MISSION AND ADVOCACY VISION

The mission of the Oklahoma Center for Nonprofits is to build better communities through effective nonprofits. In order for charitable organizations to be effective, they must operate in the highest realms of ethics and benchmarks as prescribed by the Standards for Excellence. Additionally, they must be allowed to operate in a business environment that fosters independence, donor choice, public transparency, collaboration and preservation of the tax-exempt status of nonprofits and their funding sources. The Center will advocate when appropriate for the nonprofit and charitable sector, the interests of charitable nonprofits throughout Oklahoma and nonprofit donors to ensure a strong, robust business climate where nonprofits can thrive and deliver efficient, effective services. This policy platform acts as a guideline for the Center to respond when necessary to various issues as they arise or to promote or advance legislation when appropriate.

THE NONPROFIT SECTOR IN OKLAHOMA

Because there are nearly 19,000 nonprofit organizations in the state, the Center must advocate collectively to ensure that charitable organizations have the best opportunities available to serve clients and improve communities. Nonprofits contribute nearly $15.3 billion in revenue and hold more than $48.8 billion in assets. They are the state’s largest employment sector, employing nearly 10 percent of the workforce in Oklahoma. Philanthropy is strong within the state, and Oklahomans gave more than $2.5 billion to charities in 2016 totaling 4.46 percent of overall income. Additionally, the average grant paid to nonprofits in Oklahoma from the top ten foundations was $57,000, indicating a strong, competitive sector. The state regularly ranks in the top ten in the United States for overall, per capita philanthropic giving.

THE NATIONAL NONPROFIT SECTOR

Nationally, nonprofit employ more than 10 percent of the workforce and pay more than $634 billion in wages each year. In 2016, Americans gave more than $404 billion to charitable organizations, and 80 percent of giving came from individuals. Nonprofits contribute 5.4 percent to the nation’s GDP. Additionally, Americans contributed more than 7.9 billion hours of volunteer service to charitable nonprofits worth an estimated $175 billion.

A SEAT AT THE TABLE

Nonprofits are employers. Nonprofits represent a significant part of the overall workforce. Nonprofits hold hundreds of billions of dollars in assets. Philanthropy is a uniquely American trait and virtue.

The charitable sector must have a seat at the table when it comes to proposed legislation or guidelines that have an impact on nonprofits. Therefore, the Center has created this advocacy and public policy platform to not only educate the public on the value of nonprofit services and the charitable sector, but to guide the sector in Oklahoma on lobbying for or against specific legislation that could have an impact (either positive or negative) on the operations of charitable organizations.
GUIDING PRINCIPLES OF THE CHARITABLE SECTOR

Our Assets Make us Unique!
The charitable sector can bring a number of its assets to the table as we promote positive change in communities. These attributes are unique to the sector and point to flexibility and entrepreneurial spirit that will be a powerful resource for policy makers, donors and the public.

- PERSPECTIVE  The sector provides an influential perspective and deep understanding of constituent needs in the community.
- EXPERTISE  Nonprofits and philanthropists provide unparalleled expertise in not only identification and diagnosis of various community issues but in the routine use of evidence-based and emerging practices to provide solutions that create lasting change.
- INNOVATION  Because the sector has a hopeful vision for a positive future, there has been a focus on innovation in both service delivery and outcomes tracking. The charitable sector has shifted to a greater focus on partnership: philanthropists and nonprofits working together to solve complex problems through thoughtful solutions.
- FLEXIBILITY  Most importantly, the sector’s greatest asset might be its flexibility, as it can be more nimble and responsive to community changes.

We are Committed to Excellence and Transparency!
We can also commit to a number of actions to ensure our communities can thrive. We are hopeful that these actions help our donors continue to engage and invest and that our policy makers understand the value and uniqueness of the charitable sector.

