

## Friday, September 10, 2010

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The latest edition of the ACR newsletter is available below or online.

Congress returns from August recess on Monday, September 13. This week, we're providing a brief preview of what we can expect for the remainder of this session.

## Consider This...

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### What to Expect When Congress Resumes?...Not Much

If you've been associated in any way, shape or form with a pregnancy since 1984, you're probably familiar with the now-classic book, What to Expect When You're Expecting, known as the "bible" of American pregnancy.

Sadly, there is no such guide to let us know what to expect as Congress gets ready to return for a few short weeks before heading out to campaign for the November elections – particularly when the political future for next year in Washington is so murky.

So what should we expect?

The short answer is, "not much."

With Republicans licking their chops over the possibility of taking over one or both Houses of Congress, there is little incentive for them to move any legislation in the next few weeks. Instead, we can expect a lot of political posturing from both sides along with a bare bones agreement to allow the government to continue functioning until after the election.

After that, all bets are off until at least November 3rd (the day after elections). While a lame duck session in mid to late November has been talked about for months, it is not clear that much will happen then either.

And now we come to find out that House Ways and Means Chairman Sander Levin (D-MI) has been advising colleagues not to book non-refundable flights between Christmas and New Year's. Does that mean Congress may be back in session then? It's certainly a possibility.

If so, would they manage to plow through all the work to be done on tax issues in a week? (i.e., the estate tax, the expiring Bush tax cuts and the tax extender provisions) Not necessarily. We can easily envision a scenario under which all of the long overdue agenda items for this year get punted even further down the road into the next Congress.

This means a very mixed bag for philanthropy. Higher income tax rates means less disposable income to give to charity. A 55% estate tax rate on January 1, 2011 could spur some quick thinking about

charitable giving vs. federal giving. And no big tax bills means no big search for revenue offsets.

So, stay tuned, but don't expect much anytime soon.

## Making Headlines

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Here are recent headlines you may find interesting:

### Federal

The spotlight has been turned on congressional charities after an investigation by the New York Times found evidence that members of Congress may be using their foundations and nonprofit organizations to solicit corporate funds in exchange for legislative favor.

- 9/5 Congressional Charities Pulling In Corporate Cash, New York Times  
<http://www.nytimes.com/2010/09/06/us/politics/06charity.html>
- 9/7 Alms for the Rich and Powerful, New York Times (op-ed)  
<http://www.nytimes.com/2010/09/08/opinion/08wed1.html?emc=tnt&tntemail1=y>

9/6 Year-End Giving Could Get a Lift From Political Tax Debates, Chronicle of Philanthropy  
[http://philanthropy.com/article/Tax-Debate-Could-Spark-Giving/124245/?sid=&utm\\_source=&utm\\_medium=en](http://philanthropy.com/article/Tax-Debate-Could-Spark-Giving/124245/?sid=&utm_source=&utm_medium=en)

The Chronicle provides a review of tax considerations large donors will face this year. Based on Congress's predicted inaction on several tax issues nonprofits are expected to see a busy holiday giving season.

9/6 How Much Must Charities Disclose About Donors? , Chronicle of Philanthropy  
<http://philanthropy.com/article/How-Much-Must-Charities/124240/>

The Chronicle reports on the progress of Senator Charles Grassley's (R-IA) investigation into funding sources of health nonprofits. Last year, Grassley urged some 33 medical groups to share with the public how much money they received from medical and insurance companies. The findings – expected as early as this fall– could have implications for all charities that receive donations from businesses in areas that overlap with their nonprofit missions.

### Commentary

9/1 Federal Court Nominee Stumps for Greenlining, Philanthropy Daily  
<http://www.philanthropydaily.com/?p=3474>

Naomi Shaefer Riley reports on the close alignment of one of the president's judicial nominees Goodwin Liu, a dean at Berkeley, to the Greenlining Institute. Liu appears in a video on the [Greenlining website](#), called Movement 2.0, discussing the next generation of civil rights leaders and Greenlining being a source of such leaders.

8/30 Mickey Mouse, the Estate Tax and Me, USA Today

[http://www.usatoday.com/news/opinion/forum/2010-08-31-column31\\_ST\\_N.htm](http://www.usatoday.com/news/opinion/forum/2010-08-31-column31_ST_N.htm)

In a USA Today op-ed Abigail Disney, philanthropist and heiress, explains why the estate taxes should be preserved at the end of the year noting that the estate tax incentivizes giving.

## Other

9/6 Gates Foundation Acknowledges Flaws in Report, Associated Press

<http://online.wsj.com/article/SB10001424052748704358904575478312162167440.html>

The Gates Foundation is taking steps to increase its transparency by posting its Annual Report online along with comments about its grant process from grantees. Yet, some in the nonprofit world still say this is not enough and criticize the foundation's funding priorities.

9/1 Charities and Watchdog Groups Clash Over Monitoring Systems, Chronicle of Philanthropy

[http://philanthropy.com/article/CharitiesWatchdog-Groups/124226/?sid=&utm\\_source=&utm\\_medium=en](http://philanthropy.com/article/CharitiesWatchdog-Groups/124226/?sid=&utm_source=&utm_medium=en)

The Direct Marketing Association's Nonprofit Federation released drafts of two reports criticizing the evaluation systems by charities and watchdog groups including the Better Business Bureau's Wise Giving Alliance and Charity Navigator.

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