



2024 PUBLIC POLICY AGENDA

About AZ Impact for Good

AZ Impact for Good—formerly the Alliance of Arizona Nonprofits + Arizona Grantmakers Forum, which merged in 2022—is a trusted statewide resource and nonpartisan advocate for the state’s nonprofit and philanthropy communities. AZIFG envisions a vibrant and equitable Arizona where all people and living things thrive. Its mission is to unite nonprofits and philanthropy to transform Arizona through education, advocacy and innovation. The organization serves more than 1,000 member organizations across the state and advocates for public policy issues that advance the nonprofit and philanthropic sector and the people and communities it serves. For more information, visit www.azimpactforgood.org.

Our Role in Public Policy

AZIFG advocates for public policy that contributes to a sound economy, promotes economic well-being for all residents, protects vulnerable populations, preserves our unique natural environment, and advances our common efforts to solve public problems. Those overarching public goals drive the work of Arizona’s nonprofits and grantmakers. As a major employer, Arizona’s nonprofit and philanthropic sector is an economic driver. AZIFG recognizes each nonprofit and grantmaker is an advocate, employer and business that contributes to Arizona’s economy, and we urge policymakers to engage nonprofits and grantmakers as partners in addressing public policy issues.

AZIFG makes the voice of Arizona nonprofits and grantmakers heard ensuring we are at the table with our for-profit and government colleagues for critical conversations impacting our communities. We encourage the nonprofit and philanthropic community to participate in nonpartisan public policy advocacy for issues affecting individual segments of the community they serve. While it may not be appropriate for AZIFG to play a leadership role in all those matters, AZIFG will make every effort to share information and provide opportunities for nonprofits to network and collaborate on subsector advocacy efforts. AZIFG will also provide and support training opportunities that encourage its members to engage in nonpartisan public policy advocacy efforts.

AZIFG recognizes that the rich and diverse experiences, perspectives and values of our entire community should be reflected in all aspects of our work, including AZIFG and the social sector’s public policy engagement. AZIFG supports inclusive public policies

and works to advance internal and external processes that promote diverse voices in public policy development and implementation. These voices should include groups and individuals who face historical underrepresentation or marginalization.

To that end, we and our members are guided by the following principles and stand behind the agenda items outlined on the following pages.

Guiding Principle: Nonprofits & Grantmakers Working with Government

Our Partnership with Government

AZIFG recognizes the partnership among government, nonprofits and philanthropy can be strengthened to promote innovation, collective models of impact, and streamlined processes, all of which serve the long-term interests of taxpayers and communities. AZIFG advocates to transform the way in which state agencies, philanthropy and nonprofits interact, with the long-term goal of maximizing collective impact for Arizona residents. AZIFG serves as a representative of the nonprofit and philanthropic sector to government and a connection between the two sectors. In particular, AZIFG advocates for implementation of policies, rules, regulations and laws that ensure federal, state, and local governments pay the full cost of providing services contracted to nonprofits.

AZIFG aims to create inclusive and open dialogue among government regulators and the nonprofit sector when new, or changes to existing regulations are being considered and serves as a representative of the nonprofit community. AZIFG will also advocate for adequate time for nonprofits to adapt to regulatory and fiscal changes. AZIFG advocates for the existence of appointed boards and commissions as a means of including the public's voice in public policy matters and supports inclusion of nonprofit and philanthropic leaders on these boards and commissions. AZIFG opposes efforts to limit such civic engagement.

AZIFG actively educates the government sector on nonprofit and philanthropic operations and issues to strengthen collaboration and understanding between both sectors.

State and Federal Fiscal Policy

AZIFG advocates for a balanced approach to fiscal policy that:

- Provides adequate support for public programs
- Supports levels of resources for quality of life and public infrastructure necessary for the long-term economic growth and health of the nation and the state of Arizona
- Avoids undue hardships on the most vulnerable residents of our communities to achieve balanced government budgets
- Addresses the community's needs comprehensively and avoids pitting one policy or program against another in a competitive framework
- Permits the flexibility of policymakers to address changing and vital community needs, especially those that support nonprofits in their efforts

to assist communities and contribute to Arizona's long-term economic development

- Standardizes the application and reporting procedures associated with funding processes to minimize the burden on nonprofits and encourage cooperation among government agencies

AZIFG works with federal, state and local entities to identify instances when nonprofits are included or excluded from funding opportunities. When applicable, AZIFG works to ensure nonprofits are included in all funding opportunities.

