring state agencies to share data for eligibility reviews.

Nonprofits that help clients enroll or that provide Medicaid-funded services should track their own state's rollout.

Source: Route Fifty, Aug. 8, 2026 — <https://www.route-fifty.com/management/2026/08/how-states-are-preparing-medicaid-eligibility-changes/415290/?oref=rf-home-top-story>

● Multistate: States Move to Speed Charities' IRA Bequests

Charities report months or years of red tape collecting IRA gifts from deceased donors, as some banks and brokerages demand new accounts and sensitive staff information. Six states have passed laws requiring faster release. A North Carolina bill has stalled, California is considering one, and advocates in Missouri and Florida are organizing.

Charities can ask donors to share beneficiary forms and account numbers in advance.

Source: CNBC, Sept. 17, 2026 — <https://www.cnbc.com/2026/09/17/charities-ira-gifts-hurdles.html>

● **California: Medi-Cal Eligibility Narrows for Some Immigrants Starting Oct. 1**

Beginning Oct. 1, federal law limits full-scope Medicaid to certain immigration statuses, so some Californians will no longer qualify for federally funded full-scope Medi-Cal. The state is also running six-month eligibility checks, and federal law has paused simplified enrollment and renewal processes.

Health, legal-aid and immigrant-serving nonprofits should prepare for coverage losses among clients and more requests for help.

Source: California Department of Health Care Services, updated Aug. 18, 2026 —
<https://www.dhcs.ca.gov/tracking-federal-impact-medi-cal-eligibility/>

● **Florida: Nonprofits Brace for Amendment 3 Property-Tax Vote**

Florida voters will decide on Amendment 3, which would expand homestead exemptions and leave cities with far less property-tax revenue. In a Florida Nonprofit Alliance survey of 83 nonprofits, almost 90% expected more competition for other funding if it passes, and 65% said they would cut programs, cut services or turn clients away.

Nonprofits that rely on local government grants face the most direct risk.

Source: The Coastal Star, Aug. 2026 —
<https://thecoastalstar.com/profiles/blogs/amendment-3-nonprofits-on-edge-over-threat-to-support>

● **Hawaii: Hurricane Lala Penalty Relief Window Closes Oct. 20**

Hawaii's Department of Taxation will waive penalties and interest for eligible taxpayers affected by Hurricane Lala who could not file or pay certain state income, general excise or transient accommodations tax on time. The relief covers Aug. 20 through Oct. 20.

Affected organizations must file Form L-115A. Groups that already sought relief for the March Kona Low storms must file a new request.

Source: Office of the Governor of Hawaii, Aug. 24, 2026 —
<https://governor.hawaii.gov/newsroom/news-release-governor-green-authorizes-relief-for-hurricane-lala-impacted-taxpayers/>

● **California: New Law Updates Charity Registry Rules**

Gov. Newsom signed AB 2221 on Sept. 27. It updates the state law governing charities and fundraisers, which its author calls the latest step in modernizing California's online giving rules. Sponsor CalNonprofits says it targets registry backlogs that can leave nonprofits unable to operate, fundraise or be paid, and refocuses the Attorney General's office on violations that threaten public trust.

Registered charities should watch for implementing guidance.

Source: Office of the Governor of California, Sept. 27, 2026; bill background from For Purpose Law Group, Aug. 25, 2026 —
<https://www.gov.ca.gov/2026/09/27/governor-newsom-issues-legislative-update-9-27-2026/> ;
<https://www.fplglaw.com/insights/ca-legislature-winding-up-crucial-voting/>

● New York: \$75 Million NY BRICKS Round Opens to Nonprofits

Gov. Hochul launched a second NY BRICKS round, offering \$75 million to municipalities and nonprofits to build, renovate and modernize community centers serving youth and older adults. Applications open Nov. 2.

The funding is capital for facilities, not operating support, so nonprofits should line up project plans now.

Source: Office of the Governor of New York, Aug. 31, 2026 —

<https://www.governor.ny.gov/news/unplug-and-play-governor-hochul-announces-75-million-available-through-ny-bricks-municipal-and>

● Oregon: Estate Tax Unchanged After Reform and Repeal Efforts Stall

SB 1511, which would have raised Oregon's estate tax threshold from \$1 million to \$2.5 million, failed. A separate initiative to repeal the tax fell short of the roughly 117,000 signatures needed and will not appear on the November 2026 ballot.

Oregon's \$1 million threshold stands for now, and the repeal campaign's future is uncertain.

Source: Track Town Law, Aug. 27, 2026 —

<https://www.tracktownlaw.com/ptb-blog/sb1511-oregon-estate-tax-dead-2026>

Summary

This update connects federal funding and oversight pressures with workforce, tax, accounting and state-level obligations. Nonprofit leaders should assess grant exposure, protect award documentation, review employee volunteering and contractor practices, and prepare for changes affecting clients' access to benefits. Census and bank-rule comments, Hawaii relief, contractor changes and upcoming state funding applications bring near-term planning needs. Proposed private-school rules, reported audit plans, possible Form 990 changes and pending protective legislation call for measured responses that reflect their status. Audit preparation should continue despite the Compliance Supplement delay, while group exemption holders, scholarship organizations and finance teams review upcoming requirements. State coverage also highlights charity registration, grant-payment setbacks, IRA bequest delays and local funding risks. Use the source links, priorities and section actions to assign responsibility and follow developments relevant to your organization; seek qualified advice before making legal, financial or operational changes.

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.

[Read more articles](#)

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.