



March 21, 2014

Senator Charles Grassley
135 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Grassley:

I would like to ask for your support of the IRA Charitable Rollover as you consider the tax extenders package, which expired at the end of the 2013 tax year. The IRA Charitable Rollover allows individuals who have reached age 70½ to donate up to \$100,000 to charitable organizations directly from their Individual Retirement Account (IRA), without treating the distribution as taxable income. This bipartisan provision is vitally important to community foundations and their affiliates like the **Community Foundation of Jackson County**, since many of our donors, large and small, use the IRA rollover provision every year.

As you consider the extenders package, I would encourage you to consider permitting IRAs to be rolled over into donor advised funds. The recently expired IRA Charitable Rollover does not allow IRAs to be rolled over to such funds with tax benefits. A donor can use the IRA Charitable Rollover to give to a university endowment, or to an endowment of a local hospital or art museum—but they cannot build community endowment by contributing to a donor advised fund at the local community foundation.

In the past year, two new donor advised funds have been established with the Community Foundation of Jackson County that are intended to support multiple signature causes in our small community. The continuation of the IRA Charitable Rollover will help enable community members to provide for their communities.

The Pension Protection Act (PPA) of 2006 required the Department of the Treasury to produce a report on donor advised funds. That study, published in 2011, concluded that the contribution deduction rules faced by donors to donor advised funds should be the same as those for other public charities.

The extension of the IRA Charitable Rollover and permitting them to be rolled over into donor advised funds would help build the capacity of nonprofits and the causes that matter most. Fixing this small provision in extenders should have little if any revenue cost, and it would have bipartisan support.

Thank you for your leadership on the Senate Finance Committee, and for all that you do on behalf of Iowans across the state. If you have any questions about the IRA Charitable Rollover and the history behind it, please let me know and I would be happy to provide more information.

Sincerely,

Darwin Schipper
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