Regulation of Nonprofits

AZIFG opposes legislation that imposes unreasonable regulatory burdens on nonprofit and philanthropic organizations and stifles their ability to pursue and fulfill their missions. AZIFG advocates for regulatory reform that advances and protects the common interests of taxpayers, nonprofits and grantmakers.

AZIFG advocates for public policies that promote transparent and ethical fundraising practices to protect both contributors and law-abiding nonprofits from disreputable and fraudulent fundraising.

Philanthropic Investments

AZIFG recognizes while Arizona grantmakers invest significant resources to improve their communities, their role is to supplement and not supplant federal, state and local funding for education and human services. Therefore, AZIFG encourages policymakers to engage philanthropic leaders and grantmakers as partners in addressing public policy issues. AZIFG supports public policies that:

- Promote philanthropy and encourage charitable giving
- Enhance the ability of philanthropies to carry out their charitable activities
- Provide reasonable and effective public accountability of the philanthropic sector

Guiding Principle: Protecting the Underlying Purpose of a Nonprofit

AZIFG recognizes the purpose of nonprofit organizations is to build strong and resilient communities and that philanthropic investments are essential to many nonprofits' success.

Responsibility

AZIFG understands nonprofits succeed by earning and maintaining public trust. Thus, AZIFG advocates for laws, regulations and policies that maintain nonpartisanship, promote public transparency, and strike a proper balance between the independent activities of nonprofits and the need to protect and inform the public.

Tax Exemption

AZIFG opposes changes to the underlying exemption of nonprofit organizations from corporate income and property taxes at federal, state and local levels of government. Furthermore, AZIFG opposes the imposition of taxes, fees or other costs on nonprofit organizations that place undue burden on nonprofits, inhibit their ability to perform their work in the community, or have the effect of removing existing exemptions for nonprofit organizations.

Sustainability

AZIFG recognizes nonprofits' need to generate a profit (revenue over expenses) to accumulate reserves for capacity building, economic downturns, drops in funding, major repair and maintenance projects and emergency demands for increased services, such as in pandemics and natural disasters.

AZIFG also recognizes that for a nonprofit organization to have strong financial controls and protect its assets, it must receive unrestricted funding to cover all necessary costs of fulfilling its fiduciary responsibility to governments, donors and taxpayers.

Guiding Principle: Promoting Community Support for Nonprofits

Charitable Giving and Tax Incentives

AZIFG advocates for state and federal tax incentives, deductions and credits that encourage charitable giving by individuals, businesses, and organizations. We will evaluate the impacts of proposed changes to these incentives, or creation of new incentives, in the context of other fiscal and social policies that address the critical needs of vulnerable populations nonprofits serve. We oppose efforts to change or eliminate such tax incentives in a way that could reduce the level of contributed income for nonprofit organizations.

Service and Volunteerism

AZIFG advocates for funding and incentives for national, state, local and other community service programs and opposes measures that significantly reduce or eliminate funding and other incentives for such programs. AZIFG promotes protecting the safety of nonprofit volunteers.

Charitable Gaming

AZIFG advocates for clear rules and policies allowing nonprofit organizations to utilize a variety of gaming options as fundraising tools consistent with applicable restrictions and regulations. AZIFG connects nonprofits to the appropriate government agencies to promote better understanding of and compliance with regulations.

Guiding Principle: Advancing Nonprofits & Grantmakers' Role in Advocacy

Advocacy and Lobbying Rights

AZIFG encourages all nonprofits and grantmakers to engage in nonpartisan advocacy and public policy to support their missions. AZIFG advocates for protection of and education about the advocacy and lobbying rights of eligible nonprofit organizations and efforts to strengthen Arizona nonprofits and grantmakers' ability to engage in the public policy arena. AZIFG will serve as a connector to encourage collaborative advocacy and coalition building among nonprofits and grantmakers. AZIFG also advocates for laws and initiatives that promote and expand nonprofits and grantmakers' role in Arizonans' civic engagement. Specifically, AZIFG supports policies that promote and expand the nonpartisan registration, education and participation of voters in the democratic process.

