

A graphic of a pair of scales of justice, with two dark blue pans hanging from a central vertical beam. The background is a colorful, abstract pattern of overlapping circles and shapes in shades of teal, orange, and red.

Understanding Nonprofit Law

Practical Guidance for Nonprofit Leaders



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Blue Avocado

Feb. 5, 2026

- Introduction
- Keep the Mission Front and Center
- Govern Well
- Complete the Paperwork
- Fill the Coffers
- Advocate for Your Cause
- What's Changed in Last Year

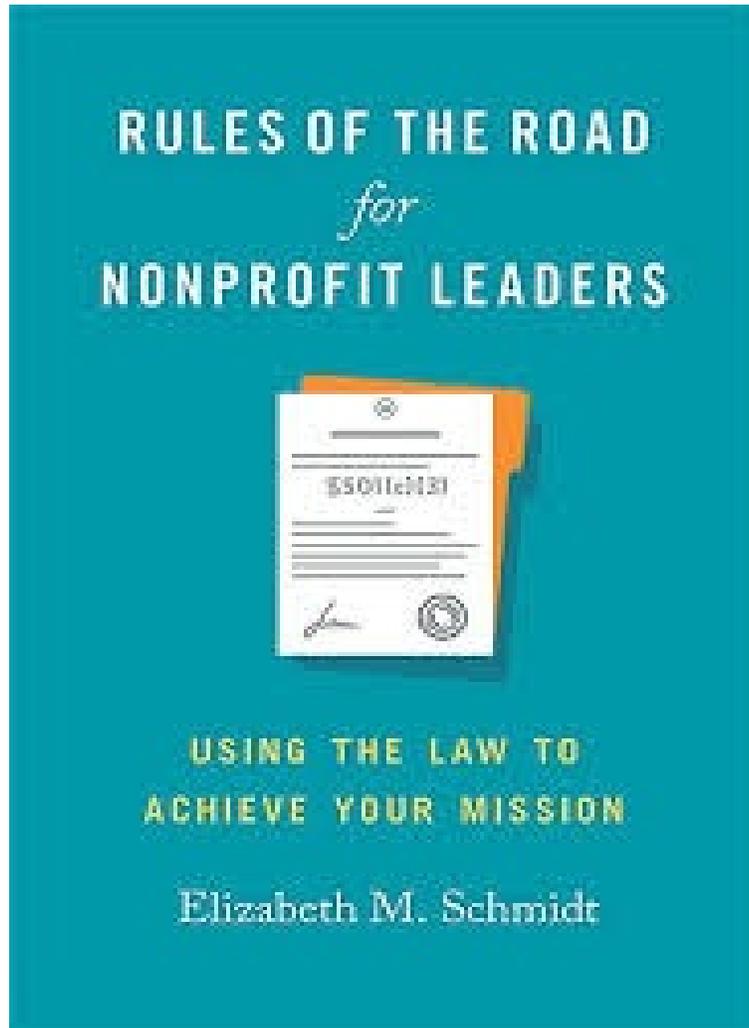


What I Can't Do

- Legal advice: This is for informational purposes only.
- Employment law
- International nonprofits—US based only
- Information on specific area of nonprofits, such as immigration, health care, the environment
- Predict the Future

