



2025 PUBLIC POLICY AGENDA

About AZ Impact for Good

AZ Impact for Good formed in 2022 with the merger of the Alliance of Arizona Nonprofits and Arizona Grantmakers Forum. Its mission is to unite nonprofits and philanthropy to transform Arizona through education, advocacy and innovation. AZIFG envisions a vibrant and equitable Arizona where all people and living things thrive. AZIFG is a trusted statewide resource and nonpartisan advocate for the state's nonprofit and philanthropy communities. The organization serves approximately 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 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 our members 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, we share information and provide opportunities for nonprofits to network and collaborate on subsector advocacy efforts. AZIFG

also provides and supports training opportunities that encourage our members to engage in nonpartisan public policy advocacy efforts.

AZIFG is guided by the following principles and stands 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. 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 and philanthropic sectors and represents the sector when government agencies consider new, or changes to existing, regulations. AZIFG also advocates 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 the inclusion of nonprofit and philanthropic leaders on them. AZIFG opposes efforts to limit such civic engagement.

AZIFG actively educates the government sector on nonprofit and philanthropic operations 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 to ensure nonprofits are included in all funding opportunities when applicable.

Regulation of Nonprofits and Philanthropy

AZIFG advocates for a balanced approach to regulatory policy that protects the public interests while not imposing an unreasonable burden on the nonprofit and philanthropic community.

AZIFG advocates for public policies that promote transparent, ethical and legal fundraising practices.

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. AZIFG understands nonprofits succeed by earning and maintaining public trust.

Responsibility

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. AZIFG opposes the imposition of taxes, fees or other costs on nonprofit organizations that place an 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 accumulate reserves for capacity building, economic downturns, revenue decreases, 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 reduces 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 a better understanding of and compliance with regulations.

Guiding Principle: Advancing Nonprofits & Grantmakers' Role in Advocacy

Nonprofit Nonpartisanship

AZIFG supports preserving the longstanding federal policy that reserves the eligibility to receive tax-deductible charitable donations exclusively to 501(c)(3) tax-exempt organizations that refrain from participating in or intervening in any campaign on behalf of or in opposition to any candidate for public office.

Advocacy and Lobbying Rights

AZIFG encourages all nonprofits and grantmakers to engage in nonpartisan advocacy and public policy to support their missions. AZIFG champions the advocacy and lobbying rights of eligible nonprofit organizations and supports efforts to strengthen Arizona nonprofits and grantmakers' ability to engage in the public policy arena. AZIFG serves as a connector to encourage collaborative advocacy and coalition building among nonprofits and grantmakers. AZIFG also advocates for laws that promote and expand nonprofits and grantmakers' role in Arizonans' civic engagement. 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 effective and innovative service delivery, mission

fulfillment and sustainability. 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.

Community Values & Representation

AZIFG acknowledges that sound public policy is crucial to addressing historical disparities and creating opportunities for all Arizonans. AZIFG recognizes the rich and diverse experiences, perspectives and values of our entire community should be reflected in all aspects of our work. 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. By bringing together diverse perspectives and maintaining our core values, we can advance solutions that create lasting positive change for all communities.

Strengthening Communities

As service providers and employers, nonprofit organizations not only help build stronger communities, but 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. Nonprofits still 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 January 29, 2025.

Appendix: Examples of Recent Actions

Guiding Principle: Nonprofits and Grantmakers Working with Government

Examples of recent actions include:

- *Advocated for implementation of federal Office of Management and Budget guidelines that call for payment of full costs of services by state and federal agencies to nonprofit contractors. Action focused on training for nonprofits eligible to include full costs in their contract negotiations.*
- *Collected, curated and shared members' comments on Arizona Department of Revenue's policy guidelines on qualifying charitable organization tax credits.*

Guiding Principle: Protecting the Underlying Purpose of a Nonprofit

Examples of recent actions include:

- *Submitted letter to the U.S. House Ways and Means Committee defending 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 recent actions include:

- *Successfully advocated for continuation of Arizona Charitable Tax Credit program*
- *Successfully advocated for a state universal charitable tax deduction increased annually for inflation*
- *Successfully advocated for a universal charitable tax deduction in the federal CARES Act*

Guiding Principle: Advancing Nonprofits & Grantmakers' Role in Advocacy

Examples of recent actions include:

- *Provided advocacy training to encourage nonprofit member engagement in public policy*
- *Hosted an annual Day of Advocacy at the state Capitol for nonprofit and philanthropic leaders to build relationships with and educate lawmakers about their work*

Guiding Principle: Maximizing Nonprofit & Philanthropic Effectiveness

Examples of recent actions 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*
- *Worked to ensure the 2020 Census process was inclusive and did not create barriers to participation for residents*