Social Welfare Organization (501c4) Reform

AZIFG advocates for measures that clarify and foster public understanding of the proper role of 501(c)4 organizations in electoral politics; promote transparency and civic engagement; and create clear lines of differentiation between nonprofits permitted to engage in electoral activities and those that cannot.

Guiding Principle: Maximizing Nonprofit & Philanthropic Effectiveness

Nonprofit Capacity Building

Governments at all levels rely on nonprofit organizations to provide critical services and programs to individuals and communities. Nonprofit capacity-building programs promote effectiveness and innovation in the delivery of services, improve a nonprofit organization's ability to achieve its mission, and help nonprofits sustain themselves over time. AZIFG advocates for federal and state laws that provide resources to support nonprofit capacity building. AZIFG advocates for the development of government contracts and grant models that cover the full cost of delivering government services and enable investment in evaluation, measurement, capacity building and innovation.

Employment & Unemployment Policies

AZIFG believes that a nonprofit's ability to attract and retain top talent to solve complex community issues depends on its capacity to pay competitive salaries and benefits while complying with laws and regulations governing tax-exempt organization compensation.

AZIFG advocates for a balanced approach to employment and unemployment policy revisions that allows nonprofits to cover any related increased costs.

Equity, Diversity, Inclusion, Access & Social Justice

AZIFG acknowledges systemic racism exists in public policies, institutions and individuals. Therefore, AZIFG supports policies that identify and dismantle systemic racism and all forms of discrimination. AZIFG recognizes the rich and diverse

experiences, perspectives and values of our entire community should be reflected in all aspects of our work, including AZIFG and the nonprofit sector's public policy engagement. AZIFG supports inclusive public policies and works to advance internal and external processes for elevating equity and promoting diverse voices in public policy development and implementation. These voices include those groups and individuals who face historical underrepresentation or marginalization.

Strengthening Communities

AZIFG recognizes as service providers and employers, nonprofit organizations not only help build stronger communities, but they are also deeply impacted by the socio-economic pressures that demand public policy solutions. Consequently, AZIFG may support public policies and investments that promote:

- Affordable housing
- Safety-net programs that support low-income residents
- Quality housing and support services for people experiencing homelessness
- Workforce development
- Quality early childhood, K-12 and post-secondary education
- Improved community health

Guiding Principle: Preserving Nonprofit Health & Sustainability

As Arizona and the nation recover from the adverse impacts of the COVID-19 pandemic, nonprofits continue to contribute to the well-being of the people and communities they serve. Yet nonprofits face significant economic headwinds: an unprecedented workforce shortage, increased costs, supply-chain challenges, lack of affordable childcare, volunteer shortages, declining charitable donations, and skyrocketing demand for services. Accordingly, AZIFG will continue to advocate for recovery resources needed for nonprofits to restore service levels to meet demand.

Approved by the board of directors on December 6, 2023.

Appendix: Examples of Previous Actions

Guiding Principle: Nonprofits and Grantmakers Working with Government

Examples of previous actions include:

- *Advocated for implementation of federal Office of Management and Budget guidelines that call for full costs of services to be paid by state and federal agencies to nonprofit contractors. Action has focused on training for nonprofits eligible to include full costs in their contract negotiations.*
- *Advocated for exploration of a nonprofit registration system that would allow consumers and donors to vet the legitimacy of nonprofits operating in the state*
- *Opposed sector- or organization-specific exclusions from the State Employees Charitable Campaign that could be precedent-setting in allowing the state to select “winners and losers” in employees’ personal workplace-giving choices*
- *Advocated for dedicated funding for education through both a temporary and permanent sales tax*
- *Coordinated and elevated the nonprofit voice on COVID-19 related issues with the Governor’s Office and related agencies*
- *Advocated for inclusion of nonprofits in federal, state, county and city COVID-19 relief packages*
- *Supported reasonable liability protections for nonprofits working diligently to protect their employees, volunteers and clients, allowing them to continue to safely provide services*
- *Collected member feedback regarding concerns and issues with Department of Revenue implementation of qualifying charitable organization audits for certification. Worked with DOR to implement changes to help nonprofits go through the process. Continuing to work with DOR to implement systemic changes to the process.*