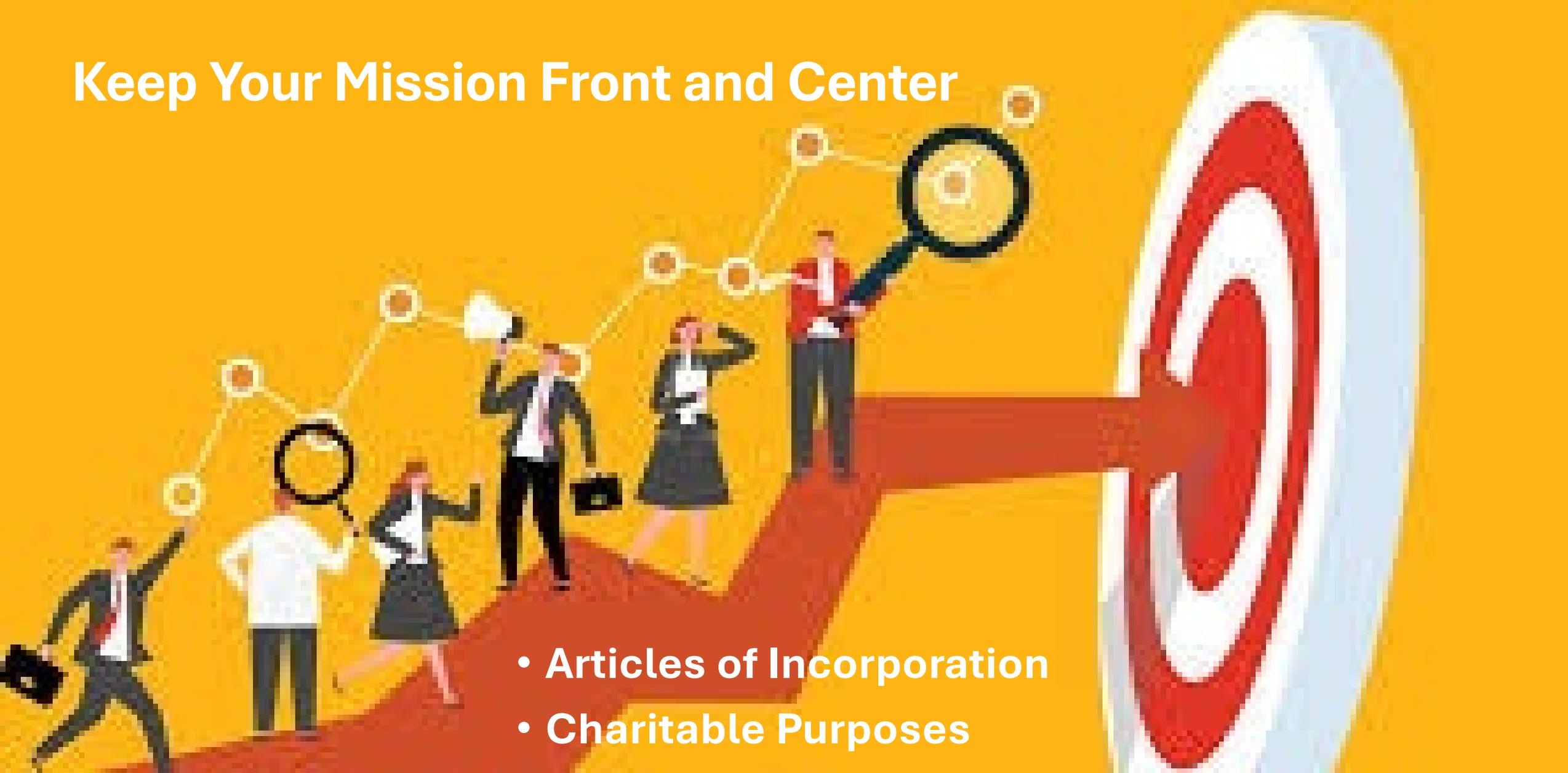


Nonprofit Law in 8 Precepts



1. Keep the mission front and center.
2. Govern wisely.
3. Fill the coffers
4. Go into business?
5. Treat your friends and colleagues well, just not too well.
6. Advocate for your cause.
7. Complete the paperwork.
8. Know when to change course or throw in the towel.

Keep Your Mission Front and Center



- Articles of Incorporation
- Charitable Purposes

GOVERN WISELY



COMPLETE THE PAPERWORK!!!



FILL THE COFFERS



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ADVOCATE FOR YOUR CAUSE!!!

What Does it Mean to Advocate?



