Dear Members and Friends:

My favorite recent headline: “California’s sea stars have mutated in small but crucial ways so that they are not going extinct after all but instead are thriving.” Wow! I’m inspired. Even small changes can help us adapt to a changing political, economic, and foundation climate. (At least I think that’s the lesson!)

Working at CalNonprofits is especially interesting because everything we do has both a policy advocacy component and a nonprofit action component.

- **Census**: Plans are already underway for the 2020 Census and because undercounted populations already know nonprofits, for example, as trusted health providers or arts centers, we’re well positioned to make sure that everyone is counted in the upcoming Census. And at the same time, we’re part of a statewide coalition that successfully advocated with the California legislature to allocate an additional $50 million in the state budget for community-based census outreach.

- **Compliance**: We just released an update to the Nonprofit Compliance Checklist, which lists all the federal and state forms that California nonprofits have to submit (you can download your own copy from our website). Meanwhile, we’re also working in Sacramento to ensure that any new regulations or requirements won’t place unneeded restrictions on nonprofit organizations or hamper our ability to serve our communities.

- **Voting**: Nonprofits can’t endorse political candidates, and we’ve been strong advocates for keeping that and other protections included under the Johnson Amendment. At the same time, through our Vote with Your Mission campaign, we’re supporting legislative efforts to make voting easier and more accessible to Californians and we’re sharing practical strategies for nonprofits who want to focus on registering and encouraging their communities to vote.

- **Student Debt**: Eleven years ago, the Public Service Loan Forgiveness program went into effect and at least two nonprofit employees have seen their loans forgiven through it. We’re focused on making sure more nonprofits and their staff know about this program, and we’re also working to preserve and improve the program through our participation in the national Coalition to Preserve PSLF.

— continued on page 2
Letter from CalNonprofits CEO  continued from page 1

2018 has brought a number of state and federal changes that nonprofits need to know about.

Be sure to see in this issue:

- The latest on several crucial bills in Sacramento affecting nonprofits
- The unexpected new “parking tax for nonprofits” (UBIT tax)
- GrantAdvisor just turned one! What has it accomplished over the last year?

And please join me and the CalNonprofits board and staff for our statewide policy convention on October 18 in Los Angeles: “Nonprofits Standing up for California.” We’ve got an excellent lineup of speakers and we’ll be taking on the same kind of issues – those that live in the space where government and nonprofits bump up against each other and work in partnership.

We want to hear from you – please drop me a line: jasm@calnonprofits.org

Jan Masaoka
CEO, CalNonprofits


The new federal tax law signed last December included an unwelcome surprise for nonprofits and churches related to employee benefits.

If your nonprofit provides employees a transportation benefit (such as a monthly amount for commuting), a parking reimbursement at work, or gym benefit, that amount is now taxed (starting January 1, 2018) as if it were unrelated income (despite the fact that it’s actually an expense).

It sounds confusing, and it is.

If your nonprofit spends – let’s say – $20,000 per year in such employee benefits, then you must report $20,000 as unrelated business income and pay 21% taxes on it (UBIT – Unrelated Business Income Tax). You will have to file Form 990T and pay $4,200 (21%) in taxes as calculated on the 990T. With this extra 21% tax, your cost of providing these benefits rises to $24,200.

Join with nonprofits across the country to fight this new “parking tax” on nonprofits

Beyond being illogical and costly for nonprofits, the law is also vague in several parts and has yet to be clarified, which is creating confusion for nonprofits. The new UBIT Coalition – CalNonprofits, National Council of Nonprofits, AICPA, American Society of Association Executives (ASAE), and 33 others – are calling on the Treasury Department and the IRS to delay new UBIT liabilities unless and until the government provides clear guidance to nonprofits on how to implement this new tax.

Here’s 3 things nonprofits should do now about the new UBIT taxes:

First: talk with your auditor, accounting staff and board finance committee about the changes. Don’t wait for the audit to start to find out whether your auditor thinks you have to pay these taxes. You may need to start planning now how you will pay them later.

Second: if transportation/parking benefits for employees are mandated by your government contracts, talk with them about a budget revision that takes those costs into account.

Third: join us in the campaign to seek either a delay or better guidance. Go to the “Comment on Tax Forms and Publications” page on the IRS webpage, type in “Form 990T” in the “Form/Instruction/Publication Number”, and write comments to the IRS, explaining your concerns with this new tax and what it will mean for your nonprofit.

This is a confusing, poorly-written, disastrous, and unfair tax. Let’s stop it.
How Much Money Are CalNonprofits Members Saving?

CalNonprofits members can access exclusive employee health and dental insurance plans, D & O insurance, and workers compensation insurance through our social enterprise, CalNonprofits Insurance Services. But, did you know that membership includes even more programs and discounts that can save you money?