Guiding Principle: Protecting the Underlying Purpose of a Nonprofit

Examples of previous action include:

- *Defended the Johnson Amendment, which protects nonprofit nonpartisanship and builds trust and respect for the nonprofit community*

Guiding Principle: Promoting Community Support for Nonprofits

Examples of previous action include:

- *Successfully advocated for continuation of Arizona Charitable Tax Credit (formerly Working Poor Tax Credit) program*
- *Shared information regarding efforts to increase the donation levels and extend the donation window for the Arizona Charitable Tax Credit but did not take a position in support of or opposition to the expansion of the credit.*

- *Successfully lobbied for amendment of legislation for nonprofits involved with wine pulls and other liquor-related fundraising activities and provided training to nonprofits on related regulations*
- *Advocated for federal tax reform initiatives making it easier for all Americans to utilize federal tax incentives for charitable giving*
- *Advocated for development of permanent, dedicated public funding sources for 2-1-1*
- *Successfully advocated for Arizona tax reform changes that allow Arizonans to continue to receive a tax benefit for their charitable giving whether they itemize or take the standard deduction on their state taxes. Successfully advocated for an inflationary increase to the cap.*
- *Successfully advocated for a universal charitable tax deduction at the federal level*
- *Advocated for support for AmeriCorps and other community service programs that benefit nonprofit organizations and develop nonprofit leadership*
- *Provided education and training on raffle regulations*
- *Successfully advocated for a change to the amount of time needed for a nonprofit to exist before the nonprofit can conduct a raffle.*

Guiding Principle: Advancing Nonprofits & Grantmakers' Role in Advocacy

Examples of previous action include:

- *Advocated for open primary elections*
- *Provided advocacy training to encourage nonprofit member engagement in public policy*
- *Hosted an annual "Day at the Capitol" to provide an opportunity for the nonprofit community to highlight its work and collective impact, and to advocate for policies supporting its work*
- *Monitored and reported on federal and state legislative activities impacting nonprofits*
- *Issued action alerts to encourage nonprofit engagement on specific issues of significance to the sector*
- *Defended the Johnson Amendment, which protects nonprofit nonpartisanship and builds trust and respect for the nonprofit community*
- *Convened nonprofit leaders around COVID-related issues and connected them to the media and their elected officials to tell their stories*
- *Performed and communicated results of nonprofit sector polls regarding impacts of COVID-19 on the nonprofit sector. Disseminated information to media and elected officials and their staff.*
- *Created online platform for Policy Council members to connect on advocacy issues*

Guiding Principle: Maximizing Nonprofit & Philanthropic Effectiveness

Examples of previous action include:

- *Monitored, reported and trained on proposed overtime regulation changes and the related impacts on nonprofits as community organizations and as employers*
- *Monitored, reported and trained on proposed minimum wage increases and the related impacts on nonprofits as community organizations and as employers*
- *Following passage of a minimum wage increase, advocated for changes to state contracts to ensure these wage increases were included in nonprofit contracts*
- *Successfully advocated for the protection of tribal gaming grants awarded to nonprofits, as well as education of the nonprofit sector regarding these gaming grants*
- *Provided training and outreach to nonprofits and government partners regarding Office of Management and Budget guidance that the full cost of contracted services (including “overhead”) should be funded by federal contracts, including contracts passed through states to nonprofit contractors*
- *Worked to ensure the 2020 Census process was inclusive and did not create barriers to participation for residents*
- *Released a statement in support of Black Lives Matter*
- *Performed and communicated results of a nonprofit sector poll around Diversity, Equity and Inclusion practices and support needed*
- *Advocated, and rallied support for overturning, the 2020 Presidential Executive Order on restrictions related to diversity, equity and inclusion training*