- TELL THE STORIES  Nonprofits are committed to the people they serve, and they are the perfect partners to tell the stories of their missions and programs.
- PROVIDE EVIDENCE  The charitable sector, just as the academic or business sectors, can provide data, outcomes, measurements and evidence of its effectiveness at solving community problems.
- DEMONSTRATE EXCELLENCE  The charitable sector has worked very hard in the past decade to show excellence in not only programming but in efficiency, effectiveness, transparency, board governance and operations.
- BE ACCOUNTABLE  Most importantly, the sector will continue to be accountable to donors, stakeholders, the people we serve, our board members and the public.

We Can Work in Partnership with Government with the Right Investments!
However, to do this incredibly important work, we need policy makers to commit to a number of actions to strengthen the sector, collaborate with nonprofits, understand the role and limitations of philanthropy and address challenges together. By understanding that government actions have consequences that ripple throughout the charitable sector, as partners we can work for a greater synergy among all stakeholders.

- INVEST IN CORE SERVICES  Government must invest in core services to ensure every Oklahoman and every American has access to an education that will prepare them for the workforce, healthcare services that will maintain a high standard of living, human services that help those who need it most, infrastructure that promotes economic prosperity, and a public safety system that promotes prevention, rehabilitation and equity of treatment for all citizens.
- A SEAT AT THE TABLE  Government can look to nonprofits and the charitable sector as valuable resources, but we must have a seat at the table in decision-making.
- UTILIZE OUR RESEARCH AND EXPERTISE  By partnering with the charitable sector, government would have access to a strong bank of human, social and intellectual capital.
- RECOGNIZE OUR CAPACITY  Most importantly, the charitable sector needs policy makers to have a more explicit understanding of our capacity. While the sector employs some of the nation’s best experts, our funding is limited to the capacity of our donors and government partners.
ADVOCACY RIGHTS

Advocacy Rights of Private, Charitable Nonprofits to Promote Public Education and Civic Engagement through Advocacy and Lobbying; Protecting Non-partisanship for 501c3 Organizations

Nonprofits have the right to advocate for their missions, educate the public about the work they perform in the community, and effect change on policies and legislation that would improve the lives of the citizens they serve. Nonprofit organizations also can engage in lobbying for and against legislation that could impact their missions or their populations served. Therefore, the Oklahoma Center for Nonprofits works to maintain the advocacy, public education and lobbying rights of nonprofit organizations through the following key positions.

- The Center opposes any restrictions on the advocacy rights of nonprofits.
- The Center encourages nonprofits who regularly engage in advocacy and lobbying to file the 501 h election with the IRS.
- The Center will educate the public, policy makers and other stakeholders to correct misperceptions and clarify lobbying rights according to current laws to empower nonprofits to advocate fully and freely within the law.
- The Center would oppose any decreases to the financial thresholds for advocacy and lobbying activities.

The Oklahoma Center for Nonprofits believes that nonpartisanship is critical for public trust of the charitable sector. In addition to promoting strong civic engagement, the Center is dedicated to the ideal that nonprofits should remain politically neutral and not engage in political party or candidate endorsement. The Center will work to maintain nonpartisanship through the following key positions.

- The Center will ensure the integrity of the nonprofit sector by supporting the tax-law ban on electioneering and partisan political activities (i.e. preservations of the Johnson Amendment for 501c3 organizations).
- The Center will educate nonprofits on the ethical pitfalls of candidate endorsement as well as the legal requirements for remaining nonpartisan in elections.
- The Center will encourage nonprofits to focus on policy initiatives in all lobbying, advocacy and public education efforts rather than on particular candidates or political parties/platforms.

POSITION SUPPORT

“Nonpartisanship is vital to the work of charitable nonprofits. It enables organizations to address community challenges, and invites the problem-solving skills of all residents, without the distractions of party labels and the caustic partisanship that is bedeviling our country.” – National Council of Nonprofits

“For charities to continue to fulfill this [charitable] purpose, it is crucial that the public trust they have earned over the years is not diminished by partisan labels or influence.” – Council on Foundations

“We feel that c3 nonprofits and their communities benefit from the Johnson Amendment. Nonprofits have ample opportunities to address and inform communities on issues that matter, without becoming embroiled in partisan politics.” – Jessie Ball du Pont Fund

The IRS offers the following explanation for the limitations on political activity by 501(c)(3) nonprofits: The Restriction of Political Campaign Intervention by Section 501(c)(3) Tax-Exempt Organizations Under the Internal Revenue Code, all section 501(c)(3) organizations are absolutely prohibited from directly or indirectly participating in, or intervening in, any political campaign on behalf of (or in opposition to) any candidate for elective public office. Contributions to political campaign funds or public statements of position (verbal or written) made on behalf of the organization in favor of or in opposition to any candidate for public office clearly violate the prohibition against political campaign activity. Violating this prohibition may result in denial or revocation of tax-exempt status and the imposition of certain excise taxes.