Here’s a few examples:

**Unemployment costs:** Earlier this summer, Unemployment Services Trust (UST) distributed more than $120,000 back to 17 CalNonprofits members. These nonprofits use UST as an alternative to paying into the state unemployment system. The state of CA allows nonprofits to opt out of participation in the state unemployment insurance system if they meet certain criteria. A nonprofit pre-funds their unemployment costs into the Trust, retains ownership of those funds, and if/when their reserves exceed their projected unemployment risk, they get that money back. Not only does the pre-funding generally cost less than paying into the state system, if an organization has a low level of claims then they can get money back. UST has lower operating costs than many other similar unemployment trusts, so if you have already opted out of the state unemployment system, you can still look into using UST for even greater savings.

**Office Depot** Could you use a 31% discount on office supplies? In 2017, CalNonprofits members saved an average of 31% off their orders using their CalNonprofits discount. In 2017, this translated to a total of $144,000 saved!

**Job Board:** Now that posted jobs are also circulated through our weekly “Job Board Roundup” on social media, nonprofits across the state are better able to find the right people for their organizations. Almost 50 CalNonprofits members have already taken advantage of their 50% discount to post their new openings this year.

**PurchasingPoint:** You can save on products and services at more than 500 vendors – including FedEx, Staples, and more – but the best part about this discount program is that the steep discounts on rental cars, hotel rooms, and even prescription medications are available to staff and families, not just your organization! Last year our members saved nearly $85,000 at companies like Alamo, Sherwin Williams, and Hotel Storm.

Want to learn more about how your organization could save money? Get your own copy of our member benefits guide from our website, or contact Christina Dragonetti, Membership and Marketing Manager: 415-926-0668 or christinad@calnonprofits.org.

How Long Until More Nonprofit Employees Receive Student Loan Forgiveness?

Eleven years ago, public sector and nonprofit staff with student loans scored a big victory when the Public Service Loan Forgiveness (PSLF) program was created. After ten years of loan payments, employees could have the remainder of their student debt forgiven. It seemed too good to be true and many believed it would never happen.

To help more people, Congress recently allocated an additional $350 million to provide PSLF forgiveness for people who meet most of the criteria but were paying on the wrong repayment plan for all or part of their 120 payments. This is a first-come, first-served opportunity, so act quickly. For more info, visit: https://studentaid.ed.gov/sa/

Through our Nonprofit Student Debt Project, CalNonprofits is making sure everyone who might benefit from PSLF knows about it. And as we’re part of the national Preserve PSLF coalition we are engaging our members on legislation that would impact the program. This includes opposing one bill that would eliminate the PSLF program for future borrowers, while supporting another bill that would improve eligibility rules so more people could qualify for the program.

**Why is PSLF important for nonprofits?**

Attracting and keeping talented staff is tough in any industry, but nonprofits often compete with for-profit companies, many of whom offer better salaries. Through the PSLF program, nonprofit employees could have their student loans forgiven – a big deal for mid-career staff who want to buy a home, start a family, or invest for retirement.

**How can nonprofit staff get their loans forgiven?**

The first step is to figure out now if you’re eligible, and start submitting the paperwork to FedLoan Servicing to get credit for your payments. Visit our website to download our Student Debt Toolkit for Employers which has all the information you need, and you can also watch a recording of our in-depth webinar where we explain how PSLF works.

Michael Mitchell, a clinical social worker and counseling psychotherapist is one of the first to receive PSLF loan forgiveness. After making 120 payments (totaling $24,000), the remainder of his student debt, almost $170,000, was wiped away, tax-free, according to the New York Times.
On Wednesday, June 6th, 2018, an inspiring group of leaders from around California traveled to Sacramento to meet with their elected officials and celebrate their recognition as Nonprofits of the Year at the California Nonprofits Day Luncheon.

Nearly 100 state senators and assemblymembers selected nonprofits in their districts for the honor, and more than 400 legislators and nonprofit leaders attended a sold-out awards luncheon where nonprofit leaders connected with their elected officials.

During his keynote address, State Superintendent of Public Instruction Tom Torlakson highlighted how nonprofits are a powerful force for good, with a “fierce commitment to changing California for the better.”

“There was high energy, warmth, joyfulness, and people from every corner of the state – a wonderful day,” commented Jan Masaoka, CEO of CalNonprofits. “From North Coast Opportunities in Ukiah to Casa Familiar in San Ysidro, we congratulate the honorees who were recognized for making their California communities stronger.”
In the November 2016 general election, 57 percent of voters statewide submitted ballots by mail, but as technology has evolved (for example, email), many Californians may not have stamps on hand to use. That’s why CalNonprofits supported AB 216, authored by Assemblymember Lorena Gonzalez Fletcher (D-San Diego). It requires election officials to provide pre-paid postage for vote-by-mail ballots, removing one more barrier to participating in voting. We were glad to see Governor Brown sign AB 216 into law earlier this summer.

