

Uncertainty in the Charitable Sector: Insights from the NAAG NASCO Conference and Other AG Matters

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October 22, 2025

Charities serve a vital role in communities throughout the United States, providing essential services and advancing the public good. In recognition of their contributions, they are granted favorable tax treatment, which is balanced by heightened oversight from regulatory and enforcement authorities—including state attorneys general and, in some jurisdictions, secretaries of state. These officials are responsible for registering charitable organizations, overseeing their activities, and protecting charitable assets. A recent example of this oversight is the [settlement between Kars-R-Us.com Inc. and its owners with 19 states and the FTC](#), following allegations of deceptive charitable fundraising practices.

Each year, the National Association of Attorneys General and the National Association of State Charity Officials convene the NAAG NASCO Charities Conference, a forum where state charity regulators, nonprofit organizations, and their representatives attend panels and engage in dialogue on issues affecting the charitable sector. This year's conference, held in early October in Columbus, Ohio, featured sessions on fundraising practices, religious organizations, and complex organizational structures. It also featured a keynote address by former Ohio State and NBA basketball player turned commentator Clark Kellogg, who spoke about supporting the charitable sector.

In a session titled A View from the Sector During Challenging Times, panelists examined the mounting pressures facing the charitable sector amid shifting federal priorities. The discussion highlighted how nonprofits are contending with funding reductions, challenges to DEI initiatives, and threats to tax-exempt status. These changes have created a climate of uncertainty, prompting organizations to reassess their operations and legal exposure. Risk mitigation strategies discussed include revising program designs for compliance, renegotiating grant agreements, conducting targeted staff training, and removing potentially sensitive language from public-facing materials.

An example of the uncertainty currently facing charities emerged on October 9, when a coalition of ten Democratic state attorneys general issued a [joint statement](#) in response to the September 25, 2025 [White House Memorandum](#) on Countering Domestic Terrorism and Organized Political Violence. The memorandum directs the U.S. Department of Justice to investigate and potentially prosecute entities (including nonprofits and charities) and individuals engaged in certain acts. In their statement, the attorneys general asserted, "We strongly condemn the Trump Administration's naked effort to intimidate charities from fulfilling their missions and donors' intent. Our message to the nonprofits and charities we oversee is: You keep fulfilling your missions, and we will keep fighting against attempts to weaponize the government to suppress your legitimate activities and constitutional freedoms." This development reflects the increasingly precarious legal and political environment in which many charitable organizations now operate.

Charitable organizations should remain informed of developments at both the state and federal levels, as evolving policies and enforcement priorities can significantly impact their operations. AGs frequently offer guidance through online resources, educational conferences, and direct engagement. Nonprofit associations can also serve as valuable partners in navigating regulatory changes. And in times of uncertainty, seeking advice from experienced legal counsel can be critical to guiding compliance and protecting organizational missions.