Philanthropy Follow Up Meeting Minutes
- December 6, 1999

1. **Interagency Task Force**
   To be discussed in a coming meeting with DPC. Possible agenda items- staffing needs, task force mission and goals, participants, scheduling of first meeting.

2. **Ongoing Website**
   MaryEllen is working with counsel and ISNT to determine what makes most sense- to contract a "Gifts to the Future Website" to an outside vendor or incorporate the website into the First Lady's official webpage.

3. **CEA Report/ Conference Report**
   CEA will be distributing a report outline over the coming weeks for us all to peruse. Work on the report itself is scheduled to begin in February [after budget push] with a release sometime in the Spring. Andy Feldman is our point person on this initiative.

   The Millennium Council is proposing release of a Conference report. Malcolm is working with Ellen to clarify exactly what the goal of such a report would be. We could produce a transcript of the event in "speech book" form to be distributed by Correspondence. Or, we could produce a broad-based report of the Conference's themes, including latest research, Conference transcript and a listing of philanthropy resources. Once we get a better idea of what we would like, Millennium will run it by the group and Mrs. Clinton. Malcolm will work with Andy to avoid duplication and ensure we are on message with CEA.

4. **Press Clips Packet**
   Malcolm and the Millennium Council produced a packet of press clips from the event. Please contact him via email if you'd like a copy.

5. **Treasury Roundtable**
   Currently the Treasury Roundtable is being framed as a discussion/listening session between Treasury officials and nonprofits. Malcolm has been working with Treasury on the guest list and has been told he'll get a preview of the agenda. As discussed in our small group meeting today, it would be extremely helpful if representatives from DPC, FLOTUS, NEC, Millennium and OMB were in the room to listen in on the conversation. Malcolm is talking with Treasury today to allow for this, once we have a time, date and agenda to circulate we will get it out.

6. **Participant contact info/ Mailing List**
   Several Conference attendees contacted the White House about getting the contact information of their fellow participants. MaryEllen is checking with Social and Counsel to see if we can send out a letter asking permission to create such a document. If approved the letter will be drafted and sent out.

7. **Follow Up Invitations to HRC**

organizations (including private non-profit organizations, public organizations, and units of general purpose local government) for the development, establishment, expansion, operation, and coordination of resource and referral programs specifically related to child care;

(ii) Making grants or providing loans to child care providers to assist such providers in meeting applicable State, local, and tribal child care standards, including applicable health and safety requirements, pursuant to Secs. 98.40 and 98.41;

(iii) Improving the monitoring of compliance with, and enforcement of, applicable State, local, and tribal requirements pursuant to Secs. 98.40 and 98.41;

(iv) Providing training and technical assistance in areas appropriate to the provision of child care services, such as training in health and safety, nutrition, first aid, the recognition of communicable diseases, child abuse detection and prevention, and care of children with special needs;

(v) Improving salaries and other compensation (such as fringe benefits) for full-and part-time staff who provide child care services for which assistance is provided under this part; and

(vi) Any other activities that are consistent with the intent of this section.

(b) Pursuant to Sec. 98.16(h), the Lead Agency shall describe in its Plan the activities it will fund under this section.

(c) Non-Federal expenditures required by Sec. 98.53(c) (i.e., the maintenance-of-effort amount) are not subject to the requirement at paragraph (a) of this section.

Sec. 98.52 Administrative costs.

(a) Not more than five percent of the aggregate funds expended by the Lead Agency from each fiscal year's allotment, including the amounts expended in the State pursuant to Sec. 98.53(b), shall be expended for administrative activities. These activities may include

Invitations for Mrs. Clinton to attend "philanthropy" related events should be passed on to MaryEllen to then go to scheduling. If Mrs. Clinton can not attend [and depending on the event], we may choose to work with other offices to get other principals/cabinet officials to attend.

NEXT MEETING: Week of December 20th, exact time TBD

Future Agenda Items:

- **Day of Giving/ "Gifts to the Future Day"**
- **Youth Piece**
- **Follow Up meeting(s) with Advisors/Sponsors**
- **Follow up with Wealth Management/ Banking Industry**

but are not limited to:

(1) Salaries and related costs of the staff of the Lead Agency or other agencies engaged in the administration and implementation of the program pursuant to Sec. 98.11. Program administration and implementation include the following types of activities:

(i) Planning, developing, and designing the Child Care and Development Fund program;

(ii) Providing local officials and the public with information about the program, including the conduct of public hearings;

(iii) Preparing the application and Plan;

(iv) Developing agreements with administering agencies in order to carry out program activities;

(v) Monitoring program activities for compliance with program requirements;

(vi) Preparing reports and other documents related to the program for submission to the Secretary;

(vii) Maintaining substantiated complaint files in accordance with the requirements of Sec. 98.32;

(viii) Coordinating the provision of Child Care and Development Fund services with other Federal, State, and local child care, early childhood development programs, and before-and after-school care programs;

(ix) Coordinating the resolution of audit and monitoring findings;

(x) Evaluating program results; and

(xi) Managing or supervising persons with responsibilities described in paragraphs (a)(1)(i) through (x) of this section;

(2) Travel costs incurred for official business in carrying out the program;

(3) Administrative services, including such services as accounting services, performed by grantees or subgrantees or under agreements with third parties;

(4) Audit services as required at Sec. 98.65;

(5) Other costs for goods and services required for the

WHITE HOUSE PHILANTHROPY CONFERENCE
FOLLOW UP ACTIVITIES 12/13/99

TASK	MANAGER(S)	DEADLINE	STEPS
INTERAGENCY TASK FORCE: OBJECTIVE ONE Develop public inventory of best practices in existing collaborations between feds and nonprofits. Apply best practices to other Government efforts.	Malcolm/ MaryEllen/ Eric Gould	-Complete -Feb 1 -mid Feb -TBD	• Establish Dept Designees • Require Designees to Report out on individual Dept efforts • Discuss Dept findings with NonProfit Partners • Develop document for task force meeting
INTERAGENCY TASK FORCE: OBJECTIVE TWO Evaluate data and research trends on nonprofits and philanthropy = CEA Report.	Audrey/Andy/ Malcolm	-Jan 10 -Jan 14 -Feb -TBD -Spring	• Circulate outline of report for comment • Outline comments due • Report ready for comment • Report comments due • Report ready for release [or periodic release]

INTERAGENCY TASK FORCE: OBJECTIVE THREE Develop further policy responses.	• Eric Gould	-Complete -Continual	• Meet with nonprofit leaders for input on policy ideas • Begin formulation of policy ideas for budget
INTERAGENCY TASK FORCE: CONVENINGS	• Eric/ Malcolm/ MaryEllen	-TBD -TBD -TBD	• Initial Meeting: -Review process -Review best practices per Designee reports -Present ideas for meeting objectives one, two & three -Create Sub Task Force Groups for individual ideas put forth • Bring SubTask Force Groups together with Non Profits to work out details/feasibility of each proposal • Reconvene periodically for announcements and to review progress

TREASURY DISCUSSION	• Malcolm	-Complete -Continual	• Convene meeting • Follow up on ideas/comments generated at discussion
CONFERENCE REPORT	• Malcolm/	-Jan 4 -Week of Jan 11 -Late February -TBD	• Clarify format/purpose of Conference Report • Hire outside writer and assist in assembling pieces • Rough draft due for comment • Report Complete/Release
WEBPAGE Webpage will be designed to inform interested parties about the Conference itself and continued Conference follow up.	MaryEllen	-12/20 -Week of 1/3 -January -January -Jan/Feb	• Meet with counsel to determine need for outside contractor • Hire outside designer if needed • Collect ideas for page • Plan of action/rough draft of site circulated for review • Launch

YOUTH PIECE Work with Corporation for National Service to develop a youth philanthropy initiative [with the Gates Foundation].	Shirley/ MaryEllen/CNS	-Complete -Week of 12/13 -January -As Needed	• Meet with nonprofits and youth organizations to collect ideas for proposal • Draft proposal and circulate • Present proposal to Gates • Follow up
ESTABLISH PHILANTHROPY CONFERENCE "NETWORK" Create a working document of conference participants' contact information for circulation as a networking tool.	MaryEllen/ Malcolm	-12/20 -January 4 -Jan 11 -Jan 25 -Feb 1	• Meet with counsel to discuss possibility of contacting participants for personal info • Draft letter for participants • Letter out • Contact information due • Produce list and circulate
DAY OF GIVING	Ellen/Malcolm	-TBD	• TBD
FOLLOW UP INVITATIONS FOR HRC Invitations for Conference related events.	MaryEllen	-As arrive	• Funnel follow up invites to MaryEllen for HRC approval and scheduling
PRESS CLIPS	Malcolm	-Complete	• Produce Press Clips Package of event

ADVISOR/SPEAKER MEETING	Malcolm/ MaryEllen	-January -January -TBD	• Produce agenda and guest lists • Schedule meetings • Provide for meeting follow up/ funneling of meeting information

@home 703-548-4419

Treasury – Michael

Nonprofits Capacity Building Program (NCBP)
December 13, 1999 – DRAFT

In order to create a stronger and more effective nonprofit sector the Nonprofit Capacity Building Program (NCBP) would provide capacity and technical assistance to train and manage assistance for nonprofit and community-based organizations through development centers nationwide.

The NCBPs would provide counseling, training and technical assistance in all aspects of nonprofit management. These services may include: assisting nonprofits with start-up, budgeting and financial management, marketing, fundraising, board development, technology assistance, volunteer management, human resources, strategic planning, personnel management and program evaluation. They could also assist in creating and maintaining a centralized access point of information and databases about nonprofit organizations.

The structure of the program could be through grants made by a federal agency (i.e., Treasury) to statewide nonprofit associations or technical assistance providers 501(c)(3) organizations that would then provide services to other nonprofit and community-based organizations.

Funding

Funding for the NCBP is proposed to be at $100 million per year. A federal grant-making partner will provide up to 50 percent of the operating funds for each state NCBP. Matching funds, either in the form of direct contributions or in-kind support must be provided by one or more sponsors. In addition, membership dues and earned income may be included among the matching fund totals.

Eligibility

In each state, there will be a lead organization (LO) that will sponsor the NCBP and manage the program. The lead organization will eventually be responsible for coordinating program services offered to nonprofit organizations through a network of subcenters and satellite locations in each state. Each LO must provide for inclusive planning, evaluation, the involvement of a broad range of nonprofits and fair decision-making. At least 80 percent of the federal funds must be used to provide actual services to nonprofit organizations.

Eligible to apply are statewide nonprofit associations whose membership are open to all 501(c)(3) organizations, or other 501(c)(3) nonprofit technical assistance providers which provide management assistance to nonprofit institutions on a state level.

To qualify for funds, a provider must be a 501(c)(3) tax-exempt organization, have its own board, open to serve all 501(c)(3) nonprofit organizations in the state in which it is located, and demonstrate a level of experience and achievement in providing management assistance to nonprofit organizations.

Use of Funds

The four main objectives of the NCBP program are to:

1. strengthen the capacity and effectiveness of the nonprofit community;
2. increase community development;
3. assist a wide range of nonprofit organizations regardless of their size and institutional development; and
4. broaden the technical and management assistance delivery system to more nonprofit organizations.

Selection Criteria

In reviewing NCBP proposals, the federal grant-making entity will consider:

1. the applicant's ability to contribute matching funds;
2. the quality of prior performance;
3. evaluation of accomplishments in relation to clearly defined objectives;
4. evidence of efforts to leverage resources and effectiveness through public and/or private partnerships;
5. consideration of opportunities to use new technology to better serve nonprofit organizations; and
6. strategic partnerships with technical providers, consultants and academic institutions.

Outcomes

This initiative will better equip nonprofits executives, board members and community leaders with the knowledge and skills in management and governance to improve their organization's performance and service delivery. The NCBP will emphasize the importance of planning, strategic communications, alliances and restructuring, the use of evolving technologies, and evaluation and accountability with the nonprofits it works with. Among the key objectives of this initiative:

1. provide nonprofit boards with the highest quality management and technical assistance services specifically designed to meet their needs, resources and goals;
2. bring about cost effective, sustainable changes that strengthen nonprofits, their boards, and the services they can offer their clients.
3. customized and convenient access to accurate and timely data and information for nonprofit organizations;
4. the development, promotion and institutionalization of best practices and standards; and
5. improved technology acquisition and application.

J. Eric Gould 12/02/99 06:20:54 PM

Record Type: Record

To: Ann O'Leary/OPD/EOP@EOP

cc:
Subject: ira rollover

this is a draft memo from DPC, NEC, and TREAS - it never went anywhere. In bold is the info on tax free rollovers. I have some other info. in favor of the idea from Urban Institute if your interested.

September 9, 1999 – DRAFT

MEMORANDUM FOR THE PRESIDENT

FROM:

SUBJECT: Tax Proposals to Increase Charitable Giving

You asked us for an analysis of recent charitable giving proposals and for ideas we could implement by executive order or enact this Congressional session. Below, we analyze the major recent tax proposals intended to encourage charitable giving, including ones included in the Senate-passed tax bill and in Governor Bush's plan, as well as some possible alternatives. Several of these issues could be raised in any possible tax negotiations this fall, considered for announcement at the October Philanthropy Conference, or considered for your FY2001 budget.

Impact of General Provisions in Tax Bill on Charitable Giving

At the outset, it should be noted that while the tax bill includes some provisions to promote charitable giving, other provisions in the tax bill would lead to reduced giving. The reductions in individual income and capital gains tax rates would reduce the value of the charitable deduction for itemizers, and thus reduce the incentive for lifetime charitable gifts. In addition, repeal of the estate tax would significantly reduce the incentive for charitable contributions. The current estate tax rates of up to 55 percent provide a substantial incentive for charitable bequests. The results of economic studies of the effects of deductibility of charitable bequests suggest that repeal of the estate tax could reduce charitable bequests of the wealthy by as much as 25 percent. Estate tax returns filed in 1997 reported over $14 billion in charitable bequests, an amount that has been growing rapidly due to the stock market boom.

With that background, here is an analysis of the specific tax proposals.

<u>Deductibility of Individual Charitable Contributions</u>

Recent proposals would increase individuals' deductions for charitable gifts, by allowing a deduction for non-itemizers and/or increasing the current limits on the deduction for those who itemize.