CalNonprofits Legislation Tracker
Crowd-funding, raffles, net neutrality and student debt are just some of the bills CalNonprofits is actively involved in. Want to see the full list of bills, our positions, and the status of the bills? Go to our website and check out the California Legislation Tracker.

The 2020 Census - More than just a head count
There’s been a lot in the news lately about the 2020 Census, but what’s all the fuss about, and why should we nonprofits care?

The Census tells us more than the total number of people who live in the United States - it’s used to determine Congressional representation and how state and federal dollars are distributed. In fact, California currently receives $76 billion in federal funding each year based in part on census data - that’s nearly $2,000 per person.

CalNonprofits is part of the Census Policy Advocacy Network, a coalition of statewide nonprofits helping to shape policy around the 2020 Census. Working together, we successfully advocated with state legislators to invest an additional $50 million in the state budget for community-based outreach and education for the 2020 Census. These funds will support outreach to the estimated 14.7 million residents who are considered hard to count. This is an unprecedented level of investment, a victory led by the nonprofit community, and something to celebrate!

Unfortunately, our state legislature’s investment to help get an accurate count could be undermined at the federal level by Secretary of Commerce Wilbur Ross, who directed the Census Bureau to add a citizenship question to the 2020 Census for the first time in over 60 years. A question about citizenship may discourage people from participating in the Census, which would be particularly bad for California since we are home to the highest percentage (27%) of foreign-born persons in the U.S. CalNonprofits, our members, and allies have weighed in against including this question and will continue our advocacy.

In the meantime, stay turned for more information later this year about how California’s new outreach money will be distributed throughout the state.
Happy First Birthday To GrantAdvisor: More than 1,250 Funder Reviews and Counting

One year ago, CalNonprofits and our partners launched the GrantAdvisor website. Since then, hundreds of nonprofit staff from across the country participated in this new experiment by writing more than 1,250 reviews where they shared their experiences and insights about more than 450 funders. We were also surprised – and gratified – when GrantAdvisor was selected by Fast Company as one of the top ten most innovative companies in the not-for-profit sector for 2018.

Each review contributes to a profile for each foundation with information that’s helpful for grant writers and funders alike. Reviews include tips for applying and average time to complete a grant application. A funder’s profile goes live on the GrantAdvisor website after at least five reviews have been written about it, and over 70 foundations now have published profiles, with 26 of them in California.

Here’s three recent funder reviews:

“The program officers are very responsive, feel free to contact them with questions. Also do your research, this funder is VERY specific (and somewhat unusual) with what they fund.”
– Review of the Bothin Foundation in San Francisco

“Open Road Alliance was great throughout the process. They had some very tough follow-up questions that really helped us improve our overall grant-writing process. Be prepared and detailed in your proposal and be ready to answer their tough, relevant, and constructive questions. Even if you aren't funded, going through their process can reap rewards from helping your organization to improve in grant writing.”
– Review of the Weingart Foundation in Los Angeles.

GrantAdvisor is creating a dialogue between nonprofits and foundations, and we’re pleased to see that nearly 400 foundation employees who have registered on GrantAdvisor to read and respond to reviews and answer questions about their foundations.

Spend a few minutes checking out the site, and see if a foundation you’ve worked with now has a profile on GrantAdvisor. If you have another five minutes, pay it forward and write a review of a funder that you’ve worked with.

A big thank you to our partners who helped put this together: the Minnesota Council of Nonprofits and Great Nonprofits. GrantAdvisor wouldn’t have happened without the funders who support this project, the reviewers who make this site happen by writing, reading, and sharing reviews, and the foundation staff who are registering and responding to their reviews.

Stay tuned for more updates to the site in year two!

For more information, contact Steve Doud at:

Phone: 208-287-4777 ext. 135
Email: Steve.Doud@jitasagroup.com

www.jitasagroup.com
Employees save big bucks on dental, vision, hearing benefits

A nonprofit employee in San Francisco was recently looking to purchase a pair of hearing aids, but was shocked at the price of $7,000. Fortunately, when he checked with his HR department, they connected him with their CalNonprofits Insurance Services account manager who reminded him of the new TruHearing discount that Trust members receive through their VSP vision plan. Using this discount, he was able to obtain a top-of-the-line pair of high-tech hearing aids while spending $2,500 less than he had originally anticipated.

This type of customer service, quality coverage, and competitive rates are what the Nonprofits Benefits Trust is known for, and CalNonprofits members have access to other exclusive programs and insurance benefits like this, through CalNonprofits Insurance Services.