YOU CAN'T

Endorse or oppose a candidate or
Spend too much on lobbying

YOU CAN DO A LOT!

- Educate legislators on issues
- Advocate for better regulations
- Write white papers and op eds
- Engage in community organizing, etc.
- Testify if the legislature invites you
- Litigate
- Argue for fair enforcement of laws
- Comment on proposed rules
- Lobby for particular laws if you don't spend more than 20% (approximately) of your budget.

Bolder Advocacy, <https://afj.org/bolder-advocacy/>

What Has Shifted in Past Year?

- Rhetoric—threats against nonprofits that disagree with administration
- Policy--Federal grants clawed back with new restrictions; DEI disfavored
- Law—Not so much

Legislation



- ONE BIG BEAUTIFUL BILL ACT
 - Tweaks to charitable deduction rules
 - Taxes on wealthy colleges and nonprofits
 - Provisions that will hurt specific areas of nonprofits
- CALIFORNIA ASSEMBLY BILL 1318
 - Protects CA tax benefits if federal exemption revoked for political reasons

[Independent Sector Federal Tax Legislation Tracker](#)
[Nonprofit Alliance Legislation in the States](#)

Litigation



606 Lawsuits

(as of 2/02)

[Just Securty](#)

- 241 Awaiting Court Decision
- 208 Plaintiff Wins
- 110 Government Wins
- 31 Case Closed

Regulations

- Executive Orders do NOT change law
- Process for admin rules



<https://www.brookings.edu/articles/tracking-regulatory-changes-in-the-second-trump-administration/>



How Do We Anchor Ourselves among all this Uncertainty?

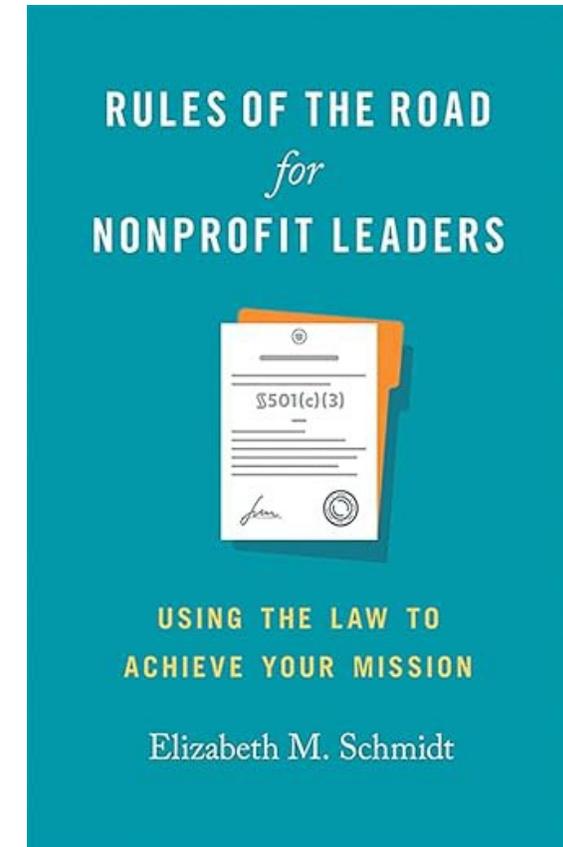
Remember, You Already Have the Legal Tools

- Focus on mission and finances, govern well, and complete the paperwork.



Additional Resources

- E. Schmidt, [Rules of the Road for Nonprofit Leaders: Using the Law to Achieve Your Mission](#) (2025)
(code TGUF =20% discount)
- [Nonprofit Rules](#) (the site I use to keep the book up to date)
- NEO Law Group, [Nonprofit Law Blog](#)
- International Center for Nonprofit Law, [US Program](#)
- Alliance for Justice, [Bolder Advocacy](#)
- [National Council of Nonprofits](#)





Remember: We are the Resilient Sector



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