<u>Current Law</u>

Under current law, taxpayers who itemize their deductions can claim a deduction for contributions made to qualified charitable organizations, up to certain percentage limits. In the case of an individual taxpayer, the total deductible contributions generally may not exceed 50 percent of the taxpayer's adjusted gross income (AGI). A lower limit of 30 percent of the taxpayer's AGI applies in the case of gifts of certain appreciated property (however, taxpayers who donate appreciated property receive a special benefit, because they do not pay tax on the built-in capital gain). If the contribution is made to a private foundation, these percentage limits are reduced to 30 percent and 20 percent, respectively. Unused deductions can be carried forward for up to five years.

Individuals who elect the standard deduction (non-itemizers) may not claim a deduction for their charitable contributions, but the amount of the standard deduction includes an allowance for estimated average charitable contributions

<u>Bush Proposal</u>

Governor Bush has proposed to allow taxpayers who take the standard deduction the opportunity to deduct their charitable contributions. He has not released any details of how he would structure his proposal.

<u>Senate Proposal</u>

The Senate-passed tax bill, S. 1429, included a proposal to allow non-itemizers who take the standard deduction also to claim a charitable deduction of up to $50 for single filers and $100 for joint filers in the years 2000 and 2001. The Joint Committee on Taxation (JCT) estimated the proposal would cost $1.3 billion. This proposal was not included in the final conference report.

There are several problems with this proposal. Extending the charitable contribution deduction to non-itemizers in this way would probably stimulate little, if any, additional charitable giving. The proposal would be difficult for the IRS to enforce, as taxpayers would be encouraged simply to claim the maximum deduction ($50 or $100). Moreover, the standard deduction theoretically includes an allowance for charitable giving. Therefore, non-itemizers should not be allowed to claim both the standard deduction and a deduction for the first $50 or $100 of their charitable contributions.

In addition to the proposal for non-itemizers, the Senate bill included a provision that would gradually increase the percentage limits on deductible contributions to qualified charitable organizations (other than private foundations) from 50 percent and 30 percent (in the case of gifts of certain appreciated property) of AGI, to 70 percent and 50 percent of AGI, respectively. JCT estimated this proposal would cost $3.7 billion over 2002-2009.

The proposal to increase the percentage limits would benefit a relatively small number of taxpayers. Under current law, less than one percent of individuals who claim a charitable contribution deduction are affected by the percentage limits, but 10 percent of charitable contributions were not currently deductible because of the limits. The deduction limits are most significant for the wealthiest taxpayers, with 19 percent of charitable contributions by taxpayers with at least $1 million in income not being currently deductible. Some of the charitable contributions disallowed due to the limit may be deducted in future years, as a result of the five-year carry forward.

. An Alternative Approach

An alternative to the Senate-passed provision for non-itemizers would be to allow non-itemizers to claim a deduction (or tax credit A variation on this approach would be to allow non-itemizers to claim an income tax credit in lieu of a deduction. For example, non-itemizers could be allowed to claim a 15 percent tax credit for their aggregate charitable contributions in excess $500. A tax credit for charitable contributions by non-itemizers would be somewhat more equitable than a deduction, because it would benefit all taxpayers equally, without regard to their marginal income tax rate.) for charitable contributions above a certain floor. The floor would be set at a level that exceeds the average charitable contribution by non-itemizers (estimated to be $465 in 1996). Thus, for example, non-itemizers could be allowed to deduct their aggregate charitable contributions in excess of $500. Although any proposal to allow a charitable contribution deduction (or tax credit) for non-itemizers would add complexity and some level of administrative burden, the use of the threshold amount would at least reduce potential enforcement problems and increase the possibility that the deduction (or tax credit) would reward large or increased charitable contributions. In 1997, JCT estimated that allowing non-itemizers to deduct in full aggregate annual charitable contributions in excess of a flat floor of $500 for single filers ($1,000 for joint filers) would cost about $6 billion per year.

One variation on this approach would be to allow non-itemizers to deduct only a portion of their charitable contributions in excess of $500. For example, Independent Sector, an umbrella group for nonprofits, has proposed that non-itemizers be allowed to deduct 50 percent of charitable contributions above $500. This approach is also consistent with a bill, H.R. 1310, introduced earlier this year by Rep. Philip M. Crane (R-Ill.). In 1997, JCT estimated that allowing non-itemizers to deduct 50 percent of aggregate annual charitable contributions in excess of a flat floor of $500 for single filers ($1,000 for joint filers) would cost about $2 billion per year.

Would Any of These Proposals Increase Giving?

A study published in the June 1999 National Tax Journal concludes that charitable contributions are somewhat sensitive to the tax price, and thus taxpayers will give more if given a tax incentive to do so. The study found, however, that itemizers are more price sensitive than non-itemizers, implying that increasing incentives for itemizers would stimulate more giving per dollar of lost tax revenues than incentives aimed at non-itemizers. However, the level of responsiveness even for itemizers is relatively low. *Although the issue remains unsettled*, recent studies have generally concluded that the revenue cost of the charitable contribution deduction for itemizers exceeds the additional giving to charity.

The National Tax Journal study is based on data covering the tax law in effect from 1982-86, which allowed non-itemizers first to deduct increasing amounts until, in 1986, they could deduct the full amount of charitable contributions. In 1986, 90 percent of itemizers claimed deductions averaging $1,463 and 46 percent of non-itemizers claimed deductions averaging $477. From 1985 when non-itemizers could deduct 50 cents on the dollar to 1986 when they could deduct 100 cents on the dollar, the percent of non-itemizers donating rose from 42 to 46 percent and the average amount increased from $376 to $477. This likely overstates the true effect as many taxpayers accelerated charitable contributions into 1986, to take advantage of the non-itemizer deduction before it expired. Even so, this study found that the cost to Treasury of a full deduction to non-itemizers is likely to be more than the added giving to the charities. That is, a dollar of tax deductions produced less than a dollar of additional giving.

Research has also shown that lower-income taxpayers, who tend to be non-itemizers, are more likely to give contributions to religious charities, rather than foundations and schools favored by higher-income taxpayers. It follows, then that extension of the itemizers-only deduction to non-itemizers would confer the greatest benefit upon religious and social service charities.

Tax-Free Rollovers of IRA Assets to Charity

A second proposal made by Governor Bush would allow people over age 59-1/2 to make charitable contributions with IRA funds without paying income tax. The final conference report included a version of this proposal, which would allow people over age 70-1/2 to make tax-free distributions of IRA assets to charity. JCT has estimated that the proposal included in the conference report would cost $1.6 billion over 2003-2009.

Current law

Under current law, distributions from an IRA are includible in the gross income of the account owner, except to the extent that the distribution represents a return of after-tax contributions to the account. Also, as discussed above, current law allows taxpayers who itemize their deductions to claim a deduction, subject to certain percentage limits, for charitable contributions to qualified charitable organizations. The amount of the itemized deductions otherwise allowable may be reduced for taxpayers with AGI above certain levels.

→ 847-491-7942

Discussion

Any proposal to allow tax-free rollovers of IRA assets to charity would be inequitable, because it would provide more favorable tax treatment to taxpayers who fund their charitable contributions using IRA assets than those who use other income or assets. For example, taxpayers who make contributions using IRA assets would (in effect) receive the benefit of a charitable contribution deduction without regard to whether they itemize their deductions, and without regard to present-law limitations on deductible charitable contributions. By contrast, taxpayers who fund charitable contributions using other income or assets would continue to be subject to these limitations.

To the extent that the limitations on deductions under present law are too restrictive, it would be better to modify those limitations as they apply to all taxpayers than to create an exception for charitable contributions funded using IRAs. Although there is considerable support in the charitable giving community for the IRA rollover proposal, the community would also likely support a more broad-based approach.

Importance of Steps to Eliminate Abusive Transactions Involving Charities

Any efforts to stimulate and reward charitable giving should be combined with efforts to eliminate the promotion of aggressive tax-avoidance schemes that purport to give rise to charitable contribution deductions. Treasury and the IRS will continue to work with Congress to identify the latest abuses and ensure that a charitable contribution deduction is available only for true gifts to charity. However, increased tax incentives to make donations will make abusive schemes potentially more profitable, and could make monitoring compliance more difficult.

Susan Brown
no problem -

unhappy
[illegible]
likely more gifts

→ Cong support
to eliminate [illegible]
more gifts

[illegible]
[illegible]
[illegible]

Sen [illegible]
— direct gifts
likely - more gifts

NORTHWESTERN

UNIVERSITY

SPECIAL ASSISTANT TO THE PRESIDENT FOR
GOVERNMENT AND COMMUNITY RELATIONS

November 2, 1999

The First Lady, Mrs. Hillary Rodham Clinton
The White House, Second Floor, West Wing
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear Mrs. Clinton:

It was a pleasure to meet you at the Democratic Senatorial Campaign Committee dinner. I appreciated your responsiveness in requesting that I follow up with further information on the IRA charitable rollover legislation (H.R. 1311, S. 1086). If enacted, this legislation would allow a donor to transfer IRA assets to charity with favorable tax treatment--as a direct gift, tax-free, or as a deferred gift, subject to tax only on life-income payments. This legislation is consistent with the purposes of the recent White House Conference on Philanthropy. Attached is the list I promised of 30 national associations and 350 state and local organizations that endorse this legislation and represent its broad support by charities nationwide.

As I mentioned, Jim Argue had previously written to you on behalf of the Arkansas Methodist Association, seeking your support for this legislation. Also, I have learned from Jim that Father Ryan, Special Assistant to the President at LeMoyne College in Syracuse, had urged your support for this issue when you were on your Listening Tour.

This legislation is needed because of disincentives and complexities in current tax law. Although many donors inquire about giving IRA assets to charity, few do so after learning that they must pay tax on the entire withdrawal, offset only in part by the charitable deduction. The original proposal, introduced last year by Congresswoman Kennelly and this year by Congressmen Neal (D-MA) and Crane (R-IL) in the House and by Senators Durbin (D-IL) and Hutchison (R-TX) in the Senate, would provide a tax exclusion for direct and deferred gifts of IRA assets to charity by taxpayers 59½ years old. A charitable deduction could only be taken to the extent that the donor had made contributions to the IRA with after-tax dollars. When this proposal was included in the Senate tax bill (S.1429), the eligible age was increased to 70½ years old, which removed the policy objections raised by Treasury against non-retirement use of retirement funds. In the conference version of the tax bill (H.R. 2488), which was vetoed by President Clinton, the proposal was further limited to direct (not deferred) gifts as a means of reducing the provision's cost. The ten-year estimate for the original proposal is $3.1 billion, for the Senate version $2.4 billion, and for the conference version $1.6 billion.

I believe this legislation would help implement the goals of the Clinton Administration. In his remarks at the White House Conference on Philanthropy, the President agreed with you about the desirability of increasing by one percent the percentage of our national income devoted to

633 CLARK STREET EVANSTON, ILLINOIS 60208-1117 847-491-7490 FAX 847-491-7942 E-MAIL grierdavis@nwu.edu

charitable giving. In addition, the President reported that he had asked the Treasury and the Council of Economic Advisers to study and make recommendations on whether the government can do more to increase philanthropy. In particular, the President emphasized the need to assess the impact on charitable giving of retirement by the baby-boomer generation.

The greatest, untapped potential resource for a substantial increase in charitable giving consists of IRA assets and other qualified retirement plan assets that can be rolled over into an IRA under current law. In addition, economists estimate that more than $10 trillion dollars in wealth will be transferred to the so-called baby-boomer generation from their parents. One result of this large generational transfer is that, for many individuals, IRA assets accumulated under favorable market conditions will be less necessary for their retirement and, at least in part, available for charitable giving.

For these reasons, I urge that you encourage the President to include the original IRA charitable rollover proposal (H.R. 1311, S. 1086) in the Administration's budget for FY 2001. I can assure you that charitable organizations throughout the nation would be grateful for your support on this issue, and for the President's initiative if he chooses to act on behalf of this legislation. In this connection, you may be interested to learn (if you do not already know) that Governor George W. Bush included the original proposal in his list of charitable provisions that he would seek to enact if he were elected President.

I am one of the co-chairs for the broad-based IRA Charitable Rollover Working Group, the other being Matt Hamill, the Vice President for Public Policy of the Independent Sector. Several members of our group met this summer with Susan Brown from the Treasury staff and with Bill Dauster and Brian Kennedy from the Council of Economic Advisers staff. Consequently, all three are familiar with the issue. I am faxing this letter, as you suggested, to the attention of Pam Cicetti on your staff and will follow up with her after you have had time to consider this issue.

Thank you for your consideration of support for the IRA charitable rollover proposal, which could have a major, positive impact upon the charitable sector. Please let me know if you need additional information or want questions answered.

Best wishes on your campaign for the Senate in New York. In this regard, please note that, after the attached list of endorsing organizations was sent to the Members of the two tax committees, other signatories were added, including Columbia University and Syracuse University for the State of New York.

