

# Nonprofit Sector Strength and Partnership Act

## Section-by-Section

### Section 1 – Short Title

### Section 2 – Findings

### Section 3 – Purposes

This act seeks to strengthen the nonprofit sector, make the federal government a more productive partner with nonprofits, improve access to data about the sector, and raise awareness of the nonprofit sector throughout government.

### Section 4 – White House Office on Nonprofit Sector Partnership

This section establishes a White House Office on Nonprofit Sector Partnership in the Executive Office of the President, headed by a Nonprofit Advisor who serves as an Assistant to the President. The office makes recommendations on federal policies that would strengthen the nonprofit sector and its partnership with government. The office also coordinates an annual release of data about nonprofits collected by federal agencies and works to improve federal grant and contracting processes for nonprofits.

The office initiates a federal grant process to establish an online portal, such that charities could register for fundraising opportunities across multiple states at one time. Directs that the development of this multistate portal should be evaluated based on eliminating inefficiencies for charities, supporting state oversight, establishing a sustainable non-federal funding mechanism, and other factors.

The office establishes a commission on Federal grant reform to offer recommendations to improve the operational relationship between all levels of government and the nonprofit sector.

### Section 5 – Interagency Council on Nonprofit Sector Partnership

This section establishes an interagency council, comprised of representatives from every cabinet agency, as well as the Corporation for National and Community Service, National Endowment for the Humanities, National Endowment for the Arts, National Science Foundation, and Institute of Museum and Library Services.

This section also directs the Interagency Council to meet four times a year and release a biennial report providing policy recommendations about how the nonprofit sector can best leverage federal investments, as well as how to strengthen the sector's ability to address issues of national significance.

### Section 6 – Advisory Board on the Nonprofit Sector

This section establishes an Advisory Board on the Nonprofit Sector, comprised of eight presidential appointees (including the Nonprofit Advisor) and eight congressional appointees, two each from the Speaker of the House, the House Minority Leader, the Senate Majority

Leader, and the Senate Minority Leader. Board members shall be drawn from the sector and reflect a diversity of organizational type and size. The board is co-chaired by the Nonprofit Advisor and one other member, who may not be from the same political party.

### **Section 7 – Volunteerism and Charitable Giving**

This section directs the U.S. Treasury Department to issue analyses of how relevant legislation and regulation would impact charitable giving, and to consider reconstituting the IRS Advisory Committee on Tax-Exempt and Government Entities.

Furthermore, this section directs the Bureau of Labor Statistics to issue a biennial report on trends in the non-stipend volunteer force. It directs the Corporation for National and Community Service (CNCS) to issue a report analyzing how it can best support national service and non-stipend volunteerism, including a review of volunteer-focused programs. It directs CNCS to solicit public input on Current Population Survey supplements of relevance to the nonprofit sector.

### **Section 8 – National Service**

This section directs CNCS to make recommendations to Congress on how to broaden access to national service for underserved communities. Furthermore, it directs CNCS to redesign its online application system and to test by engaging organizations that are not current grantees.

### **Section 9 – Government Research and Data**

This section directs the Treasury Department to make recommendations enhancing the way grant, contract, and reimbursement funds are recorded on nonprofits' annual information return. Directs the Treasury Department to rescind and replace the Form 1023-EZ application for tax-exemption, and to propose policies to improve appropriate oversight of the nonprofit sector.

Furthermore, this section directs the Bureau of Labor Statistics to release quarterly economic data about nonprofit organizations, as it does for-profit organizations. It directs the Bureau of Economic Analysis to create a satellite account on Nonprofit and Related Institutions and Volunteer Work within its national accounts program. It directs the Office of Management and Budget to work with agencies to gather disaggregated data on the nonprofit sector without imposing significant administrative burden on nonprofits.

### **Section 10 – Nonpartisan Civic Engagement and Advocacy**

This section directs the Treasury Department to issue a report providing recommendations for clarifying the prohibition on political campaign intervention by charitable nonprofits, as well as analyzing the applicable standard for other nonprofit organizations.

### **Section 11 – Definitions**

### **Section 12 – Authorization of Appropriations**

Authorizes \$50 million for this act in FY 2023 and such sums as may be necessary in FY 2024 – FY 2027.