Certain activities or expenditures may not be prohibited depending on the facts and circumstances. For example, certain voter education activities (including presenting public forums and publishing voter education guides) conducted in a non-partisan manner do not constitute prohibited political campaign activity. In addition, other activities intended to encourage people to participate in the electoral process, such as voter registration and get-out-the-vote drives, would not be prohibited political campaign activity if conducted in a non-partisan manner. On the other hand, voter education or registration activities with evidence of bias that (a) would favor one candidate over another; (b) oppose a candidate in some manner; or (c) have the effect of favoring a candidate or group of candidates, will constitute prohibited participation or intervention.
TAX POLICY

Maintaining Incentives, Exemptions and Taxation Strategies that Allow Nonprofits to Effectively Serve Communities

The Oklahoma Center for Nonprofits supports consistent tax policies that treat all nonprofits equitably to ensure optimal efficiency and effectiveness in mission delivery. The Center is committed to preserving the tax-exempt status of charitable organizations contributing to the well-being of their communities. Because charitable giving incentives through tax deductions encourage donors to give philanthropically to charity, the Center will also advocate to strengthen and expand incentives for individuals to give philanthropically through time, talent and treasure to the organizations whose missions they support. These incentives help nonprofits achieve diversified revenue and promote giving from all Americans, regardless of wealth or tax bracket. Therefore, the Oklahoma Center for Nonprofits will encourage tax policy at the federal, state and local levels that preserves the following key agenda items.

• The Center opposes caps or limits on charitable giving incentives. Reduction or removal of charitable giving incentives that encourage individuals, corporations and foundations to give philanthropically to nonprofits of their choice.
• The Center opposes the imposition of arbitrary fees, payments in lieu of taxes (PILOTs), and unrelated taxes on tax-exempt, charitable nonprofit organizations.
• The Center supports existing and new charitable giving tax incentives that encourage individuals, corporations and foundations to give philanthropically to nonprofits of their choice.
• The Center opposes caps or limits on charitable giving incentives of any kind whether at the federal or state levels.

PROPERTY, SALES, USE AND OTHER TAXES

Every state exempts some or all of the properties owned by charitable nonprofits from property taxes. However, despite a lack of legal authority to do so, some municipalities attempt to impose discriminatory taxes or fees on nonprofits, or demanding so-called “voluntary” payments in lieu of taxes (PILOTs). Different jurisdictions call the assessment different terms – taxes, fees, or PILOTs – but the goal is the same, to divert nonprofit resources away from mission and into government coffers.

CHARITABLE GIVING INCENTIVES

The tax laws in many states encourage individuals to give to charitable organizations whose missions they support by providing an itemized deduction or tax credit. Tax reform efforts in recent years in some states have sought to cap or eliminate charitable giving incentives. Reduction or removal of charitable giving incentives threaten the ability of nonprofit organizations to serve people in need and to continue to strengthen work in communities.

Why it Matters

Limitations on state charitable deductions and other giving incentives effectively remove motivations for donations to churches and synagogues, domestic violence shelters, early childhood programs, food banks, school alumni groups, and all other charitable nonprofits, and would further reduce the ability of charitable organizations to meet the increasing need for services in their communities. Nonprofit organizations in every state are dedicated to the public good; their work improves lives, strengthens communities and the economy, and lightens the burdens of government, taxpayers, and society as a whole. Maintaining the value of the charitable giving tax incentive is essential to the ongoing work of nonprofit organizations in delivering essential services, enhancing quality of life, and uplifting the spirit of faith, innovation, and inspiration in local communities across America. –National Council of Nonprofits
Government Grants/Contracting and OMB Uniform Guidance