Sincerely,

Grier Davis

C. Grier Davis Jr.

Enclosure

NATIONAL ASSOCIATIONS AND LOCAL ORGANIZATIONS ENDORSING THE IRA CHARITABLE ROLLOVER INCENTIVE ACT

NATIONAL ASSOCIATIONS

1. Alzheimer's Disease and Related Disorders Association
2. American Arts Alliance
3. American Association of Community Colleges
4. American Association of Museums
5. American Association of State Colleges and Universities
6. American Bar Association
7. American Council on Education
8. American Heart Association
9. American Institute for Cancer Research
10. Amnesty International USA
11. American Red Cross
12. Association for Healthcare Philanthropy
13. Association of American Universities
14. Association of Art Museum Directors
15. Association of Jesuit Colleges and Universities
16. Baptist Joint Committee
17. Charitable Accord
18. Council for Advancement and Support of Education
19. Council on Foundations
20. Council of Graduate Schools
21. Goodwill Industries International
21. Independent Sector
22. National Association of College and University Business Officers
23. National Association of Independent Colleges and Universities
24. National Association of Independent Schools
25. National Association of State Universities and Land Grant Colleges
26. National Committee on Planned Giving
27. National Wildlife Federation - Vienna, VA
27. National Society of Fund Raising Executives
28. United Jewish Communities
29. United Way of America
30. Wilderness Society

LOCAL ORGANIZATIONS

ALABAMA:

1. Birmingham-Southern College - Birmingham, AL
2. Council for the Advancement of Private Colleges in Alabama - Birmingham, AL
3. East End Memorial Foundation - Birmingham, AL
4. Samford University - Birmingham, AL
5. Springhill College - Mobile, AL

ARIZONA:

6. Carondelet Foundation - Tucson, AZ
7. Conservative Baptist Foundation of Arizona - Phoenix, AZ
8. Family Life Broadcasting System - Tucson, AZ
9. Scottsdale Memorial Health Foundation - Scottsdale, AZ
10. Sun Health Foundation - Sun City, AZ
11. The University of Arizona - Tucson, AZ
12. Valley of the Sun YMCA - Phoenix, AZ

ARKANSAS:

13. Arkansas Community Foundation - Little Rock, AR
14. Independent Colleges of Arkansas - North Little Rock, AR

CALIFORNIA:

13. Biola University, Inc. - La Mirada, CA
14. California Community Foundation - Los Angeles, CA
15. California State University - Long Beach, CA
16. Claremont Graduate University - Claremont, CA
17. Council of Jewish Federations - Half Moon Bay, CA
18. El Camino Hospital Foundation - Mountain View, CA
19. Hoag Hospital Foundation - Newport Beach, CA
20. House Ear Institute - Los Angeles, CA
21. Inland Christian Home Foundation - Ontario, CA
22. Lucile Packard Foundation for Children's Health - Palo Alto, CA
23. MAF Foundation - Redlands, CA
24. Marin Community Foundation - Larkspur, CA
25. Memorial Medical Center Foundation - Long Beach, CA
26. Mercy Foundation - Sacramento, CA
27. Ontario Christian Schools - Ontario, CA
28. Salem Foundation, Inc. - Ontario, CA
29. Samaritan Counseling Center - Ontario, CA
30. Union Rescue Mission - Los Angeles, CA
31. University of California
32. University of Redlands - Redlands, CA
33. University of Southern California - Los Angeles. CA
34. Westmont College - Santa Barbara, CA
35. Wycliffe Bible Translators - Huntington Beach CA

COLORADO:

36. Catholic Foundation of the Diocese of Colorado Springs, Inc. - Colorado Springs, CO
37. Independent Higher Education of Colorado - Denver, CO
38. Regis University - Denver, CO
39. Roundup Fellowship - Denver, CO
40. University of Colorado Foundation - Boulder, CO
41. University of Denver - Denver, CO

CONNECTICUT:

42. Danbury Hospital Development Fund - Danbury, CT
43. Fairfield University - Fairfield, CT
44. Hartford Foundation for Public Giving - Hartford, CT
45. Stamford Health Foundation and Stamford Health System - Stamford, CT
46. United Methodist Homes of Connecticut - Shelton, CT
47. YWCA - New Britain, CT
48. Yale University - New Haven, CT

DELAWARE:

49. Jewish Federation of Delaware - Wilmington, DE
50. Jewish Funds for the Future - Wilmington, DE
51. Winterthur Museum, Garden and Library - Winterthur, DE

DISTRICT OF COLUMBIA:

52. Georgetown University - Washington, DC
53. Washington Hospital Center - Washington, DC

FLORIDA:

54. All Children's Hospital Foundation - St. Petersburg, FL
55. Florida International University - Miami, FL
56. Samuel P. Harn Museum of Art - Gainesville, FL
57. Miami Art Museum - Miami, FL
58. John and Mable Ringling Museum of Art - Sarasota, FL
59. Stetson University - DeLand, FL
60. Tampa Museum of Art - Tampa, FL
61. University of Florida - Gainesville, FL

GEORGIA:

62. Berry College - Mount Berry, GA
63. Michael C. Carlos Museum - Atlanta, GA
64. Columbus Museum of Art - Columbus, GA
65. Mercer University - Macon, GA

HAWAII:

66. Kapi'olani Health Foundation - Honolulu, HI
67. Punahou School - Honolulu, HI
68. University of Hawaii Foundation - Honolulu, HI

ILLINOIS:

69. Art Institute of Chicago - Chicago, IL
70. Aurora Foundation - Aurora, IL
71. Benedictine University - Lisle, IL
72. Bradley University - Peoria, IL
73. Catholic Diocese of Peoria - Peoria, IL
74. Chicago Botanic Garden - Chicago, IL
75. Chicago Symphony Orchestra - Chicago, IL
76. The Children's Home Association of Illinois - Evanston, IL
77. Christian Homes, Inc. - Lincoln, IL
78. Donors Forum of Chicago - Chicago, IL
79. Federation of Independent Illinois Colleges and Universities - Springfield, IL
80. Field Museum - Chicago, IL
81. Illinois Arts Alliance - Chicago, IL
82. Illinois Institute of Technology - Chicago, IL
83. Jewish Federation of Metropolitan Chicago - Chicago, IL
84. Lincoln College - Lincoln, IL
85. Loyola University of Chicago - Chicago, IL
86. Lutheran Bible Translators - Aurora, IL
87. Lutheran Social Services of Illinois - Des Plaines, IL
88. Moody Bible Institute of Chicago - Chicago, IL
89. Northern Illinois University - DeKalb, IL
90. Northwestern University - Evanston, IL
91. Principia College - Elsah, IL
92. University of Chicago - Chicago, IL
93. University of Illinois - Champaign-Urbana, IL
94. University of Illinois Foundation - Urbana, IL
95. Wheaton College - Wheaton, IL

INDIANA:

96. Independent Colleges of Indiana, Inc. - Indianapolis. IN
97. Indiana University - Bloomington, IN
98. Indianapolis Museum of Art - Indianapolis, IN
99. Manchester College - North Manchester, IN
100. Mennonite Foundation. Inc. - Goshen, IN
101. St. Vincent Hospital Foundation - Indianapolis. IN

IOWA:

102. Buena Vista University - Storm Lake, IA
103. Hillcrest Family Services - Dubuque, IA
104. University of Iowa Foundation - Iowa City, IA

KANSAS:

105. Kansas Independent College Association - Topeka, KS
106. Kansas University Endowment Association - Lawrence, KS
107. Wichita State University - Wichita, KS

KENTUCKY:

108. Asbury College - Wilmore, KY
109. Kentucky Baptist Foundation - Louisville, KY
110. Midway College - Midway, KY
111. University of Kentucky - Lexington, KY

LOUISIANA:

112. Audubon Institute - New Orleans, LA
113. The Catholic Foundation of the Archdiocese of New Orleans - New Orleans, LA
114. Louisiana State University System - Baton Rouge, LA
115. Tulane University - New Orleans, LA
116. University of Southwestern Louisiana - Lafayette, LA

MAINE:

117. Colby College - Waterville, ME
118. Hebron Academy - Hebron, ME
119. Maine Medical Center - Portland, ME
120. University of Maine Foundation - Bangor, ME

MARYLAND:

121. THE ASSOCIATED: Jewish Community Federation of Baltimore - Baltimore, MD
122. Catholic Relief Services - Baltimore, MD
123. General Conference of Seventh-Day Adventists - Silver Springs, MD
124. Hebrew Home of Greater Washington - Rockville, MD
125. Homewood Retirement Centers, Inc. - Williamsport, MD
126. Hood College - Frederick, MD
127. Johns Hopkins University - Baltimore, MD
128. Trinity Missions - Silver Spring, MD
129. University of Maryland System - Adelphi, MD

MASSACHUSETTS:

130. Boston College - Chestnut Hill, MA
131. Boston Symphony Orchestra - Boston, MA
132. The First Church of Christ, Scientist - Boston, MA
133. Gordon College - Wenham, MA
134. Gordon Conwell Theological Seminary - South Hamilton, MA
135. Harvard University - Cambridge, MA
136. Massachusetts Conference of the United Church of Christ - Mattapoisett, MA
137. Massachusetts General Hospital - Boston, MA
138. Massachusetts Institute of Technology - Cambridge, MA
139. Smith College - Northhampton, MA
140. Swedish Home for Scandinavians - Newton, MA
141. Wellesley College - Wellesley, MA
142. Woods Hole Oceanographic Institution - Woods Hole, MA
143. Worchester Polytechnic Institute - Worchester, MA

MICHIGAN:

144. Henry Ford Health System - Detroit, MI
145. Kalamazoo College - Kalamazoo, MI
146. Michigan State University - East Lansing, MI
147. Northern Michigan University - Marquette, MI
148. University of Michigan - Ann Arbor, MI

MINNESOTA:

149. Mayo Foundation - Rochester, MN
150. Minneapolis Institute of Arts - Minneapolis, MN
151. Minnesota State University - Mankato, MN
152. Saint Mary's University of Minnesota - Winona, MN
153. Saint Paul Foundation - St. Paul, MN
154. University of Minnesota - Minneapolis, MN
155. University of Minnesota Foundation - Minneapolis, MN
156. Winona Area Public Schools Foundation, Inc. - Winona, MN

MISSISSIPPI:

157. Mississippi Museum of Art - Jackson, MS
158. Mississippi State University - Mississippi State, MS

MISSOURI:

159. Jesuits of the Missouri Province - St. Louis, MO
160. Lutheran Church-Missouri Synod Foundation - St. Louis, MO
161. Missouri Baptist Foundation - Jefferson City, MO
162. National Benevolent Association - St. Louis, MO
163. Washington University - St. Louis, Missouri

MONTANA:

164. University of Montana Foundation - Missoula, MT
165. Yellowstone Boys and Girls Ranch Foundation - Billings, MT

NEBRASKA:

166. Creighton University - Omaha, NE
167. University of Nebraska Foundation - Lincoln, NE

NEVADA:

168. Nevada Planned Giving Roundtable - Las Vegas, NV

NEW HAMPSHIRE:

169. New Hampshire College - Manchester, NH

NEW JERSEY:

170. Atlantic City Rescue Mission - Atlantic City, NJ
171. Community Medical Center Foundation, Inc. - Toms River, NJ
172. Friends of Israel Gospel Ministry, Inc. - Bellmawr, NJ
173. Hackensack University Medical Center Foundation - Hackensack, NJ
174. Jersey Animal Coalition, Inc. - Maplewood, NJ
175. Kent Place School - Summit, NJ
176. Newark Museum - Newark, NJ
177. Monmouth Health Care Foundation - Long Branch, NJ
178. Princeton University - Princeton, NJ
179. Rutgers, The State University of New Jersey - New Brunswick, NJ
180. St. Peter's College - Jersey City, NY
181. Stevens Institute of Technology - Hoboken, NJ

NEW MEXICO:

182. Sandia Preparatory School - Albuquerque, NM
183. New Mexico Baptist Foundation - Albuquerque, NM

NEW YORK:

184. Asia Society Galleries - New York, NY
185. Bassett Healthcare - Cooperstown, NY
186. Beth Israel Medical Center - New York, NY
187. Cornell University - Ithaca, NY
188. CVPH Medical Center - Plattsburg, NY
189. El Museo del Barrio - New York, NY
190. Episcopal Church Foundation - New York, NY
191. Fordham University - New York, NY
192. Hudson Valley Hospital Center - Peekskill, NY
193. Jesuit Colleges - Le Moyne, NY
194. Memorial Art Gallery - Rochester, NY
195. Metropolitan Museum of Art - New York, NY
196. Mill Neck Foundation for Deaf Ministry - Mill Neck, NY
197. Natural Resources Defense Counsel - New York, NY
198. New York University - New York, NY
199. Peale Center for Christian Living - Pawling, NY
200. State University of New York at New Paltz - New Paltz, NY
201. State University of New York at Stony Brook - Stony Brook, NY
202. UJA-Federation of Jewish Philanthropies of New York
203. The University of Rochester - Rochester, NY
204. United Methodist Church Foundation, Inc. - Cicero, NY
205. Whitney Museum of American Art - New York, NY

NORTH CAROLINA:

206. Davidson College - Davidson, NC
207. East Carolina University - Greenville, NC
208. Greensboro College - Greensboro, NC
209. Greensboro College Foundation - Greensboro, NC
210. North Carolina State University - Raleigh, NC
211. Roman Catholic Diocese - Charlotte, NC
212. SIM International Inc. - Charlotte, NC
213. United Methodist Church Foundation, Inc. - Raleigh, NC

OHIO:

214. John Carroll University - Cleveland, OH
215. Kent State University - Kent, OH
216. Laurel School - Shaker Heights, OH
217. Ohio State University - Columbus, OH
218. Shawnee State University - Portsmouth, OH
219. United Church of Christ Commission on Development - Cleveland, OH

OKLAHOMA:

220. Oklahoma State University - Stillwater, OK

OREGON:

221. CB Foundation - Portland, OR
222. Chemeketa Community College Foundation - Salem, OR
223. Oregon Episcopal School - Portland, OR
224. Oregon Independent Colleges Association - Portland, OR
225. Providence Health System of Oregon - Portland, OR
226. Retriever Development Council - Portland, OR
227. St. Vincent Medical Foundation - Portland, OR
228. Southern Oregon University Foundation - Ashland, OR

PENNSYLVANIA:

229. The Andy Warhol Museum - Pittsburg, PA
230. Archdiocese of Philadelphia - Philadelphia, PA
231. The Beaver County Foundation - Beaver, PA
232. Berks County Community Foundation - Reading, PA
233. Brandywine River Museum, Brandywine Conservancy - Chadds Ford, PA
234. Brethren Home Foundation - New Oxford, PA
235. Bucknell University - Lewisburg, PA
236. California University of Pennsylvania - California, PA
237. Curtis Institute of Music - Philadelphia, PA
238. Ephrata Community Hospital Foundation - Ephrata, PA
239. Jacob Eagle Foundation, Inc. - Grantham, PA
240. La Roche College - Pittsburgh, PA
241. Lafayette College - Easton, PA
242. Lebanon Valley College - Annville, PA
243. National Philanthropic Trust - Jenkintown, PA
244. The Pennsylvania State University - University Park, PA
245. Riddle Memorial Foundation - Media, PA
246. University of Pennsylvania - Philadelphia, PA

RHODE ISLAND:

247. Brown University - Providence, RI
248. Jewish Federation of Rhode Island - Providence, RI

SOUTH CAROLINA:

249. The St. Francis Health System - Greenville, SC

TENNESSEE:

250. University of Tennessee - Knoxville, TN
251. Vanderbilt University - Nashville, TN

TEXAS:

