

Key Legislative Message Points

I. Introduction

Make sure all of the participants understand who you are, what you do, and the importance of philanthropy.

- Thank the member and/or staff for meeting with you.
- Each member of your group should then briefly introduce themselves and talk about their foundation (mission, assets, total grants).
- Share your belief that a strong and healthy philanthropic sector is a vital part of our nation's success and that you hope the member and/or staff feel the same way.

II. Building Awareness About Your Work

- Several members of your group should tell a story or give an example of work they support, preferably in the member's state/district.
- Share examples that reinforce the following characteristics:
 - Independence: Philanthropy uses private resources to do public good. This independence allows it to take risks, achieve greater results, and affect change.
 - Innovation: Philanthropy drives innovation as an incubator for great ideas. It leverages resources, flexibility, and creativity to address society's most challenging problems.
 - Investment: Philanthropy strategically invests in long-term solutions to the larger problems facing society.
- Talk about areas where your work and your legislators' work/interests intersect to help them see how you share common goals and concerns for your communities.

The ASK: Can we count on your support of the sector?

The ASK: Invite the members and staff to upcoming civic and philanthropic events in their state or district, such as ribbon cuttings, strategic planning meetings, awards ceremonies, etc. Or invite them to speak at a board meeting or other event where you can deepen the relationship.

III. Types of Events

District Days is an excellent opportunity for foundation and grantmaking representatives to develop or strengthen relationships with members of Congress during the August recess. During this key time, host events that will benefit the communities in which you serve and educate lawmakers on the impact of philanthropy. Here are some examples of successful district events:

- **Ribbon-Cutting Event: Ashtabula County Civic Development Corporation**
Stuart W. Cordell of the Ashtabula County Civic Development Corporation invited Rep. Steven LaTourette (R-Ohio) to a ribbon-cutting event celebrating a new recreational trail.
- **Coordinated Effort Between Foundation Representatives in the State: Community Foundation of Greater Dubuque**
Nancy Van Milligen, president and CEO of the Community Foundation of Greater Dubuque, hosted a district meeting with foundation colleagues in Iowa when Sen. Charles Grassley (R-Iowa) staffer Theresa Pattara was present.
- **Site Visit: The Community Foundation Serving Richmond and Central Virginia**
Rep. Robert C. “Bobby” Scott (D-Va.) visited J. Sargeant Reynolds Community College at its downtown campus in Richmond, Va. The event highlighted the work of grantmaking foundations—specifically The Community Foundation Serving Richmond and Central Virginia and the Richmond Memorial Health Foundation. The focus was workforce development and the role of community colleges.

IV. Legislative Update

Although we encourage foundation and grantmaking representatives to host district events at home to showcase the work of philanthropy locally, we realize that you also may want to discuss pending legislative proposals. Additional details on each of the following issues can be found on the District Days website (www.districtdays.org).

Note: It is not necessary to cover each of these issues, only those that are important to you and that you are comfortable talking about.

Promote the Charitable Sector

- A strong and healthy charitable and philanthropic sector is vital to a prosperous nation and vibrant communities.
- With hard choices having to be made, and with every aspect of society under consideration, this is the perfect time to educate members and their staff about the value of philanthropy.
- Reforms to the tax code should affirm the importance of the charitable sector and reduce complexity, administrative burdens, and financial limitations that inhibit or restrict charitable institutions from effectively and efficiently pursuing their charitable missions.
- The president’s budget for 2012 calls for a reduction in the value of the charitable itemized deduction that can be claimed by the wealthiest households.
- Other proposals suggest replacing the charitable deduction with a tax credit, imposing a floor (2 percent of AGI) below which contributions are not deductible, or otherwise limiting charitable deductions to raise much needed federal and state revenue.

- Studies show that any decrease in the value of the deduction rate for charitable contributions could reduce the amount of money available to support worthy non-profits across the country.
- Public policies should encourage increased, not decreased, charitable giving.

The ASK: Please encourage members to ensure that the tax code continues to recognize the value of the charitable sector and provide strong incentives that encourage charitable giving.