Governments at all levels depend on charitable nonprofits to provide efficient and effective services to residents that would be more costly if provided by others. Likewise, the nonprofit sector, as a whole, earns about a third of its total revenue by providing services under written agreements with governments. The National Council of Nonprofits and its network of state associations of nonprofits are committed to improving the government-nonprofit contracting relationships and to breaking contracting systems in order to promote efficient and effective programs and services. The Office of Management and Budget's Uniform Guidance presents significant opportunities for nonprofits and governments to strengthen nonprofit organizing and recommending pragmatic policy changes.

Since at least the 1960s, and accelerating considerably beginning in the 1980s, all levels of government have depended on charitable nonprofits to deliver a broad array of services to the public through the use of contracts and grants. After fifty years, these systems have become encumbered by the continual additions of new rules and requirements on top of the old. The result is inefficient and ineffective contracting systems throughout the country that needlessly waste the already limited resources of nonprofits and governments.

The National Council of Nonprofits works through its network of state associations of nonprofits to support partnerships with governments to reform “broken” contracting systems by sharing research, promising practices, analyzing and recommending pragmatic policy changes, and advocating for their implementation. Ultimately, everyone benefits—governments, nonprofits, and those we serve as well as all taxpayers by reducing unnecessary costs while enhancing accountability.

Governments at all levels—local, state, and federal—that hire nonprofits to deliver services are now required to reimburse nonprofits for the reasonable indirect costs (sometimes called “overhead” or “administrative” costs) they incur on behalf of governments when federal dollars are part of the funding stream. The new mandate is embedded in grantmaking rules that the federal Office of Management and Budget (OMB) put into effect at the end of 2014. In addition, the new OMB Uniform Guidance streamlines and clarifies cost allocation and other rules related to government grants and contracts, removing some areas of confusion and inconsistency while treating more of a nonprofit’s expenses as direct (reimbursable) costs. The Uniform Guidance merges eight separate yet overlapping OMB circulars into the Code of Federal Regulations and is intended to ease administrative burdens, increase efficiency and effectiveness of federal awards, and strengthen the oversight of federal funds to reduce the risks of waste, fraud, and abuse.

- The National Council of Nonprofits

BUDGET AND SPENDING

Addressing and Meeting Community Needs through State and Federal Budgets

The Oklahoma Center for Nonprofits supports federal and state budgets that maintain funding for core services supported by the work of the charitable sector. The Center opposes arbitrary cuts to these services. We encourage nonprofits to be meaningful participants in the state budget process and the federal budget process. Additionally, the Center remains committed to encouraging government contracting to be fair and equitable and promote guidelines from the Office of Management and Budget to include reimbursement for functional expenses. Therefore, the Oklahoma Center for Nonprofits will encourage budget and spending policy at the federal, state and local levels that preserves the following key agenda items:

- The Center believes the state should improve transparency in the budget process.
- We support proposals that promote fiscal stability to ensure that the work of nonprofits is sustainable for all Oklahomans to thrive.
- The Center supports state and federal budgets supporting the work of the charitable sector.
- The Center will not come out in support of or opposition to key taxation or revenue enhancement proposals by the Legislature unless those proposals include taxes or fees levied specifically on nonprofits (See “Tax Policy.”).
- The Center will promote adoption and usage of OMB Uniform Guidelines for Reimbursement of Functional Expenses.

POSITION SUPPORT

OKLAHOMA ACADEMY FOR STATE GOALS

In 2015, the Oklahoma Academy for State Goals produced a comprehensive report outlining the need for government transparency in the budgeting process. It showed consensus on a renewed budget prioritization of core services in alignment with the Oklahoma Center for Nonprofits. It pointed to a need for the state of Oklahoma to look to long-term budget solutions rather than short-term fixes that result in stagnant funding or cuts to core services. The Center is in alignment with the proposals set forth in that report.