252. Baptist Foundation of Texas - Dallas, TX
253. Baylor University - Waco, TX
254. CRC of the Jewish Federation of Greater Houston - Houston, TX
255. Children's Medical Center of Dallas - Dallas, TX
256. Contemporary Art Museum - Dallas, TX
257. Contemporary Art Museum - Houston, TX
258. Endowment Fund of the Jewish Community of Houston - Houston, TX
259. The Greater Houston Community Foundation - Houston, TX
260. Harris Methodist Health Foundation - Fort Worth, TX
261. Houston Baptist University - Houston, TX
262. Houston Grand Opera - Houston, TX
263. Independent Colleges and Universities of Texas - Austin, TX
264. Jewish Federation of Greater Dallas - Dallas, TX
265. Jewish Federation of Greater Houston - Houston, TX
266. LeTourneau University - Longview, TX
267. Miracle Farm - Katy, TX
268. Modern Art Museum of Fort Worth - Fort Worth, TX
269. Museum of Fine Arts - Houston, TX
270. Presbyterian Healthcare Foundation - Dallas, TX
271. Rice University - Houston, TX
272. Southern Methodist University - Dallas, TX
273. Texas A & M University - College Station, TX
274. Texas Baptist Children's Home - Katy, TX
275. Texas Methodist Foundation - Austin, TX
276. Texas Presbyterian Foundation - Dallas, TX
277. The Seton Fund of the Daughters of Charity of St. Vincent De Paul - Austin, TX
278. University of Mary Hardin-Baylor - Belton, TX
279. University of Texas System - Austin, TX

UTAH:

280. Utah State University - Logan, UT
281. Utah Valley State College - Orem, UT

VIRGINIA:

282. Alexandria Hospital Foundation - Alexandria, VA
283. Association for Research and Enlightenment, Inc. - Virginia Beach, VA
284. George Mason University Foundation, Inc. - VA
285. Hampden-Sydney College - Hampden-Sydney, VA
286. International Mission Board, SBC - Richmond, VA
287. James Madison University - Harrisonburg, VA
288. Navy Marine Coast Guard Residence Foundation - McLean, VA
289. National Rifle Association Foundation - Fairfax, VA
290. Radford University - Radford, VA
291. Randolph-Macon Woman's College - Ashland, VA
292. Richmond Forum - Richmond, VA
293. Sunnyside Retirement Communities - Harrisonburg, VA

294. Tidewater Jewish Foundation - Virginia Beach, VA
295. University of Richmond - Richmond, VA
296. Virginia Baptist Foundation, Inc. - Richmond, VA

VERMONT:

297. Middlebury College - Middlebury, VT
298. Norwich University - Northfield, VT
299. University of Vermont - Burlington, VT

WASHINGTON:

300. America Baptist Foundation - Valley Forge, WA
301. University of Washington - Seattle WA
302. Whitman College - Walla Walla, WA
303. Whitworth Foundation - Spokane, WA

WEST VIRGINIA:

304. Monongalia Health System, Inc. - Morgantown, WV
305. West Virginia Association of Independent Colleges, Inc. - Charleston, WV

WISCONSIN:

306. Children's Hospital Foundation of Wisconsin - Milwaukee, WI
307. St. Luke's Medical Center - Milwaukee, WI
308. University of Wisconsin - Madison, WI

Supplement to
NATIONAL ASSOCIATIONS AND LOCAL ORGANIZATIONS
ENDORSING THE IRA CHARITABLE ROLLOVER INCENTIVE ACT

NATIONAL ASSOCIATIONS

31. National Association of Latino Elected and Appointed Officials Educational Fund

LOCAL ORGANIZATIONS

CALIFORNIA:

309. Asian Art Museum of San Francisco - San Francisco, CA
310. Marymount College - Rancho Palos Verdes, CA
311. Saint Mary's College of California - Moraga, CA
312. Santa Clara University - Santa Clara, CA

COLORADO:

313. Denver Rotary Club Foundation - Denver, CO
314. Historic Denver, Inc. - Denver, CO
315. OC International - Colorado Springs, CO
316. Spalding Community Foundation - Denver, CO

DISTRICT OF COLUMBIA:

317. Hospice and Palliative Care of Metropolitan Washington - Washington, DC
318. Hospice Care of DC - Washington, DC

HAWAII:

319. Rehab Foundation - Honolulu, HI
320. William S. Richardson School of Law - Honolulu, HI

ILLINOIS:

321. Brookfield Zoo - Brookfield, IL
322. Illinois Symphony Orchestra - Springfield & Bloomington-Normal, IL

IOWA:

323. Community Foundation of Waterloo and NE Iowa - Waterloo IA

KANSAS:

324. Kansas 4-H Foundation - Manhattan, KS

MINNESOTA:

325. University of St. Thomas - St. Paul, MN

NEVADA:

326. University of Nevada, Las Vegas Foundation - Las Vegas, NV

NEW YORK:

327. Anti-Defamation League Foundation - New York, NY
328. The College of New Rochelle - New Rochelle, NY
329. Hamilton College - Clinton, NY
330. Rensselaer Polytechnic Institute - Troy, NY
331. Union Theological Seminary in the City of New York - New York, NY

NORTH CAROLINA:

332. Roanoke Bible College - Elizabeth City, NC
333. Wake Forest University - Winston-Salem, NC

OHIO:

334. University of Cincinnati Foundation - Cincinnati, Ohio
335. Wilmington College - Wilmington, OH

OREGON:

336. Jesuit High School - Portland, OR

PENNSYLVANIA:

337. Temple University - Philadelphia, PA

TENNESSEE:

338. The Christian Broadcasting Network, Inc. - Antioch, TN
339. Methodist Le Bonheur Healthcare Foundation - Memphis, TN

TEXAS:

340. Baylor College of Medicine - Houston, TX
341. Morningside Ministries - San Antonio, TX
342. San Jacinto College Foundation - Pasadena, TX
343. Texas Children's Hospital - Houston, TX

VIRGINIA:

344. Christopher Newport University -Newport News, VA
345. University of Richmond - Richmond, VA
346. Virginia Theological Seminary - Alexandria, VA

WASHINGTON:

347. The Salvation Army - Seattle, WA
348. Lutheran Brotherhood, Great Northwest Agency - Seattle, WA

WEST VIRGINIA:

349. Alderson Broaddus College - Philippi, WV

WISCONSIN:

350. Sunburst Youth Homes - Neillsville, Wisconsin

OFFICE OF THE SPECIAL ASST. TO THE PRESIDENT FOR GOVERNMENT AND COMMUNITY RELATIONS

NORTHWESTERN UNIVERSITY
FAX: (847) 491-7942
PHONE: (847) 491-7490

FACSIMILE TRANSMITTAL SHEET

TO:
Ms. Pam Cicetti

ORGANIZATION:
Office of the First Lady

FAX NUMBER:
202-456-9412

PHONE NUMBER:

DOCUMENT TITLE:

TOTAL NUMBER OF PAGES (INCLUDING COVER):
16

FROM:
Grier Davis

DATE:
Nov. 30, 1999

NOTES/COMMENTS:

If possible, please call me about this matter by Friday. I am meeting with one of the charitable groups that championed this legislation in San Francisco next Monday and Tuesday.

Grier

Bill Ryan
Paul [illegible]
Social venture capital

[illegible] w/ hands-off

Social Venture Capital Formation as a Model for
"The Neighborhood Improvement Tax Credit"
December 13, 1999 - DRAFT

The venture capital model is a comprehensive investment approach that sets clear performance objectives, manages risk through close monitoring and frequent assistance, and plans the next stage of funding well in advance. Many forms of charitable giving through individuals, corporations and foundations have experienced difficulty in finding ways to support their grantees in longer term, more sustainable ways. Because organizational underpinnings were not in place, many innovative programs have not lived up to their initial promise. The venture capital model can act as a starting point for grantees that want to help nonprofits develop the organizational capacity to sustain and expand successful programs.

One idea to promote the type of giving that mimics "venture capital" giving is to allow a tax credit (greater than the current deduction for charitable gifts) to corporations and individuals who make certain types of contributions to "neighborhood organizations" engaged in educational, social and economic services to aid impoverished people. Tax-exempt entities such as private foundations could be encouraged to engage in these activities by offsetting certain taxes they are required to pay, such as tax on investment income. To be eligible for the credit, obligors would have to: 1) give to a local organization; 2) make a contribution over a certain length of time; and 3) apply with an IRS tax exempt non-profit in submitting a joint proposal. The initiative encourages businesses to form more committed partnerships with grantees in order to achieve the long-term goals of the nonprofit organization.

Local board
Community development
Corporations

Eligible Services

In order to be considered for the "Neighborhood Improvement Tax Credit (NITC), all proposals must identify services according to the categories listed below. No services other than those described below are eligible for the tax credit. Eligible services must benefit low-income persons.

State credits up to 70% of giving

1. *Community Services* – Any type of counseling and advice, emergency assistance or medical care furnished to individuals or groups in an impoverished area.
2. *Crime Prevention* – Any activity which aids in the reduction of crime in an impoverished area.
3. *Education* – Scholastic instruction or scholarship assistance to individuals who reside in an impoverished area that enables then to meet educational requirements or otherwise prepare for better life opportunities.
4. *Job Training* – Instruction for low-income individuals which enables them to acquire vocational skills so that they may be employable or be able to seek a higher grade of employment.
5. *Neighborhood Assistance* –Furnishing financial assistance, labor, material or technical advice

— [illegible] effort fund
– Fed deduction for state credit

United Way, umbrella orgs
tie to groups that do [illegible] for a families

to aid in the physical improvement of a part or all of an impoverished area. Such projects may include the rehabilitation of buildings to provide affordable housing to low income persons

Community Partnerships

The corporation eligible for the NITC by partnering with a local nonprofit is expected to agree to provide the following:

1. A statement of purpose for each participating corporation which identifies its role and responsibility in the NITC and the benefit to the community.
1. A long-term funding commitment to the community partnership which will provide operating support for the nonprofit organization.
3. Technical resources and in-kind support as necessary, such as accounting services, and management assistance.

— Credit for long-term giving

Fed-level
State tax credit

New Markets
Empowerment Zones } Enterprise Zones
Enterprise Communities

Dual-Underwriting

Nonprofits Capacity Building Program (NCBP)
December 13, 1999 – DRAFT

In order to create a stronger and more effective nonprofit sector the Nonprofit Capacity Building Program (NCBP) would provide capacity and technical assistance to train and manage assistance for nonprofit and community-based organizations through development centers nationwide.

The NCBPs would provide counseling, training and technical assistance in all aspects of nonprofit management. These services may include: assisting nonprofits with start-up, budgeting and financial management, marketing, fundraising, board development, technology assistance, volunteer management, human resources, strategic planning, personnel management and program evaluation. They could also assist in creating and maintaining a centralized access point of information and databases about nonprofit organizations.

The structure of the program could be through grants made by a federal agency (i.e., HUD) to statewide nonprofit associations or technical assistance providers 501(c)(3) organizations that would then provide services to other nonprofit and community-based organizations.

Funding

Funding for the NCBP is proposed to be at $50 million per year. A federal grant-making partner will provide up to 50 percent of the operating funds for each state NCBP. Matching funds, either in the form of direct contributions or in-kind support must be provided by one or more sponsors. In addition, membership dues and earned income may be included among the matching fund totals.

Eligibility

In each state, there will be a lead organization (LO) that will sponsor the NCBP and manage the program. The lead organization will eventually be responsible for coordinating program services offered to nonprofit organizations through a network of subcenters and satellite locations in each state. Each LO must provide for inclusive planning, evaluation, the involvement of a broad range of nonprofits and fair decision-making. At least 80 percent of the federal funds must be used to provide actual services to nonprofit organizations.

Eligible to apply are statewide nonprofit associations whose membership are open to all 501(c)(3) organizations, or other 501(c)(3) nonprofit technical assistance providers which provide management assistance to nonprofit institutions on a state level.

To qualify for funds, a provider must be a 501(c)(3) tax-exempt organization, have its own board, open to serve all 501(c)(3) nonprofit organizations in the state in which it is located, and demonstrate a level of experience and achievement in providing management assistance to nonprofit organizations.

Quorum?
need?
Spirited

Use of Funds

The four main objectives of the NCBP program are to:

1. strengthen the capacity and effectiveness of the nonprofit community;
2. increase community development;
3. assist a wide range of nonprofit organizations regardless of their size and institutional development; and
4. broaden the technical and management assistance delivery system to more nonprofit organizations.

Selection Criteria

In reviewing NCBP proposals, the federal grant-making entity will consider:

1. the applicant's ability to contribute matching funds;
2. the quality of prior performance;
3. evaluation of accomplishments in relation to clearly defined objectives;
4. evidence of efforts to leverage resources and effectiveness through public and/or private partnerships;
5. consideration of opportunities to use new technology to better serve nonprofit organizations; and
6. strategic partnerships with technical providers, consultants and academic institutions.

Outcomes

This initiative will better equip nonprofits executives, board members and community leaders with the knowledge and skills in management and governance to improve their organization's performance and service delivery. The NCBP will emphasize the importance of planning, strategic communications, alliances and restructuring, the use of evolving technologies, and evaluation and accountability with the nonprofits it works with. Among the key objectives of this initiative:

1. provide nonprofit boards with the highest quality management and technical assistance services specifically designed to meet their needs, resources and goals;
2. bring about cost effective, sustainable changes that strengthen nonprofits, their boards, and the services they can offer their clients.
3. customized and convenient access to accurate and timely data and information for nonprofit organizations;
4. the development, promotion and institutionalization of best practices and standards; and
5. improved technology acquisition and application.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release October 22, 1999

October 22, 1999

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Supporting the Role of Nonprofit Organizations: Interagency Task Force on Nonprofits and Government

The United States is the most generous Nation on Earth. In 1998, an estimated $175 billion was given by American individuals, communities, foundations, corporations, and other private philanthropies to a wide variety of causes and organizations. Individuals accounted for 85 percent of all contributions in 1998 and their giving has increased by almost one-third since 1995. And over the next 20 years, approximately $12 trillion in wealth is expected to be transferred from one generation to the next -- more than $1 trillion of which will flow to nonprofit organizations through charitable giving.

In many cases it is nonprofit organizations that convert philanthropy into results -- helping people in need, providing health care and educating our Nation's youth. The nonprofit sector is an integral component of our national life, encompassing more than one and a half million organizations with operating expenditures in excess of $600 billion. But more telling than the dollar figures is the new spirit of service and civic activism that nonprofits of every kind are now exhibiting. We are today in the midst of a nonprofit boom, a time when the activities of this sector are becoming ever more creative and entrepreneurial.

Nonprofits are uniquely able to identify problems, mobilize fresh thinking and energy, care for those in need on a human scale, and promote social change at the community level. As this sector grows in size and importance, there is an ever greater opportunity to forge partnerships that include Government, nonprofit groups, businesses, and citizens to address pressing public problems. There are already many ways that nonprofits work closely with the Federal Government. For example, Federal grant programs from the National Science Foundation and the

National Institutes of Health assist non-profit research institutions that search for cures to cancer. And the Corporation for National Service works with nonprofits throughout the Nation to provide after-school and tutoring programs. Our challenge in this time of burgeoning social entrepreneurship is to encourage Government, nonprofits, and others to work together more meaningfully.

