



# 2025 Nonprofit Legal Landscape: Organizational Checklist

June 2025

As the federal regulatory environment shifts in 2025, nonprofit organizations must be ready to adapt. This checklist is designed to help nonprofits navigate these changes by identifying key areas of legal risk, ensuring alignment with federal requirements, and promoting best practices in governance and management. Whether you're reviewing policies, updating procedures, or planning for the future, this tool supports informed, strategic decision-making in a time of transition.

**This checklist does not constitute legal advice and is current as of June 17, 2025.**

## DEI Within the Workplace & Other Considerations for Employers

A. DEI in the Workplace	
1.	Have you reviewed your workplace policies and practices for compliance with state and federal anti-discrimination laws? <sup>1</sup>
2.	Have you reviewed the language across your internal and external communications and website for language that may raise red flags? <sup>2</sup>
3.	Have you trained your managers and those involved in the hiring process about anti-discrimination laws?
4.	Do you have a non-discrimination policy?

B. Immigration Enforcement	
1.	Do you have established procedures to follow if immigration officials come to your organization to try and detain an employee, volunteer, or client of your organization?

<sup>1</sup> If your organization chooses to conduct this review, consider conducting it with an attorney and subject to attorney-client privilege.

<sup>2</sup> If your organization chooses to conduct this review, consider conducting it with an attorney and subject to attorney-client privilege.

2. Do you have written procedures for your staff to follow if immigration officials enter your organization and request information about your clients or request access to your facilities?

### C. I-9 Compliance:

1. Do you have a completed I-9 form for every employee?
2. Are you using the most current version of the I-9 form (updated in 2023)?

#### RESOURCES:

- [Navigating Change: Immigration Response for Employers](#) → Resource from Jackson Lewis PLL that includes downloadable guides on steps an employer can take before an ICE raid; Comprehensive I-9 and E-Verify Compliance; and an I-9 audit guide
- [National Immigration Law Center Resources](#) → Curated guides, toolkits, policy briefs, and more
- [U.S. Citizenship & Immigration Services \(USCIS\)](#) → Form I-9 and resources

## Federal Funding and Program-Related DEI

1. Have you reviewed any federal grants to understand the government's termination rights, your obligations, and your ability to legally draw down on your funds?
2. If your nonprofit's mission is focused on programming that could be considered DEI-related, has your board weighed the risks associated with continuing that programming?<sup>3</sup>  
  
Considerations include the source of your funding; whether your nonprofit engages in race-conscious programs or activities, such as grants or scholarships, that give benefits to individuals or other organization; whether you can still fulfill your mission if you adapt.  
  
Some organizations will decide to forge ahead with their lawful programs while others may decide to pull back. Regardless of what your board decides, it is important that decisions are made with "eyes wide open" as there are significant legal considerations and risks with either choice. Either way, it is critical to ensure that all your policies comply with any state and federal laws as they evolve.
3. If your nonprofit's mission is focused on programming that could be considered DEI-related, are you monitoring ongoing developments?

<sup>3</sup> If your organization chooses to conduct this review, consider conducting it with an attorney and subject to attorney-client privilege.

## Maintaining Tax-Exempt Status

### A. Tax Status and Required Filings

1. Is your organization in good standing with the IRS?
2. Is your organization in good standing and is your statutory agent up to date with the Ohio Secretary of State?
3. Is your organization in good standing with the Ohio Attorney General?

#### RESOURCES:

- Check your status with the [IRS](#) (annual 990 filing)
- Check your status and statutory agent with the [Ohio Secretary of State](#) or the [Kentucky Secretary of State](#) (depending on your location)
- Check your status with the [Ohio Attorney General](#) or [Kentucky Attorney General](#) (depending on your location and where you solicit/receive funds)

### B. Mission & Purpose

1. Have you reviewed your Articles of Incorporation to confirm:
  - a. That your stated purpose continues to encompass all your current activities?
  - b. That you limit your purposes to those that are consistent with 501(c)(3) status?
  - c. That upon dissolution, your assets will be distributed for 501(c)(3) purposes or to the government for a public purpose?
2. Have you reviewed your external communications (including your website and fundraising solicitations) to ensure your forward-facing statements conform to your Articles of Incorporation's stated purpose?
3. Do you make grants to people or organizations that are not 501(c)(3) organizations?<sup>4</sup>
  - a. If yes, have you had a legal review of the eligibility requirements and grant agreements?

#### RESOURCES:

- In Ohio, you can find your Articles of Incorporation on the [Secretary of State's website](#)

<sup>4</sup> 501(c)(3) organizations can give grants and scholarships to individuals or to organizations that do not have 501(c)(3) status, but the grants must be provided solely for purposes consistent with section 501(c)(3), and they cannot provide an undue "private benefit" to the recipient.