FEDERAL BUDGET AND SPENDING

Budget and spending decisions by governments affect all Americans and these decisions can have immediate and serious consequences for the people nonprofits serve and the communities in which they operate. Nonprofits work in every community, whether caring for returning soldiers, educating children, rebuilding cities, training the workforce, nursing the sick, supporting our elders, elevating the arts, mentoring our youth, protecting natural resources, nurturing our souls, and much more. As front-line providers of services and as organizations grounded in their communities, charitable nonprofits have a stake in the strength and well-being of the economy and of governments at all levels. Conversely, given the vital role nonprofits play in both the economic and social well-being of our nation, society has an equally strong stake in ensuring that nonprofits are healthy and able to fulfill their missions in support of the public good.

The Center of Nonprofits opposes policies that institutionalize restrictions on lawmakers’ fiscal options in a manner that restricts state spending growth based on a formula, or that limits legislatures’ tax policy options via inflexible measures such as constitutional amendments. The National Council of Nonprofits opposes the offloading of government services onto nonprofits without paying nonprofits the cost of providing these services. When federal, state, and local revenue is reduced, nonprofits providing public services through grants and contracts with government typically receive disproportionate cuts.

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- The National Council of Nonprofits
Ensuring Public Trust through Appropriate Measures to Promote Accountability of Charitable Nonprofits

The Oklahoma Center for Nonprofits supports reasonable and non-burdensome regulations or policies that already make the charitable sector the most transparent sector of the American economy. Government should strike an appropriate balance that recognizes and respects the independent activities of nonprofits as public-spirited yet still private organizations. Additionally, the Center believes that a core service of its mission is to educate boards of directors and leadership staff of the importance of the legal duties of care, loyalty, obedience and transparency. Therefore, the Center will advocate for the following key agenda items as they relate to public transparency.

- The Center believes that application of open meeting laws to individual organizations will balance the legitimate need of the public to know about the expenditure of public funds with the burden of compliance and/or the need to maintain confidentiality of certain records.

- The Center will educate nonprofits on the need to publish annual reports, make 990 forms available to the public, keep accurate accounting records, maintain annual conflict of interest disclosures, have a board-approved Whistleblower Policy, and all other transparency recommendations as outlined in the Standards for Excellence.

- The Center supports reasonable, inexpensive and annual registration requirements for charitable registration in Oklahoma and other states where Oklahoma nonprofits solicit funds.

- The Center supports protecting the decision-making autonomy and self-governance authority of charitable nonprofits.

- Promotion of volunteerism and charitable contributions from individuals and the people served for mutual benefit. However, the Center will oppose any proposal to condition receipt of government-provided benefits on requirements that individuals volunteer, a policy known as “mandatory volunteerism,” because these impose increased costs, burdens and liabilities on nonprofits by an influx of coerced individuals.
PARTNERSHIP

Public-Private Partnership: Improving Collaboration for the Public Good

The Oklahoma Center for Nonprofits is dedicated to strengthening the public-private partnership at all levels through collaboration and direct engagement. Building upon past success, the Center will promote a stronger partnership by:

- Raising a common voice for the sector at the state and local level and facilitating communication and understanding between Oklahoma nonprofits and the State.

- Participating with the National Council of Nonprofits in federal initiatives that increase information sharing and enhance coordination of policies and practices to promote efficiency in public-private relations.

ECONOMIC DEVELOPMENT

The Economy: Strengthening Communities through Job Creation and Economic Development

As proven job creators, nonprofits can and should participate in the development of job growth policies at the state and local levels. The Oklahoma Center for Nonprofits strongly endorses policies that promote job creation in all sectors of the economy, and insist that incentives apply equally to nonprofit employers. The Center will promote equality by:

- Compiling economic impact data on the nonprofit sector in Oklahoma, working in collaboration with the National Council of Nonprofits and other state and national organizations, and educating legislators and the public of the role the sector plays as an economic driver.

- Ensuring that the value of nonprofits and their unique place in the economy are taken into consideration when forming or amending employment policy.

- The Center will participate in discussions with the federal Department of Labor, IRS and other agencies on issues such as wage/hour regulations, accountability measures, and other issues pertinent to the sector as employers and stewards of public and private funds.