Therefore, today I direct the Assistants to the President for Domestic Policy and Economic Policy and the Chief of Staff to the First Lady to convene an Interagency Task Force on Nonprofits and Government ("Task Force"). The purpose of this Task Force will be twofold: first, to identify current forms of collaboration between the Federal Government and nonprofits; and second, to evaluate ways this collaboration can be improved.

Structure of the Task Force

The Assistant to the President for Domestic Policy, the Assistant to the President for Economic Policy, and the Assistant to the President and Chief of Staff to the First Lady will jointly Chair the Task Force. The Office of the Vice President, the Office of Management and Budget, and the Council of Economic Advisers will be regular participants.

The Task Force shall be composed of the following members:

(1) Secretary of the Treasury
(2) Attorney General
(3) Secretary of the Interior
(4) Secretary of Agriculture
(5) Secretary of Commerce
(6) Secretary of Labor
(7) Secretary of Health and Human Services
(8) Secretary of Housing and Urban Development
(9) Secretary of Transportation
(10) Secretary of Education
(11) Administrator of the Small Business Administration
(12) Chief Executive Officer of the Corporation for National and Community Service

The Chairs of the Task Force may add such other officials and independent agencies as they deem appropriate to further the purposes of this effort or to participate in specific aspects of it. The Chairs, after consultation with Task Force members, will appoint staff members to coordinate the Task Force's efforts. The Chairs may call upon the participating agencies for logistical support to the Task Force, as necessary. Members of the Task Force may delegate their responsibilities under this memorandum to subordinates. During its work, the Task Force will consult regularly with the nonprofit sector.

Objectives of the Task Force

The Task Force will:

1. Develop a public inventory of "best practices" in existing collaborations between Federal agency programs and nonprofit organizations. In cooperation with the nonprofit sector, the Task Force will work to apply these leading models to other Government efforts. For example, cross-agency initiatives that reflect the community-wide focus of many nonprofits could be highlighted and replicated. The Task Force will also examine ways that Federal agencies can better draw upon the experience and innovations of nonprofits in the development of public policy.

2. Evaluate data and research trends on nonprofits and philanthropy. Understanding the significance of the relationship between the nonprofit and Government sectors requires an understanding of the impact that the nonprofit sector has on the economy and on public policy. For example, the Council of Economic Advisers should undertake an analysis of existing data from the private and nonprofit sectors concerning the role of philanthropy in our economy, including an examination of the factors that affect giving and an investigation of trends that are likely to affect future giving. The Task Force will also coordinate agency efforts to identify the contributions made by the nonprofit sector and information regarding philanthropic activity.

3. Develop further policy responses. The Task Force will meet to discuss new findings and to consider new or modified Administration policy responses. For example, the Task Force will work with the non-profit sector and others to explore ways to encourage philanthropy and service, efforts to help nonprofits develop and grow (including "venture philanthropy"), opportunities for closer collaboration on research and in meeting local needs, and ways to reduce governmental barriers to innovative nonprofit enterprises.

From time to time, the Task Force will report to me on the results of its efforts.

General Provisions

This memorandum is intended only for internal management of the executive branch. This memorandum is not intended, and should not be construed, to create any right, benefit, or trust responsibility, substantive or procedural, enforceable at law or equity by a party against the United States, its agencies, its officers, or its employees. This memorandum shall not be construed to create any right to judicial review involving the compliance or noncompliance with this memorandum by the United States, its agencies, its officers, or any other person.

WILLIAM J. CLINTON

# # #

THE WHITE HOUSE
WASHINGTON

DOMESTIC POLICY COUNCIL

FACSIMILE FOR: Ann O'Leary

DATE:

TELEPHONE:

FAX: 62878

FACSIMILE FROM: **ERIC GOULD**
ASSOCIATE DIRECTOR
FOR DOMESTIC POLICY

TELEPHONE: (202) 456-7871

FAX: (202) 456-7431

NUMBER OF PAGES (INCLUDING COVER): 9

COMMENTS:

NCNA
National Council of Nonprofit Associations

FAX TRANSMITTAL FORM

Please deliver to: J. Eric Gould

Associated with: Domestic Policy Council

Fax # 456-7431 Date: 11/23/99

From: Audrey Alvarado

Subject: Small Business Model for Nonprofits

Here's the concept I discussed at our meeting this afternoon. This proposal identifies HUD as the lead agency, but can be housed in any number of agencies or be a multi-agency effort.

Number of Pages Including Transmittal Sheet: 8

If you do not receive all of these pages, please call the sender at (202) 467-6262.

1900 L Street NW, Suite 605, Washington, DC 20036 (202)467-6262 FAX (202)467-6261

National Council of Nonprofit Associations

Nonprofit Capacity Building Program

A draft proposal of the

National Council of Nonprofit Associations - NCNA

Committee Members:

Drew Hastings, Co-Chair, Delaware Association of Nonprofit Agencies
Florence Green, Co-Chair, California Association of Nonprofits
Nathan Woodliff-Stanley, Mississippi Center for Nonprofits
Peter Berns, Maryland Nonprofits
Melissa Flournoy, Louisiana Association of Nonprofits
Jon Pratt, Minnesota Council of Nonprofits
Hedy Helsell, Center for Nonprofit Management
Pamela Davis, National Insurance Alliance Council

Audrey Alvarado, National Council of Nonprofit Associations

September, 1999

1900 L Street, NW, Suite 605, Washington, DC 20036 (202) 467-6262 Fax: (202) 467-6261 E-mail: ncna@ncna.org Web: www.ncna.org

Preamble
Attached is a working draft of our proposal for the creation of a Nonprofit Capacity Building Program. Although this document has been reviewed by a number of state association executives, we recognize that this proposal requires additional editing, and that a detailed strategy in securing funding for this proposal needs to be developed. Due to the current political condition at the federal level, as well as other issues arising within the nonprofit sector, we respectfully request that NCNA's Board of Directors endorse this proposal, and place it among its primary strategic objectives.

Program Purpose
The Nonprofit Capacity Building Program (NCBP) will be established to provide training and management assistance for nonprofit and community-based organizations through development centers located nationwide.

This program would have a profound impact on improving the performance of the more than 1 million nonprofit institutions in United States. Among the key outcomes of this initiative:

- Provide organizations with the highest quality management and technical assistance services specifically designed for nonprofit executives, their boards, staffs and volunteers that meet their needs, resources and goals; and

- Bring about cost effective, sustainable changes that strengthen organizations and the services they can offer their clients.

This project will also directly impact economic revitalization efforts throughout country. More than just creating economic opportunities, the nonprofit sector works to protect the environment, preserve historic buildings and artifacts, document our history and culture, discover cures to disease, expand the educational knowledge of our children, and more. All these activities and more help to improve our nation's quality of life, enhance its business climate, and reduce the tax burden on our citizens.

Annual Federal Appropriation
Funding for NCBP is proposed to be at $50 million per year for the first three years, with the expectation that the program's funding will be adjusted to account for inflation.

Existing Federal Initiatives
To place this program in some type of context, the program we seek to develop is similar to the National Endowment for the Arts' agreement programs for state arts agencies, and the Small Business Administration's Small Business Development Center projects.

To provide comparative benchmarks, we reviewed both of these programs in terms of federal allocations and number of organizations served in Delaware in FY97.

Program	Tot. Fed. Appropriation	Delaware Appropriation	Agencies Served in DE
Nonprofit Capacity Building Program	$50 million*	$250,000 minimum	2,100
NEA/State Arts Agency Program	$32 million	$200,000 minimum	145
Small Business Development Center	$57.5 million**	$250,000 minimum	Unknown at this time

** Proposed federal appropriation.*

*** It should be noted that if you include federal appropriations for SCORE (Service Corps of Retired Executives), Business Information Centers, Enterprise Zone One-Stop Capital Shops, Minority Business Development and Women-Owned Business Development the total federal support exceeds $95 million for small business development in FY97.*

Flow of Funds

Federal Government
↓
Department of Housing & Urban Development (HUD)
↓
501(c)(3) Statewide Nonprofit Associations or 501(c)(3) Technical Assistance Providers
↓
Nonprofit and community-based organizations

It should be noted that a small portion of funds ($3-5 million) would be available to National Service Organizations (see *National Service Organizations* below).

Eligibility
Eligible to apply are statewide nonprofit associations (SNAs) whose membership are open to all 501(c)(3) organizations, or other 501(c)(3) nonprofit technical assistance providers (NTAPs) which provide management assistance to nonprofit institutions on a state level, and organizations providing services at a national level to state associations (see the listing at the end of this program description).

To qualify for funds, an SNA must: be a 501(c)(3) tax-exempt organization; have its own board; open to serve all 501(c)(3) nonprofit organizations in the state in which it is located; demonstrate a level of experience and achievement in providing management assistance to nonprofit organizations.

Nonprofit organizations and individuals may apply to the SNA or NTAP for a subgrant, but may not apply directly to the Department of Housing & Urban Development for grant support under this program.

Uses of the Funds
Through the Nonprofit Capacity Building Program (NCBP), the Department of Housing & Urban Development (HUD) supports a nationwide network through which nonprofit organizations and emerging community-based institutions can obtain free consulting support and technical assistance.

The NCBP program has four main objectives:

(a) to strengthen the capacity and effectiveness of the nonprofit community;
(b) to increase community development;
(c) to assist a wide range of nonprofit organizations regardless of their size and institutional development; and
(d) to broaden the technical and management assistance delivery system to more nonprofit organizations.

Lead Organizations
In each state, there will be a lead organization (LO) that will sponsor the NCBP and manage the program. The lead organization will be responsible for coordinating program services offered to nonprofit organizations through a network of subcenters and satellite locations in each state. Each LO tailor its assistance to the local community and needs of individual clients. The LO must provide for inclusive planning, evaluation, the involvement of a broad range of nonprofits, fair decision-making, and efforts to encourage public awareness and appreciation of the impact and achievements of nonprofit institutions. At least 80 percent of the federal funds must be used to provide actual services to nonprofit organizations. Wherever possible, LOs will use volunteers and other low-cost resources.

Nonprofit Development Centers
Each Nonprofit Development Center (NDC) would have a director, staff members, volunteers and part-time personnel. Among those donating their services would include: qualified individuals recruited from

professional and trade associations, the legal and accounting communities, academia, and Executive Service Corps. NDCs will also used paid consultants, management support organizations, and others from the public, private and nonprofit sectors to help clients who need specialized expertise.

Statewide Impact
LOs will be required to meet the following specific requirements:

1. locate subcenters so that they are as accessible as possible to nonprofit organizations throughout the state;
2. open all subcenters at least 40 hours per week, or during the normal business hours of its state or academic organizations, throughout the year;
3. develop working relationships with legal institutions, accounting firms, public relations community, professional associations, private consultants, and nonprofit groups; and
4. maintain a list of private consultants and technical assistance providers at each subcenter.

Anyone who is interested in starting a nonprofit for the first time, or improving or expanding an existing nonprofit organization, but who cannot afford the services of a private consultant, may receive services from either the LO or NDC.

NDCs will provide counseling, training, and technical assistance in all aspects of nonprofit management. These services may include, but are not limited to:

- assist nonprofit organizations with nonprofit start-up, budgeting and financial management, marketing, fundraising, board development, volunteer management, human resources, strategic planning, personnel management, and program evaluation.
- special NDC programs and community development activities include technical assistance, procurement assistance, and executive transition services.
- creating and maintaining a centralized access point of information and databases about nonprofit organizations.

NCBPs are permitted to charge clients a reasonable fee to cover the costs of training sponsored or co-sponsored by the NCBP, costs of services provided by or obtained from third parties, or the costs of providing specialized services. Reasonable fees may also be charged for counseling services.

NCBPs will also make special effort to reach emerging nonprofit organizations, and those located in empowerment zones and communities, and rural environments. Assistance will be provided to both current and potential nonprofit leaders.

Matching Funds
HUD will provide up to 50 percent of the operating funds for each state NCBP. Matching funds, either in the form of direct contributions or in-kind support, must be provided by one or more sponsors. Sponsors may include: state legislators; corporate grantmakers, private and community foundations; state and local chambers of commerce; local United Ways; public and private universities; vocational and technical schools; and community colleges. In addition, membership dues and earned income may be included among the matching fund totals.

Application Process
Cooperative agreement awards would be made for a period of one year; however, it would be assumed that HUD would typically renew existing recipient organizations. As a result, there would not be many opportunities to obtain new grant awards to operate an NCBP network. Renewal applications would have to contain any information required HUD.

Should HUD decline to renew an existing recipient, or should an existing recipient choose not to reapply for funding, HUD may accept applications from other organizations interested in becoming a new recipient in that area.

The application must include a copy of the organization's 501(c)(3) tax-exempt confirmation letter, basic information about the provider, the geographic area to be served, sources of funding, long-range plans, proposed strategies and activities; partnerships; budget and personnel to be involved in operating the network. Other documentation as required by HUD must also be included.

Individuals and nonprofit organizations interested in receiving services may contact the appropriate subcenter at any time.

Selection Criteria
In reviewing NCBP proposals, HUD will consider:

1. the applicant's ability to contribute matching funds;
2. the quality of prior performance;
3. evaluation of accomplishments in relation to clearly defined objectives;
4. evidence of efforts to leverage resources and effectiveness through public and/or private partnerships;
5. consideration of opportunities to use new technology to better serve nonprofit organizations;
6. strategic partnerships with technical providers, consultants, and academic institutions.

HUD may choose to approve an applicant on a "conditional" basis. In such a case, the award will be for one or more specified periods of time up to one full budget period (one year). Within the allotted time, the provider must resolve the specific matter to HUD's satisfaction, or funding may be discontinued.

Appropriations

Range of Awards
Cooperative agreements are for a period of one year. Funds are distributed according to a population-based formula, except that each SNA will receive no less than $250,000 each year, subject to the availability of appropriated funds.

National Service Organizations (NSOs)
HUD may also make a small portion of funds ($2-3 million) available to support national services provided by membership organizations of SNAs and NTAPs. Funds may be used to provide leadership, training, planning, coordination and information services that improve accountability, and to help best practices and tools. In addition, NSOs will provide technical assistance to lead organizations in establishing and institutionalizing their programs.