ThinkHR is one of these new benefits, and it’s a big time saver for nonprofit staff, with an integrated suite of HR knowledge, content, and training solutions. Their HR checklists, employee handbook builder, online video trainings, and on-demand HR answers via live experts enable nonprofits to cost-effectively meet their HR needs. See how much time and money ThinkHR could save your organization today by contacting Christina Dragonetti to get your login information.

“When Shasta Regional Community Foundation was seeking a new insurance broker, CalNonprofits Insurance Services made the process simple and easy. They took the time to get to know our needs and operations in order to find the best options. Not only were we amazed with the service we received, our new policies were less expensive while also providing more coverage than previous years!”

- Kerry Caranci, Chief Executive Officer

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All of your data tied together to Measure your Impact and Accomplish your Mission

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- No Consultants
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- No Analytic Staff Needed

“Is there a connection between Staff Engagement and Client Outcomes?”

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Welcome New CalNonprofits Members Spring 2018

2020 Mom
Akademi Foundation
Am Trust North America
Anza-Borrego Foundation
Art Jewelry Forum
Balboa Park Cultural Partnership
Bicycle Adventure Club
California Chamber of Commerce
California Hospital Association
California Lutheran University - Center for Nonprofit Leadership
Centro La Familia Advocacy Services, Inc.
Cities Association of Santa Clara County
CityServe of the Tri-Valley
CoalSwarm
Community Environmental Council, Inc.
Community Spay Neuter Clinic
Concern
Cottonwood Estates Home Owners Association
Creating Conscious Communities Coalition
Depression and Bipolar Support Alliance
Direct Connection
Economic Justice Fund
ELITE – Evacuation of Livestock in Tulelake Emergencies
Enriching Lives
Exceptional Minds
Family Connections Christian Adoptions
FootHill Autism Alliance, Inc.
Fostering Youth Independence
Girls Inc. of San Diego County
Graysome Association of Los Angeles, Inc.
Hilbongar Schools Foundation
House of Pride and Equality
Humane Society of the North Bay
Information Systems Security Association, Orange County Chapter
Institute for Religious Tolerance, Peace and Justice
ION YOUR FINANCES
Karma Payments
LA-MAS
LGBT Center Orange County
Linens N Love
Living Hope Counseling Center
Location Managers Guild International
Los Angeles County Business Federation
Mission Flight
Monterey County Film Commission
Mountian Homeless Coalition
MSI Integrity
Noontime Concerts
North Coast Opportunities, Inc.
North Valley Services
Notebooks for Students
Nothing But Buns - Rabbits for Therapy
Open Floor Society
Open Source Living
Pasadena Society of Artists
Point Cabrillo Lightkeepers Association
Project PEARL’s
PSW: Promoting Self-Worth
Redondo Union High School Alumni House, Inc.
Reinvent Stockton Foundation
Revision Project, Inc.
Safe Passages
Salem Lutheran Church
San Diego Fire Rescue Foundation
San Diego Humane Society
San Francisco K9 Unit
San Francisco Public Health Foundation
Sand Sea Sky
SCALE Legal, Inc.
Selah Health International
Shared Housing and Resource Exchange California
Shasta Regional Community Foundation
Shasti Association
Sierra Health Foundation
Skyllark Strategies
Social Justice Collaborative
St. Anthony’s High School Foundation
Stanislaus Family Justice Center
Sunflower Hill
Sustaining Excellence
Swan Center Outreach
Talent for Epilepsy
Ten Toes In
The Brain Bank
The Grateful Garment Project
The Wingman Foundation
Treehouse Learning INC
Unalp CPA Group, Inc.
Unity Impact, Inc.
V-V Strategic Consulting
Western HVAC Performance Alliance Inc.
White Pony Express
Women Divers Hall of Fame
Join us in Los Angeles

Join us and 300 of your closest colleagues for “Nonprofits Standing up for California,” our 2018 Policy Convention on October 18th in Los Angeles at the California Endowment.

Vu Le and Tamika Butler are keynote speakers for the convention, along with a dynamic lineup of speakers and panelists. Hear from the next wave of foundation CEOs at the opening plenary, and stay for sessions focused on the upcoming 2020 Census, nonprofit law updates, a look at how advocacy really works in Sacramento, and an update on the Public Service Loan Forgiveness program. Back by popular demand, we’ll also have a debate. This year’s topic is Donor Advised Funds: Are they democratizing giving, or are they “warehousing wealth” as critics contend?

CalNonprofits members get a discount on registration.

**Bonus:** Buzz readers can save an additional $15 off registration by entering the discount code [BuzzOnline](#)

Register today at [www.calnonprofits.org](http://www.calnonprofits.org)