## Governance & Board Oversight: Making Sure Your Board is Ready

1. Do your board members understand their legal fiduciary obligations?
2. Does your code of regulations (the “bylaws”) reflect how your board actually operates? If not, you either need to amend your practices or amend your bylaws.
3. Do your bylaws contain: <ul style="list-style-type: none"><li>• Processes for adding and removing board members?</li><li>• What constitutes a quorum for meetings?</li><li>• Indemnification provisions?</li></ul>
<b>RESOURCES:</b> <ul style="list-style-type: none"><li>• <a href="#">PBPO Ready to Govern!</a> series for board members →</li><li>• <a href="#">Ohio Attorney General’s Guide for Charity Board Members</a> →</li><li>• <a href="#">Ohio Attorney General’s Charitable University</a> →</li></ul>

## Other Considerations

<b>A. Policies and Procedures</b>
1. Does the organization have a Conflict of Interest policy? <sup>5 6</sup>
2. Does the organization have a Whistleblower policy? <sup>7</sup>

<sup>5</sup> Conflict of Interest, Whistleblower, and Document Retention and Destruction policies are not legally required, but the IRS asks about all three policies on the Form 990. We recommend that all nonprofits have these three policies.

<sup>6</sup> A **Conflict of Interest policy** is arguably the most important policy a board can adopt. It outlines a process for disclosures of potential and actual conflicts of interest and lists the steps the board should take when addressing them. It is designed to protect your organization's mission and integrity and aims to safeguard your organization from any appearance of impropriety and potential legal issues related to conflicts of interest.

<sup>7</sup> Federal law prohibits an organization from retaliating against anyone that reports its illegal acts, improper use of assets, or violations of policies or ethical duties. A **Whistleblower policy** outlines how and to whom individuals should report potential misconduct, ensures confidentiality, and appoints responsibility for investigating any reports. In addition to helping an organization comply with the law, a policy can protect individuals from illegal retaliation – negative actions taken against them in response to their complaints. Adopting a Whistleblower policy signals to both internal and external stakeholders that your nonprofit is willing to hear complaints, values transparency, and holds itself accountable.

3. Does the organization have a Document Retention and Destruction policy? <sup>8</sup>
3(a). Have you reviewed your data management policies and practices to ensure compliance with your document retention & destruction policy?
4. Have you reviewed the data you collect from your clients to ensure the data is necessary for your operations?

### RESOURCES:

- [Good Governance Policies for Nonprofits](#) → National Council of Nonprofits article detailing recommended policies with samples

## B. Lobbying & Political Activity

1. Does your organization engage in lobbying or otherwise attempt to influence local, state, or federal legislation (including ballot issues)? This is <u>allowed</u> but with some limitations.  If yes: b. Do you have a system in place to track and record those activities and expenses? c. Are you aware of the limitations? d. Do you report lobbying on the 990?
2. Does your organization in any way support or oppose a political candidate running for public office at any level? This is <u>not allowed</u> under any circumstances.
3. Do your employees and board members know how to keep the organization's activities nonpartisan during election season, and how to avoid using your name and resources for personal political activity?

### RESOURCES:

- [Lobbying Restrictions and Reporting Requirements for 501\(c\)\(3\) Organizations](#) → Pro Bono Partnership of Ohio
- [FAQs: Election-Related Activities and 501\(c\)\(3\) Public Charities](#) → Pro Bono Partnership of Ohio

<sup>8</sup> A **Document Retention and Destruction policy** outlines how your organization consistently manages its documents, including electronic files, voicemails, emails, and storage in cloud-based systems. The goal is to ensure everyone within your nonprofit is consistent in what they keep and for how long; and equally consistent in what they delete as part of routine business practices.

The reason this policy is so important is because the federal government considers it a crime to destroy documents in anticipation of litigation or investigation. A written policy that outlines consistent retention and destruction timelines helps demonstrate that any action taken by your nonprofit was part of a clear and scheduled timeline for managing documents.

### C. Insurance

1. Does the organization carry Directors and Officers insurance?<sup>9</sup>
2. Does the organization carry Employment Practices Liability Insurance?<sup>10</sup>
3. Does the organization carry general liability insurance?<sup>11</sup>

#### RESOURCES:

- Work with your insurance broker to determine your organization's unique insurance needs
- [Insurance 101 for Nonprofits](#) → Pro Bono Partnership of Ohio

### Other PBPO Resources

- [PBPO Resource Center](#) and [2025 Nonprofit Legal Landscape resource page](#)
- [PBPO Ready to Govern!](#) series for board members
- [PBPO Client Criteria & Request for Legal Assistance](#)
- Sign up for our mailing list [here](#)

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<sup>9</sup> **Directors and Officers (D&O) insurance** covers defense costs and damages arising out of wrongful act allegations and lawsuits brought against an organization's board of directors.

<sup>10</sup> **Employment practices liability insurance (EPLI)** covers employers against claims made by employees alleging discrimination, wrongful termination, harassment, and other employment-related issues.

<sup>11</sup> **General liability insurance** covers medical expenses and legal fees resulting from injuries and property damage for which an organization may be legally responsible.