Outcomes
The NCBP will have a profound impact on improving the performance of nonprofit institutions in the United States. This initiative will better equip nonprofit executives, board members, and community leaders with the knowledge and skills in management and governance to improve their organization's performance and service delivery. The NCBP will emphasize the importance of planning, strategic communications, alliances and restructuring, the use of evolving technologies, and evaluation and accountability with the nonprofits it works. Among the key objectives of this initiative:

- Provide nonprofit boards with the highest quality management and technical assistance services specifically designed to meet their needs, resources and goals; and

- Bring about cost effective, sustainable changes that strengthen nonprofits, their boards, and the services they can offer their clients.
- Customized and convenient access to accurate and timely data and information for nonprofit organizations;
- The development, promotion and institutionalization of best practices and standards;
- Improved technology acquisition and application at organizationally appropriate level.

The ultimate results will be stronger, more effective nonprofits, and collectively, a stronger, more effective nonprofit sector.

Glossary of Terms

LO = Lead Organization. This is the organization that will coordinate the program throughout the state. In the case of small states the LO and NDC will be the same entity. In the case of larger states, the LO will set up and/or contract with existing institutions to create NDCs throughout its state.

NDC = Nonprofit Development Center. The physical location where nonprofit management and technical assistance will originate.

NTAP = Nonprofit Technical Assistance Provider. A nonprofit institution providing management and/or technical assistance to nonprofits.

NSO = National Service Organization. Nonprofit organizations with a national mandate that provide management and/or technical assistance to nonprofits.

Working list of Potential Partners & Allies

Alliance for Justice
Alliance for Nonprofit Management
Aspen Institute
Council on Foundations
Grantmakers for Effective Organizations (co-chaired by Barbara Kibbe, Packard Foundation, and Maryanne Holohean, Meyer Foundation)
Independent Sector
National Center for Nonprofit Boards
National Center of Charitable Statistics
National Society of Fundraising Executives
OMB Watch
Points of Light Foundation
United Way of America

Please add additional organizations in the space below:

Tax Ideas to Promote Philanthropy and Nonprofits and Nonprofit Capacity Building

Deductibility of Charitable Contributions for Nonitemizers: One broad change that could effect both the level and composition of individual gifts would be to allow non-itemizers to claim a deduction (or tax credit) for charitable contributions above a certain floor. In addition to affecting the total amount of charitable contributions, allowing non-itemizers to take such a deduction could also affect the proportion of gifts going to different types of recipients since non-itemizers gifts disproportionately benefit religious organizations and social service groups as opposed to educational institutions and private foundations. There are a number of ways this proposal could be structured, which could cost from $2 to $6 billion a year.

Allowing Charitable Giving Until April 15: If the charitable deduction is meant to provide some incentive for charitable giving, there should be consideration of the entire design of the program in order to achieve this purpose in the most effective manner. The cost of this proposal is negligible.

Excise Tax on Investment Income of Private Foundations: Private foundations pay an excise tax on their net investment income, which includes interest, dividends, and net capital gains and is reduced by expenses incurred to earn this income. While the intent of the distinction between a 1 and 2 percent rate of tax on investment income was to prevent foundation disbursements from falling, the mechanism is unduly complicated and may even reduce foundation giving. This excise tax should be eliminated or modified. Cost to be determined.

Improving Disclosure by Charitable Organizations: Because of the public nature of charities, their tax returns are open to the public and by far the most important source of public information about charitable organizations are the IRS Forms 990 annual information returns. Over the years, the amount of information to be included on these returns by charitable organizations has increased, as have the penalties for failure to file and accurately completing these returns. Despite the evolution, the Forms 990 are frequently criticized both by charities who have difficulty completing them and by the public that has difficulty reading them. Requiring electronic filing of Forms 990 would make it easier for the public to access this information and reduce fraud.

Nonprofits Capacity Building Program (NCBP): In order to create a stronger and more effective nonprofit sector, capacity and technical assistance could be provided to train and manage assistance for nonprofit and community-based organizations through development centers nationwide. Two approaches to this concept include:

> **Option 1:** Creating a Nonprofit Capacity Building Program (NCBP) to provide training and management assistance to nonprofits. The four objectives of the NCBP would be: 1) to strengthen the capacity and effectiveness of the nonprofit community; 2) to increase community development; 3) to assist a wide range of nonprofit organizations regardless of their size and development; and 4) to broaden the technical and management assistance delivery system to more nonprofit organizations.

The structure of the program could be through grants made by a Federal agency (i.e., HUD) to Statewide nonprofit associations or technical assistance providers (501(c)(3)) who would then provide services to other nonprofit and community-based organizations. This approach could be funded at $50 million per year.

The NCBPs will provide counseling, training and technical assistance in all aspects of nonprofit management. These services may include: assisting nonprofits with start-up, budgeting and financial management, marketing, fundraising, board development, volunteer management, human resources, strategic planning, personnel management and program evaluation. They could also assist in creating and maintaining a centralized access point of information and databases about nonprofit organizations.

Option 2: Provide these type of services through existing programs, such as the Small Business Administration. We are going to talk to SBA about this approach but our initial sense is that there exists institutional hesitancy on the part of both SBA and nonprofits to pursue this path because of some of the different needs and goals of small businesses and nonprofits.

Changes to Tax Rules for Charitable Contributions: Allowing Charitable Giving Until April 15

One means to provide some incentive for charitable giving would be to allow individuals to take deductions for charitable contributions up to the time they file their income tax returns, or until April 15, whichever comes first – unlike the requirement under current law, which has a deadline of the end of the calendar year preceding the April 15 filing deadline.

This proposal would provide little change in the pure economic incentive for charitable contributions. Each dollar of contribution would receive the same federal subsidy at the taxpayer's statutory tax rate. The case for allowing a deduction up until the time of filing is mainly related to planning and psychological considerations.

Comparison to IRAs

Under current law, contributions to IRAs are allowed until filing time. For the 1984 taxable year, 45 percent of IRA contributions were actually made in 1985. Many taxpayers take note of allowable deductions when they fill out their returns. While deductions are limited in relationship to income, taxpayers seldom know last year's total income until calculations are made during filing season. From a psychological standpoint, it is at tax filing time that tax burdens are most apparent and benefits from deductions appear most real.

Similar arguments can be made for extending the charitable deduction. In particular, allowing a charitable deduction up to the time of tax filing would (1) advertise the value of the incentive much better, (2) help taxpayer planning, and (3) provide a special incentive for those who find that last minute payment of taxes is onerous.

The Advertising Factor

The favorable time for advertising is when people engage in activity closely associated with the product. For instance, advertisers often attach coupons to their merchandise to catch our attention as we make a purchase.

Under current law, the government does advertise its product at tax filing time, but refuses to let the taxpayer use the coupon on that year's return. Moreover, the price incentive for next year is not known until the new filing season has begun.

An Aid to Planning

Tax filing represents a unique moment when many households do their annual budget calculations, see the amount they have earned over the past year, and in some instances, determine just what they have done with their money, especially with respect to deductible expenses. It is an ideal planning period in which taxpayers can access how much they can afford in charitable contributions. Given the tendencies of individuals to underestimate income and overstate past generosity, the tax filing period is a good time for taxpayers to access whether they have given a reasonable percentage of income to charity.

THE WHITE HOUSE

WASHINGTON

DOMESTIC POLICY COUNCIL

FACSIMILE FOR: Ann O'Leary

DATE:

TELEPHONE:

FAX: 62878

FACSIMILE FROM: **ERIC GOULD**
ASSOCIATE DIRECTOR
FOR DOMESTIC POLICY

TELEPHONE: (202) 456-7871

FAX: (202) 456-7431

NUMBER OF PAGES (INCLUDING COVER): 9

COMMENTS:

NCNA

National Council of Nonprofit Associations

FAX TRANSMITTAL FORM

Please deliver to: J. Eric Gould

Associated with: Domestic Policy Council

Fax # 456-7431 Date: 11/23/99

From: Audrey Alvarado

Subject: Small Business Model for Nonprofits

Here's the concept I discussed at our meeting this afternoon. This proposal identifies HUD as the lead agency, but can be housed in any number of agencies or be a multi-agency effort.

Number of Pages Including Transmittal Sheet: 8

If you do not receive all of these pages, please call the sender at (202) 467-6262.

1900 L Street NW, Suite 605, Washington, DC 20036 (202)467-6262 FAX (202)467-6261

National Council of Nonprofit Associations

Nonprofit Capacity Building Program

A draft proposal of the

National Council of Nonprofit Associations - NCNA

Committee Members:

Drew Hastings, Co-Chair, Delaware Association of Nonprofit Agencies
Florence Green, Co-Chair, California Association of Nonprofits
Nathan Woodliff-Stanley, Mississippi Center for Nonprofits
Peter Berns, Maryland Nonprofits
Melissa Flournoy, Louisiana Association of Nonprofits
Jon Pratt, Minnesota Council of Nonprofits
Hedy Helsell, Center for Nonprofit Management
Pamela Davis, National Insurance Alliance Council

Audrey Alvarado, National Council of Nonprofit Associations

September, 1999

1900 L Street, NW, Suite 605, Washington, DC 20036 (202) 467-6262 Fax: (202) 467-6261 E-mail: ncna@ncna.org Web: www.ncna.org

Preamble

Attached is a working draft of our proposal for the creation of a Nonprofit Capacity Building Program. Although this document has been reviewed by a number of state association executives, we recognize that this proposal requires additional editing, and that a detailed strategy in securing funding for this proposal needs to be developed. Due to the current political condition at the federal level, as well as other issues arising within the nonprofit sector, we respectfully request that NCNA's Board of Directors endorse this proposal, and place it among its primary strategic objectives.

Program Purpose

The Nonprofit Capacity Building Program (NCBP) will be established to provide training and management assistance for nonprofit and community-based organizations through development centers located nationwide.

This program would have a profound impact on improving the performance of the more than 1 million nonprofit institutions in United States. Among the key outcomes of this initiative:

- Provide organizations with the highest quality management and technical assistance services specifically designed for nonprofit executives, their boards, staffs and volunteers that meet their needs, resources and goals; and

- Bring about cost effective, sustainable changes that strengthen organizations and the services they can offer their clients.

This project will also directly impact economic revitalization efforts throughout country. More than just creating economic opportunities, the nonprofit sector works to protect the environment, preserve historic buildings and artifacts, document our history and culture, discover cures to disease, expand the educational knowledge of our children, and more. All these activities and more help to improve our nation's quality of life, enhance its business climate, and reduce the tax burden on our citizens.

Annual Federal Appropriation

Funding for NCBP is proposed to be at $50 million per year for the first three years, with the expectation that the program's funding will be adjusted to account for inflation.

Existing Federal Initiatives

To place this program in some type of context, the program we seek to develop is similar to the National Endowment for the Arts' agreement programs for state arts agencies, and the Small Business Administration's Small Business Development Center projects.

To provide comparative benchmarks, we reviewed both of these programs in terms of federal allocations and number of organizations served in Delaware in FY97.

Program	Tot. Fed. Appropriation	Delaware Appropriation	Agencies Served in DE
Nonprofit Capacity Building Program	$50 million*	$250,000 minimum	2,100
NEA/State Arts Agency Program	$32 million	$200,000 minimum	145
Small Business Development Center	$57.5 million**	$250,000 minimum	Unknown at this time

** Proposed federal appropriation.*

*** It should be noted that if you include federal appropriations for SCORE (Service Corps of Retired Executives), Business Information Centers, Enterprise Zone One-Stop Capital Shops, Minority Business Development and Women-Owned Business Development the total federal support exceeds $95 million for small business development in FY97.*

Flow of Funds

Federal Government
↓
Department of Housing & Urban Development (HUD)
↓
501(c)(3) Statewide Nonprofit Associations or 501(c)(3) Technical Assistance Providers
↓
Nonprofit and community-based organizations

It should be noted that a small portion of funds ($3-5 million) would be available to National Service Organizations (see *National Service Organizations* below).

Eligibility
Eligible to apply are statewide nonprofit associations (SNAs) whose membership are open to all 501(c)(3) organizations, or other 501(c)(3) nonprofit technical assistance providers (NTAPs) which provide management assistance to nonprofit institutions on a state level, and organizations providing services at a national level to state associations (see the listing at the end of this program description).

To qualify for funds, an SNA must: be a 501(c)(3) tax-exempt organization; have its own board; open to serve all 501(c)(3) nonprofit organizations in the state in which it is located; demonstrate a level of experience and achievement in providing management assistance to nonprofit organizations.

Nonprofit organizations and individuals may apply to the SNA or NTAP for a subgrant, but may not apply directly to the Department of Housing & Urban Development for grant support under this program.

Uses of the Funds
Through the Nonprofit Capacity Building Program (NCBP), the Department of Housing & Urban Development (HUD) supports a nationwide network through which nonprofit organizations and emerging community-based institutions can obtain free consulting support and technical assistance.

The NCBP program has four main objectives:

(a) to strengthen the capacity and effectiveness of the nonprofit community;
(b) to increase community development;
(c) to assist a wide range of nonprofit organizations regardless of their size and institutional development; and
(d) to broaden the technical and management assistance delivery system to more nonprofit organizations.

Lead Organizations
In each state, there will be a lead organization (LO) that will sponsor the NCBP and manage the program. The lead organization will be responsible for coordinating program services offered to nonprofit organizations through a network of subcenters and satellite locations in each state. Each LO tailor its assistance to the local community and needs of individual clients. The LO must provide for inclusive planning, evaluation, the involvement of a broad range of nonprofits, fair decision-making, and efforts to encourage public awareness and appreciation of the impact and achievements of nonprofit institutions. At least 80 percent of the federal funds must be used to provide actual services to nonprofit organizations. Wherever possible, LOs will use volunteers and other low-cost resources.

Nonprofit Development Centers
Each Nonprofit Development Center (NDC) would have a director, staff members, volunteers and part-time personnel. Among those donating their services would include: qualified individuals recruited from

professional and trade associations, the legal and accounting communities, academia, and Executive Service Corps. NDCs will also used paid consultants, management support organizations, and others from the public, private and nonprofit sectors to help clients who need specialized expertise.

Statewide Impact
LOs will be required to meet the following specific requirements:

1. locate subcenters so that they are as accessible as possible to nonprofit organizations throughout the state;
2. open all subcenters at least 40 hours per week, or during the normal business hours of its state or academic organizations, throughout the year;
3. develop working relationships with legal institutions, accounting firms, public relations community, professional associations, private consultants, and nonprofit groups; and
4. maintain a list of private consultants and technical assistance providers at each subcenter.

