



PANO

Pennsylvania Association of
Nonprofit Organizations

High Level Overview: Federal Issues

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Form 990 Transparency Initiative

- ❑ Treasury/IRS proposing expanded Form 990 reporting requirements
- ❑ Focus on government funding + fiscal sponsorship arrangements
- ❑ Signals broader federal scrutiny of nonprofit financial oversight

IRS Whistleblower Alert & Nonprofit Scrutiny

- ❑ IRS encouraging reports of nonprofit misuse of federal funds
- ❑ Whistleblowers eligible for financial rewards up to 30%
- ❑ Heightened political and enforcement scrutiny expected

DOJ Report on “Anti-Christian Bias”

- ❑ DOJ report alleges bias against Christian organizations under prior administration
- ❑ Includes criticism tied to Johnson Amendment enforcement
- ❑ Faith-based and nonprofit groups strongly disputing claims

Supreme Court Donor Disclosure Ruling

- ❑ Supreme Court strengthens protections around nonprofit donor disclosure
- ❑ New Jersey must meet higher legal standard before compelling donor lists
- ❑ Case could shape future nonprofit privacy and disclosure disputes

Supreme Court Voting Rights Ruling

- ❑ Supreme Court raises standard for *Voting Rights Act* challenges
- ❑ States already moving to redraw maps ahead of 2026
- ❑ Nonprofits should expect increased scrutiny around civic engagement work

MEETING 1



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Department of Homeland Security Funding

- ❑ Early Thursday morning, a budget resolution was adopted to fund DHS which has been shut down since mid February
- ❑ Puts in motion a process to vote on a reconciliation package
- ❑ Two GOP Senators voted with Democrats against the package

Reconciliation 2.0

- ❑ This votes kicks off an incredibly procedural heavy process, all with a hard deadline of June 1, but GOP leadership wants it on the floor by end of April
- ❑ Senator Lindsey Graham and Senator John Barasso are leading this party line package to fund ICE and CBP
- ❑ It is crucial for Republicans to ensure the president sticks with this plan, and even then, there is still the House

Johnson Amendment

- ❑ A provision in the federal tax code adopted in 1954 that governs political activity by charitable nonprofits
- ❑ Under the rule, organizations with tax-exempt status cannot endorse or oppose political candidates or participate in campaign activity on behalf of a candidate
- ❑ A federal court recently dismissed a case challenging the Johnson Amendment, meaning the rule remains in place for now

GSA Grant Certification Update

- ❑ The General Services Administration (GSA) recently proposed changes to the System for Award Management (SAM), the federal system nonprofits must use to register for and receive federal grants and contracts
- ❑ Would require organizations to certify compliance with new conditions tied to federal funding
- ❑ A second public comment period is likely

Allegations of Fraud

- ❑ Increased scrutiny on nonprofits driven by political narratives, enforcement actions, and high-profile cases
- ❑ Fraud is rare, oversight is strong, and most nonprofits operate with high accountability
- ❑ New messaging tools available to help nonprofits respond to allegations and defend lawful, nonpartisan civic engagement