



FREQUENTLY ASKED QUESTIONS AND SUGGESTED ANSWERS

Q *What is Philanthropy Week in Washington? (PWW)*

A Now in its second year, Philanthropy Week in Washington is a week-long series of events and activities that highlights the role of philanthropy in our society, hosted by the Council on Foundations. Philanthropic leaders will come together from across the country in Washington D.C. to discuss the role and impact of philanthropy.

Q *What is Philanthropy Week the focus for this year?*

A Philanthropy Week in Washington 2015 highlights the power of place-based initiatives and collaboration to help empower communities.

Q *What are the concerns raised by tax reform?*

A Both tax-writing committees have been working for several years to lay important groundwork and conduct research for comprehensive reform of America's tax code. The Council and many of our colleagues in the field have been deeply engaged in this process, which is a marathon – not a sprint.

As the groundwork for tax reform continues to be laid, we will keep educating and informing Congress to weigh the potential implications – both negative and positive – on organizations like ours prior to changing the tax code.

Q *There are a lot of tax reform proposals regarding the charitable deduction—from eliminating the deduction to placing a dollar cap on it. Which one is best for the sector?*

A We strongly urge Congress to preserve the charitable deduction in its current form because limits or caps will have a cascading impact on millions of Americans. Recent data from the American Enterprise Institute shows that there would be a loss of \$9.4 billion to charities, in the first year alone, if the 28 percent cap on itemized deductions was adopted.

Q *What is the Congressional Philanthropy Caucus? What is its purpose?*

A The bipartisan House and Senate Philanthropy Caucuses were originally established in 2007 and 2008, respectively. Their purpose is to inform members of Congress and their staff about the important role philanthropy, and specifically foundations, play in communities around the world.

Senate Chairs

Sen. Chuck Schumer (D-NY)
Sen. Richard Burr (R-NC)

House of Representatives Chairs

Congressman Pat Tiberi (R-OH-12)
Congressman John Lewis (D-GA-5)

Q *Donor-Advised Funds (DAFs) seem to be of great interest to community foundations. Is there a distinction between DAFs managed by community foundations and DAFs managed elsewhere?*

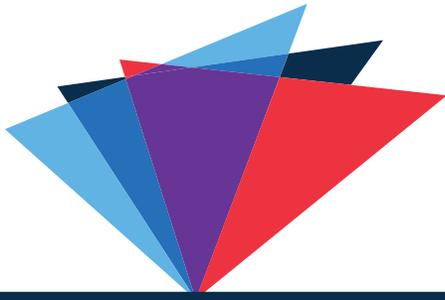
A DAFs are effective vehicles for people to channel their philanthropic giving to projects and programs that benefit their community, enabling people to “give where they live”. Professional staff at community foundations help donors manage their funds to help their money grow over time, allowing them to pay out much more than the original gift.

Q *What are the unique benefits offered by community foundation DAFs?*

A A 2014 Urban Institute survey of DAFs managed by community foundations found the following:

- DAFs help community philanthropy endure.
- DAFs encourage lasting civic engagement.
- DAFs build stronger communities.

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Q *We know there have been proposals put forth to regulate the rate at which donor advised funds must pay out their funds each year. Where do you stand on these proposals?*

A We strongly oppose any annual payout requirement for DAFs, either at the fund level or in the aggregate. We urge Congress to preserve current law regulating DAFs. In addition to the laws and regulations that govern DAFs, the majority of community foundations voluntarily self-regulate through the National Standards for U.S. Community Foundations™ program.

Q *Why have private foundations been asking Congress to simplify the private foundation excise tax?*

A The current private foundation excise tax is complicated to administer and, because of its overly complicated, two-tier structure, can create a disincentive when foundations consider increasing giving for unanticipated grants such as disaster aid. For many years, tax experts and even the Joint Committee on Taxation have recommended simplifying the tax to a single, flat rate.

Q *Where do you stand on the proposal to make the IRA charitable rollover permanent currently law?*

A The IRA charitable rollover, which encourages charitable giving, has proven to be very popular with taxpayers and beneficial to charities. We encourage Congress to make it permanent. Additionally, the Council continues to support expanding this provision to remove limitations on the age of donors and the size of the gifts and to permit charitable rollovers to donor advised funds, supporting organizations, and private foundations.

Q *Doesn't the America Gives More Act include make the charitable extenders permanent?*

A Yes, numerous lawmakers already recognize the value of a permanent IRA charitable rollover, and have demonstrated their support by voting for this provision in 2014 and again in February of this year.

Q *Why are temporary tax extenders so problematic?*

A The uncertainty caused by the need for an annual extension of the "tax extenders," as well as the fact that the provisions lapsed at the end of 2014 after being in place for just 2 weeks, decreases the value of these giving incentives, which ultimately reduces charitable giving.