Anyone who is interested in starting a nonprofit for the first time, or improving or expanding an existing nonprofit organization, but who cannot afford the services of a private consultant, may receive services from either the LO or NDC.

NDCs will provide counseling, training, and technical assistance in all aspects of nonprofit management. These services may include, but are not limited to:

- assist nonprofit organizations with nonprofit start-up, budgeting and financial management, marketing, fundraising, board development, volunteer management, human resources, strategic planning, personnel management, and program evaluation.
- special NDC programs and community development activities include technical assistance, procurement assistance, and executive transition services.
- creating and maintaining a centralized access point of information and databases about nonprofit organizations.

NCBPs are permitted to charge clients a reasonable fee to cover the costs of training sponsored or co-sponsored by the NCBP, costs of services provided by or obtained from third parties, or the costs of providing specialized services. Reasonable fees may also be charged for counseling services.

NCBPs will also make special effort to reach emerging nonprofit organizations, and those located in empowerment zones and communities, and rural environments. Assistance will be provided to both current and potential nonprofit leaders.

Matching Funds
HUD will provide up to 50 percent of the operating funds for each state NCBP. Matching funds, either in the form of direct contributions or in-kind support, must be provided by one or more sponsors. Sponsors may include: state legislators; corporate grantmakers, private and community foundations; state and local chambers of commerce; local United Ways; public and private universities; vocational and technical schools; and community colleges. In addition, membership dues and earned income may be included among the matching fund totals.

Application Process
Cooperative agreement awards would be made for a period of one year; however, it would be assumed that HUD would typically renew existing recipient organizations. As a result, there would not be many opportunities to obtain new grant awards to operate an NCBP network. Renewal applications would have to contain any information required HUD.

Should HUD decline to renew an existing recipient, or should an existing recipient choose not to reapply for funding, HUD may accept applications from other organizations interested in becoming a new recipient in that area.

The application must include a copy of the organization's 501(c)(3) tax-exempt confirmation letter, basic information about the provider, the geographic area to be served, sources of funding, long-range plans, proposed strategies and activities; partnerships; budget and personnel to be involved in operating the network. Other documentation as required by HUD must also be included.

Individuals and nonprofit organizations interested in receiving services may contact the appropriate subcenter at any time.

Selection Criteria
In reviewing NCBP proposals, HUD will consider:

1. the applicant's ability to contribute matching funds;
2. the quality of prior performance;
3. evaluation of accomplishments in relation to clearly defined objectives;
4. evidence of efforts to leverage resources and effectiveness through public and/or private partnerships;
5. consideration of opportunities to use new technology to better serve nonprofit organizations;
6. strategic partnerships with technical providers, consultants, and academic institutions.

HUD may choose to approve an applicant on a "conditional" basis. In such a case, the award will be for one or more specified periods of time up to one full budget period (one year). Within the allotted time, the provider must resolve the specific matter to HUD's satisfaction, or funding may be discontinued.

Appropriations

Range of Awards
Cooperative agreements are for a period of one year. Funds are distributed according to a population-based formula, except that each SNA will receive no less than $250,000 each year, subject to the availability of appropriated funds.

National Service Organizations (NSOs)
HUD may also make a small portion of funds ($2-3 million) available to support national services provided by membership organizations of SNAs and NTAPs. Funds may be used to provide leadership, training, planning, coordination and information services that improve accountability, and to help best practices and tools. In addition, NSOs will provide technical assistance to lead organizations in establishing and institutionalizing their programs.

Outcomes
The NCBP will have a profound impact on improving the performance of nonprofit institutions in the United States. This initiative will better equip nonprofit executives, board members, and community leaders with the knowledge and skills in management and governance to improve their organization's performance and service delivery. The NCBP will emphasize the importance of planning, strategic communications, alliances and restructuring, the use of evolving technologies, and evaluation and accountability with the nonprofits it works. Among the key objectives of this initiative:

- Provide nonprofit boards with the highest quality management and technical assistance services specifically designed to meet their needs, resources and goals; and

- Bring about cost effective, sustainable changes that strengthen nonprofits, their boards, and the services they can offer their clients.
- Customized and convenient access to accurate and timely data and information for nonprofit organizations;
- The development, promotion and institutionalization of best practices and standards;
- Improved technology acquisition and application at organizationally appropriate level.

The ultimate results will be stronger, more effective nonprofits, and collectively, a stronger, more effective nonprofit sector.

Glossary of Terms

LO = Lead Organization. This is the organization that will coordinate the program throughout the state. In the case of small states the LO and NDC will be the same entity. In the case of larger states, the LO will set up and/or contract with existing institutions to create NDCs throughout its state.

NDC = Nonprofit Development Center. The physical location where nonprofit management and technical assistance will originate.

NTAP = Nonprofit Technical Assistance Provider. A nonprofit institution providing management and/or technical assistance to nonprofits.

NSO = National Service Organization. Nonprofit organizations with a national mandate that provide management and/or technical assistance to nonprofits.

Working list of Potential Partners & Allies

Alliance for Justice
Alliance for Nonprofit Management
Aspen Institute
Council on Foundations
Grantmakers for Effective Organizations (co-chaired by Barbara Kibbe, Packard Foundation, and Maryanne Holohean, Meyer Foundation)
Independent Sector
National Center for Nonprofit Boards
National Center of Charitable Statistics
National Society of Fundraising Executives
OMB Watch
Points of Light Foundation
United Way of America

Please add additional organizations in the space below:

Nonprofits and Government
November 23, 1999

Agenda

I. **Introduction and review of Executive Memorandum, 10/22/99.**

II. **Discuss development of a public inventory of "best practices" in existing collaborations between Federal agency programs and nonprofits.**

III. **Discuss usefulness of other information within Federal agencies which could benefit nonprofits.**

IV. **Discuss specific issues involving the cooperation and coordination of nonprofits and government:**

   A. **Removing Administrative Barriers**
   B. **Technical Assistance for Nonprofits**
   C. **Use of Technology**
   D. **Data / Program Information**

GPRA – non-prof not involved in helping set perf. measures

[illegible] process [illegible]. Taylor – interesting

Paint happy picture

Look @ ops where collaborations were not pursued

"non-profit gateway" – website

need help of govt to build capacity of non-govt world

website for ... [illegible] non-profit world

Nonprofits and Government
November 23, 1999

Agenda

I. **Introduction and Review of Executive Memorandum, 10/22/99.**

II. **Discuss development of a public inventory of "best practices" in existing collaborations between Federal agency programs and nonprofits.**

III. **Discuss usefulness of other information within Federal agencies which could benefit nonprofits.**

IV. **Discuss specific issues involving the cooperation and coordination of nonprofits and government:**

A. Removing Administrative Barriers
B. Technical Assistance for Nonprofits
C. Use of Technology
D. Data / Program Information

Christine L. Anderson
11/18/99 05:37:42 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:
Subject: Fact Sheet: Work Incentives Improvement Act of 1999

WORK INCENTIVES IMPROVEMENT ACT OF 1999

November 18, 1999

Today, the House of Representatives will vote on the Work Incentives Improvement Act of 1999. The President challenged Congress to pass this bill in his State of the Union address, and fully funded it in his 2000 budget. It gives people who want to work a chance to do so by removing the out-dated rules that end Medicaid and Medicare coverage when people with disabilities return to work. It modernizes the employment services system for people with disabilities. And, it affirms the basic principle manifested in the Americans with Disabilities Act: that all Americans should have the same opportunity to be productive citizens.

Improves Health care options for people with disabilities by:

Removing limits on the Medicaid buy-in option for workers with disabilities. This act creates two new options for states to offer the Medicaid buy-in, created by President Clinton in the Balanced Budget Act of 1997. First, removes the income limit of 250 percent of poverty (about $21,000), allowing states to set upper income, unearned income, and resource limits. This is important since it allows people to buy into Medicaid when their jobs pay more than low wages. Second, it allows coverage of people with a disability, such as rheumatoid arthritis, who can work only because of medical treatment. This act also provides $150 million over 5 years in health care infrastructure grants to those that do so.

Creating a new Medicaid buy-in demonstration to help people who are not yet too disabled to work. This act provides $250 million to states for a demonstration to assess the health and financial benefits of providing Medicaid coverage to people whose condition has not yet deteriorated enough to prevent work but who need health care to prevent that deterioration. For example, a person with muscular dystrophy, Parkinson's Disease, or diabetes may be able to function and continue to work with appropriate health care, but such health care may only be available once their conditions have become severe enough to qualify them for SSI or SSDI and thus Medicaid or Medicare. This demonstration would provide new information on the cost effectiveness of early health care intervention in keeping people with disabilities from becoming too disabled to work.

Extending Medicare coverage for people with disabilities who return to work. Although

Medicare does not currently provide prescription drugs which are essential to people with disabilities, this act extends Medicare Part A premium coverage for people on disability insurance who return to work for another four and a half years. This means the difference between a monthly premium of nearly $350 and $45.50. This assistance will be available nationwide, even in states that do not take the Medicaid options.

Modernizes the employment services system by:

Creating a "Ticket to Work Program." This new system will enable SSI or SSDI beneficiaries to go to any of a number of public or private providers for vocational rehabilitation. If the beneficiary goes to work and achieves substantial earnings, providers would be paid a portion of the benefits saved.

Message Sent To: ____

Justin L. Coleman/WHO/EOP@EOP
Mariah S. Sieber/OMB/EOP@EOP
Cheryl T. Macias/WHO/EOP@EOP
Omarosa O. Manigault/WHO/EOP@EOP
Michael A. Hammer/NSC/EOP@EOP
Lindsay R. Drewel/WHO/EOP@EOP
Anna Richter/OPD/EOP@EOP
Katherine A. Eltrich/OMB/EOP@EOP
Cathy R. Mays/OPD/EOP@EOP
pike@nlc.org
Jennifer L. Dewitt/WHO/EOP@EOP
Stephen N. Boyd/WHO/EOP@EOP
Mark D. Magana/WHO/EOP@EOP
Christine L. Anderson/WHO/EOP@EOP
Christine A. Stanek/WHO/EOP@EOP
Anne M. Edwards/WHO/EOP@EOP
David E. Kalbaugh/WHO/EOP@EOP
Cheryl D. Mills/WHO/EOP@EOP
G. Timothy Saunders/WHO/EOP@EOP
Laura D. Schwartz/WHO/EOP@EOP
Douglas B. Sosnik/WHO/EOP@EOP
Barry J. Toiv/WHO/EOP@EOP
Dorian V. Weaver/WHO/EOP@EOP
Catherine T. Kitchen/WHO/EOP@EOP
Dag Vega/WHO/EOP@EOP
Barbara D. Woolley/WHO/EOP@EOP
Cynthia M. Jasso-Rotunno/WHO/EOP@EOP
Sara M. Latham/WHO/EOP@EOP
Andrew J. Mayock/WHO/EOP@EOP
Megan C. Moloney/WHO/EOP@EOP
Laura S. Marcus/WHO/EOP@EOP
Thomas D. Janenda/WHO/EOP@EOP
Leanne A. Shimabukuro/OPD/EOP@EOP
Kim B. Widdess/WHO/EOP@EOP
BARBUSCHAK_K@A1 @ CD @ LNGTWY
INFOMGT@A1 @ CD @ LNGTWY
JOHNSON_WC@A1 @ CD @ LNGTWY
SUNTUM_M@A1 @ CD @ LNGTWY
WOZNIAK_N@A1 @ CD @ LNGTWY
GRAY_W@A1 @ CD @ LNGTWY
NAPLAN_S@A1 @ CD @ LNGTWY
WEINER_R@A1 @ CD @ LNGTWY
GRIBBEN_J@A1 @ CD @ LNGTWY
Elizabeth R. Newman/WHO/EOP@EOP
HEMMIG_M@A1 @ CD @ LNGTWY
Douglas J. Band/WHO/EOP@EOP
Edwin R. Thomas III/WHO/EOP@EOP
Sherman A. Williams/WHO/EOP@EOP
William W. McCathran/WHO/EOP@EOP
Julia M. Payne/WHO/EOP@EOP
Nicole R. Rabner/WHO/EOP@EOP
June Shih/WHO/EOP@EOP
Brooks E. Scoville/WHO/EOP@EOP
Sarah S. Knight/WHO/EOP@EOP
Tracy F. Sisser/WHO/EOP@EOP
Woyneab M. Wondwossen/WHO/EOP@EOP
Patrick E. Briggs/WHO/EOP@EOP

Debra S. Wood/WHO/EOP@EOP
Daniel W. Burkhardt/WHO/EOP@EOP
Maureen A. Hudson/WHO/EOP@EOP
Lana Dickey/WHO/EOP@EOP
Carmen B. Fowler/WHO/EOP@EOP
Lynn G. Cutler/WHO/EOP@EOP
Walker F. Bass/WHO/EOP@EOP
Elliot J. Diringer/CEQ/EOP@EOP
Nanda Chitre/WHO/EOP@EOP
Melissa M. Murray/WHO/EOP@EOP
Katharine Button/WHO/EOP@EOP
Eli G. Attie/OVP@OVP
wh-outbox-distr@pub.pub.whitehouse.gov @ inet
Pubs_Backup
backup@wilson.ai.mit.edu @ inet
Sean P. Maloney/WHO/EOP@EOP
Marsha Scott/WHO/EOP@EOP
Linda Ricci/OMB/EOP@EOP
Mark D. Neschis/WHO/EOP@EOP
Jeffrey A. Shesol/WHO/EOP@EOP
Heather M. Riley/WHO/EOP@EOP
McGavock D. Reed/OMB/EOP@EOP
Janelle E. Erickson/WHO/EOP@EOP
Delia A. Cohen/WHO/EOP@EOP
Maureen T. Shea/WHO/EOP@EOP
RUNDLET_P@A1 @ CD @ VAXGTWY
William C. Haymes/OA/EOP@EOP
Jason H. Schechter/WHO/EOP@EOP
Marty J. Hoffmann/WHO/EOP@EOP
Dorinda A. Salcido/WHO/EOP@EOP
Sarah E. Gegenheimer/WHO/EOP@EOP
Thomas M. Rosshirt/OVP@OVP
Minyon Moore/WHO/EOP@EOP
Charles M. Brain/WHO/EOP@EOP
Dario J. Gomez/WHO/EOP@EOP
Carolyn T. Wu/WHO/EOP@EOP
Deborah B. Mohile/WHO/EOP@EOP
Sondra L. Seba/WHO/EOP@EOP
Tania I. Lopez/WHO/EOP@EOP
Jena V. Roscoe/WHO/EOP@EOP
Jocelyn A. Bucaro/WHO/EOP@EOP
Kelley L. O'Dell/WHO/EOP@EOP
Jonathan M. Young/WHO/EOP@EOP
Jackson T. Dunn/WHO/EOP@EOP
Robert B. Johnson/WHO/EOP@EOP
Charles H. Cole/WHO/EOP@EOP
Jennifer Ferguson/OMB/EOP@EOP
Joshua S. Gottheimer/WHO/EOP@EOP
Carrie A. Street/WHO/EOP@EOP
Paul D. Glastris/WHO/EOP@EOP
Maria E. Soto/WHO/EOP@EOP
Alejandro G. Cabrera/OVP@OVP
Christopher K. Scully/WHO/EOP@EOP
Karen Tramontano/WHO/EOP@EOP
Skye S. Philbrick/WHO/EOP@EOP
Toby C. Graff/WHO/EOP@EOP
Samuel O. Spencer/WHO/EOP@EOP
Matt Gobush/NSC/EOP@EOP