Simplify the Private Foundation Excise Tax

- Even in these tough economic times, foundations and corporate grantmakers are committed to supporting our communities.
- The current two-tiered tax structure is needlessly complicated and can punish such generosity by imposing higher taxes for up to five years.
- Simplifying the tax structure eliminates this penalty and minimizes administrative burdens for foundations.
- Legislation introduced this year (S. 593/H.R. 2311) would replace the current two-tiered rate with a simplified rate of 1.39 percent.
- The president's proposed budget for 2012 suggests a simplified rate of 1.35 percent.
- In 2010, the Joint Committee on Taxation determined the proposal was revenue neutral at a rate of 1.39 percent. However, the administration concluded that the loss incurred at 1.35 percent (\$55 million over 10 years) was worth to use a more administratively simple number.

The ASK: Please ask members to co-sponsor and support S. 593 and H.R. 2311.

IRA Charitable Rollover

- Through the end of 2011, the IRA rollover allows taxpayers age 70½ or older to make tax-free distributions of up to \$100,000 directly from their IRAs to charitable organizations.
- We are working to permanently extend this provision.
- Donor advised funds are a vital resource for community philanthropy. Because they have been unfairly excluded from the provision, we are seeking to expand it to include gifts to all charities.
- Legislation introduced in the 112th Congress (S. 557) would extend the IRA charitable rollover beyond 2011 and allow gifts made to donor advised funds, supporting organizations, and private foundations to qualify for the incentive. Additionally, the bill proposes to lift the \$100,000 cap on distributions and allow planned gifts beginning at age 59½.

The ASK: Please ask your senators to co-sponsor and support S. 557. The Council's Government

Relations staff is working with members of Congress to introduce a House companion bill to S. 557. In the meantime, encourage your representatives to support IRA charitable rollover legislation that will make the provision permanent and extend it to allow all charitable giving vehicles—including donor advised funds, supporting organizations, and private foundations—to be eligible. Council staff will provide a list of potential co-sponsors for the House bill once it is introduced.

Program-Related Investments Promotion Act

- Private foundations may count certain “program-related investments” (PRIs) toward their minimum payout obligation if the investment is primarily charitable in nature and not merely for the production of income.
- As foundations seek to leverage their charitable assets more efficiently, PRIs are an increasingly attractive tool because they allow achievement of charitable goals without depleting endowments, even producing a modest return in many cases.
- The current system governing PRIs is more than 40 years old. If foundations are going to continue to invest in innovative solutions to society’s most pressing problems, the law must evolve to support those investments.
- The Council supports modernizing the PRI regulatory process to make it more responsive and efficient while continuing to prevent abuse. This involves improving the IRS review process so that foundations can get more timely determinations.

The ASK: Please ask members to support the PRI proposal. Council staff will collect a list of interested co-sponsors for bills in the House and the Senate.

Rural Philanthropy Growth Act

- The continuing migration of young people from rural communities is the single greatest threat to their economic viability.
- The Rural Philanthropy Growth Act is an outline for legislation that would encourage community leadership and philanthropy to revitalize and sustain rural communities throughout America.
- The proposal would use existing USDA funding to provide challenge and capacity-building grants to qualifying community foundations for building unrestricted endowment funds that benefit economically distressed areas.
- Philanthropy creates an opportunity to break the cycle of dependency many rural communities are currently caught in by generating new, locally-controlled capital for investing in and restructuring local economies and producing better economic outcomes for every citizen.

The ASK: Please ask members to support the Rural Philanthropy Growth Act proposal. Council

staff will collect a list of interested co-sponsors and provide that list to the lead sponsors of the House and Senate as they work to have bills introduced.

- **Wrap-Up**

- Thank the member and staff again for taking the time to meet with you.
- ***Ask them again, if appropriate***, to sponsor legislation to expand the IRA charitable rollover, enact a revenue-neutral excise tax, and support tax incentives that encourage charitable giving.
- If you only meet with the member, ***ask for the name of the staffer in charge of issues related to foundations and philanthropy (usually the tax aide)***.
- Emphasize your value as a local resource and encourage them to contact you, your regional association, or the Council if they have any questions on the legislative issues you discussed, other charitable legislation, your work, or philanthropy in general.

Remember to get business cards and follow up with a note of appreciation and a repetition of the key points you discussed—and to provide any information requested during the meeting.

Don't let the conversation end once you walk out of the meeting! Invite your lawmaker and/or staff to any local events that your foundation is hosting during upcoming congressional recesses. Also, adding local staff to your foundation's distribution list is a great way of keeping the office updated throughout the year.