Evan Ryan/WHO/EOP@EOP
Marty J. Hoffmann/WHO/EOP@EOP
Matthew W. Pitcher/WHO/EOP@EOP
Jeffrey M. Smith/OSTP/EOP@EOP
Jeffrey L. Farrow/WHO/EOP@EOP
Linda L. Moore/WHO/EOP@EOP
Orson C. Porter/WHO/EOP@EOP
Bridget T. Leininger/WHO/EOP@EOP
Craig Hughes/WHO/EOP@EOP
Victoria L. Valentine/WHO/EOP@EOP
Sean P. O'Shea/WHO/EOP@EOP
Abigail C. Smith/WHO/EOP@EOP
Veronica DeLaGarza/WHO/EOP@EOP
Richard L. Siewert/WHO/EOP@EOP
Jennifer H. Smith/WHO/EOP@EOP
Shannon M. Hinderliter/WHO/EOP@EOP
Michael J. Sullivan/WHO/EOP@EOP
James E. Kennedy/WHO/EOP@EOP
Erica S. Lepping/WHO/EOP@EOP
Mae E. Haney/WHO/EOP@EOP
Jeffrey H. Oakman/WHO/EOP@EOP
RATCLIFF_M@A1 @ CD @ VAXGTWY
Mark A. Kitchens/WHO/EOP@EOP
Ann C. Hertelendy/WHO/EOP@EOP
Deborah Akel/WHO/EOP@EOP
Debra D. Alexander/WHO/EOP@EOP
Lindsey E. Huff/NSC/EOP@EOP
David Vandivier/OMB/EOP@EOP
Carl Haacke/OPD/EOP@EOP
Leslie Bernstein/WHO/EOP@EOP
Erica R. Morris/WHO/EOP@EOP
Kathleen K. Ahn/WHO/EOP@EOP
Ruby Shamir/OPD/EOP@EOP
William Hadley/OA/EOP@EOP
Melissa J. Prober/WHO/EOP@EOP
David Vandivier/OMB/EOP@EOP
Dawn M. Chirwa/WHO/EOP@EOP
Setti D. Warren/WHO/EOP@EOP
Michele Ballantyne/WHO/EOP@EOP
Julia A. DiGangi/WHO/EOP@EOP
Laura Efurd/WHO/EOP@EOP
John H. Corcoran III/WHO/EOP@EOP
Courtney C. Crouch/WHO/EOP@EOP
Renee Sagiv/WHO/EOP@EOP
Patrick M. Dorton/OPD/EOP@EOP
Edward W. Correia/WHO/EOP@EOP
Karen C. Burchard/WHO/EOP@EOP
Denver R. Peacock/WHO/EOP@EOP
Jenni R. Engebretsen/WHO/EOP@EOP
Brian A. Reich@OVP@INET@LNGTWY
Hildy Kuryk/WHO/EOP@EOP
Sharon H. Yuan/OPD/EOP@EOP
Michael K. Gehrke/WHO/EOP@EOP
Mark J. Bernstein/WHO/EOP@EOP
Daniel E. O'Brien/WHO/EOP@EOP
Brooke B. Livingston/WHO/EOP@EOP
Lisel Loy/WHO/EOP@EOP
Irma L. Martinez/WHO/EOP@EOP

Anne W. Bovaird/WHO/EOP@EOP
Eric P. Liu/OPD/EOP@EOP
Charles J. Payson/WHO/EOP@EOP
Fern Mechlowitz/WHO/EOP@EOP
Michele Ballantyne/WHO/EOP@EOP
Adrienne K. Elrod/WHO/EOP@EOP
Jane T. Schaffner/WHO/EOP@EOP
Terry Edmonds/WHO/EOP@EOP
Christine L. Anderson/OVP@OVP
Kristina Wolfe/OVP@OVP
Matthew T. Schneider/WHO/EOP@EOP
James R. Fallin/NSC/EOP@EOP
Lisa Ferdinando/WHO/EOP@EOP
Nicole L. Davison/OPD/EOP@EOP
Kymberly M. Escobar/CEQ/EOP@EOP
Michael A. Skrebutenas/WHO/EOP@EOP
Alberto O. Feraren/OA/EOP@EOP
Bobby D. Conner/WHO/EOP@EOP
Beth Nolan/WHO/EOP@EOP
Lauren K. Gillespie/WHO/EOP@EOP
Ann O'Leary/OPD/EOP@EOP
Shivaun A. Cooney/WHO/EOP@EOP
Rochester M. Johnson/WHO/EOP@EOP
Lisa Zweig/OMB/EOP@EOP
Samir Afridi/WHO/EOP@EOP
Jennifer M. Palmieri/WHO/EOP@EOP
Bridger E. McGaw/OVP@OVP
Ann O'Leary/OPD/EOP@EOP
Brian S. Mason/WHO/EOP@EOP
Jason E. Hartke/WHO/EOP@EOP
Rochelle G. Thompson/WHO/EOP@EOP
Brian A. Barreto/WHO/EOP@EOP
George E. Lewis/OA/EOP@EOP
Kristina Wolfe/OVP@OVP
Maria L. Haley/WHO/EOP@EOP
Phu D. Huynh/WHO/EOP@EOP
Aaron DeCamp/WHO/EOP@EOP
Emily Karcher/WHO/EOP@EOP
John A. Wertman/WHO/EOP@EOP
Joshua J. Ackil/WHO/EOP@EOP

J. Eric Gould 11/22/99 01:15:24 PM

Record Type: Record

To: Ann O'Leary/OPD/EOP@EOP

cc: Eugenia Chough/OPD/EOP

Subject: 6pm Conf call re: Nonprofits meeting

---------------------- Forwarded by J. Eric Gould/OPD/EOP on 11/22/99 01:15 PM ---------------------------

Eugenia Chough 11/22/99 11:31:38 AM

Record Type: Record

To: maureen shea, Malcolm Richardson/WHO/EOP@EOP, John B. Buxton/OPD/EOP@EOP

cc: J. Eric Gould/OPD/EOP@EOP, Cynthia A. Rice/OPD/EOP@EOP

Subject: 6pm Conf call re: Nonprofits meeting

We'd like to ~~have a quick~~ conference call at 6pm today to prepare for the meeting with the nonprofit groups tomorrow. The call #: 6-2561, code 3572. Please let me know if you have a conflict, and I'll reschedule. Thanks.

J. Eric Gould 11/19/99 01:50:04 PM

Record Type: Record

To: Ann O'Leary/OPD/EOP@EOP, John B. Buxton/OPD/EOP@EOP

cc:
Subject: Non-Profit Task Force

Could we get together on Monday to discuss the Nonprofit Task Force - some of the issue it's might cover and how some of these ideas might fit into the budget.

Anytime after 12:00 is good for me.

The EO creating the Task Force:

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release October 22, 1999

October 22, 1999

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Supporting the Role of Nonprofit Organizations: Interagency Task Force on Nonprofits and Government

The United States is the most generous Nation on Earth. In 1998, an estimated $175 billion was given by American individuals, communities, foundations, corporations, and other private philanthropies to a wide variety of causes and organizations. Individuals accounted for 85 percent of all contributions in 1998 and their giving has increased by almost one-third since 1995. And over the next 20 years, approximately $12 trillion in wealth is expected to be transferred from one generation to the next -- more than $1 trillion of which will flow to nonprofit organizations through charitable giving.

In many cases it is nonprofit organizations that convert philanthropy into results -- helping people in need, providing health care and educating our Nation's youth. The nonprofit sector is an integral component of our national life, encom-passing more than one and a half million organizations with operating expenditures in excess of $600 billion. But more telling than the dollar figures is the new spirit of service and civic activism that nonprofits of every kind are now exhibiting. We are today in the midst of a nonprofit boom, a time when the activities of this sector are becoming ever more creative and entrepreneurial.

Nonprofits are uniquely able to identify problems, mobilize fresh thinking and energy, care for those in need on a human scale, and promote social change at the community level. As this sector grows in size and importance, there is an ever greater opportunity to forge partnerships that include Government, nonprofit groups, businesses, and citizens to address pressing public problems. There are already many ways that nonprofits work closely with the Federal Government. For example, Federal grant programs from the National Science Foundation and the National Institutes of Health assist non-profit research institutions that search for cures to cancer. And the Corporation for National Service works with nonprofits throughout the Nation to provide after-school and tutoring programs. Our challenge in this time of burgeoning social entrepreneurship is to encourage Government, nonprofits, and others to work together more meaningfully.

Therefore, today I direct the Assistants to the President for Domestic Policy and Economic Policy and the Chief of Staff to the First Lady to convene an Interagency Task Force on Nonprofits and Government ("Task Force"). The purpose of this Task Force will be twofold: first, to identify current forms of collaboration between the Federal Government and nonprofits; and second, to evaluate ways this collaboration can be improved.

Structure of the Task Force

The Assistant to the President for Domestic Policy, the Assistant to the President for Economic Policy, and the Assistant to the President and Chief of Staff to the First Lady will jointly Chair the Task Force. The Office of the Vice President, the Office of Management and Budget, and the Council of Economic Advisers will be regular participants.

The Task Force shall be composed of the following members:

(1) Secretary of the Treasury
(2) Attorney General
(3) Secretary of the Interior
(4) Secretary of Agriculture
(5) Secretary of Commerce
(6) Secretary of Labor
(7) Secretary of Health and Human Services
(8) Secretary of Housing and Urban Development

(9) Secretary of Transportation
(10) Secretary of Education
(11) Administrator of the Small Business Administration
(12) Chief Executive Officer of the Corporation for National and Community Service

The Chairs of the Task Force may add such other officials and independent agencies as they deem appropriate to further the purposes of this effort or to participate in specific aspects of it. The Chairs, after consultation with Task Force members, will appoint staff members to coordinate the Task Force's efforts. The Chairs may call upon the participating agencies for logistical support to the Task Force, as necessary. Members of the Task Force may delegate their responsibilities under this memorandum to subordinates. During its work, the Task Force will consult regularly with the nonprofit sector.

<u>Objectives of the Task Force</u>

The Task Force will:

1. Develop a public inventory of "best practices" in existing collaborations between Federal agency programs and nonprofit organizations. In cooperation with the nonprofit sector, the Task Force will work to apply these leading models to other Government efforts. For example, cross-agency initiatives that reflect the community-wide focus of many nonprofits could be highlighted and replicated. The Task Force will also examine ways that Federal agencies can better draw upon the experience and innovations of nonprofits in the development of public policy.

2. Evaluate data and research trends on nonprofits and philanthropy. Understanding the significance of the relationship between the nonprofit and Government sectors requires an understanding of the impact that the nonprofit sector has on the economy and on public policy. For example, the Council of Economic Advisers should undertake an analysis of existing data from the private and nonprofit sectors concerning the role of philanthropy in our economy, including an examination of the factors that affect giving and an investigation of trends that are likely to affect future giving. The Task Force will also coordinate agency efforts to identify the contributions made by the nonprofit sector and information regarding philanthropic activity.

3. Develop further policy responses. The Task Force will

meet to discuss new findings and to consider new or modified Administration policy responses. For example, the Task Force will work with the non-profit sector and others to explore ways to encourage philanthropy and service, efforts to help nonprofits develop and grow (including "venture philanthropy"), opportunities for closer collaboration on research and in meeting local needs, and ways to reduce governmental barriers to innovative nonprofit enterprises.

From time to time, the Task Force will report to me on the results of its efforts.

General Provisions

This memorandum is intended only for internal management of the executive branch. This memorandum is not intended, and should not be construed, to create any right, benefit, or trust responsibility, substantive or procedural, enforceable at law or equity by a party against the United States, its agencies, its officers, or its employees. This memorandum shall not be construed to create any right to judicial review involving the compliance or noncompliance with this memorandum by the United States, its agencies, its officers, or any other person.

WILLIAM J. CLINTON

# # #

Eugenia Chough 11/19/99 02:37:43 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:
Subject: Meeting to discuss Nonprofits and Government

Hello,

Following up on the President's October 22, 1999 Executive Order establishing a Task Force on Nonprofits and Government, we invite you to join us on **Tuesday, November 23, at 1:30pm in room 211 of the Old Executive Office Building**. We are interested in hearing ideas that the Task Force could pursue. I apologize for the short notice, but we wanted to get the ball rolling before the holidays.

If you plan to attend, please email me your **date of birth and social security number** as soon as possible, no later than close of business Monday.

Thank you. If you have any questions, please feel free to call me at (202) 456-5566.

Genie Chough

Message Sent To:

alan.abramson@aspeninst.org
aalvarado@ncna.org
naron@afj.org
bassg@ombwatch.org
eboris@ui.urban.org
dcohen@advocacy.org
rick@ncrp.org
peisenberg@erols.com
sara@independentsector.org
jimmie@independentsector.org
wmassey@nationalcharities.org
ridid@cof.org
mrosenman@tui.edu
lsalamon@jhunix.hcf.jhu.edu
eskloot@surdna.org
hodgkinv@gunet.georgetown.edu
John B. Buxton/OPD/EOP@EOP
Ann O'Leary/OPD/EOP@EOP
maureen shea
Anil Kakani/OMB/EOP@EOP
J. Eric Gould/OPD/EOP@EOP
Cynthia A. Rice/OPD/EOP@EOP