



# FOCUS ON *Nonprofit* ACCOUNTABILITY

FIRST QUARTER 2012

## INSIGHT FROM THE PRESIDENT

by Dan Busby

### 2011 Remembered— 2012 Anticipated



2011 was a memorable year for the Christ-centered community but 2012 portends to be a chart-topper in many respects.

Let's take a trip down the 2011 memory lane:

- **Grassley hands nonprofit tax policy issues to ECFA.** In January 2011 Senator Charles Grassley closed his investigation of six ministries (see page 4) and referred the open issues to ECFA for study. ECFA's board accepted Grassley's challenge, approving a new national Commission.
- **ECFA's astounding membership growth.** 2011 was ECFA's fourth consecutive year of record accreditation of new members (see page 8). Christ-centered nonprofits increasingly understand the ECFA seal enhances trust with givers.
- **Resources.** 2011 was the third year for nonprofits to secure resources in a recessionary environment. ECFA's 2nd Annual State of Giving Report (see page 7) reflected ECFA's members fared much better than the largest secular charities.
- **Religious hiring.** The U.S. Supreme Court opted not to hear a case that had potentially significant implications for religious organizations' hiring practices, clearing the way for World Vision to continue hiring Christians.
- **Housing allowance.** After dropping one constitutional challenge, the same group filed a new case

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## FEATURE

### If You Can't Stand the Heat...

#### *A View of Integrity from an African Village*

by Wess Stafford



Wess Stafford

Everything I really need to know to lead Compassion International, I learned from the poor in the West African village where I grew up. Chief among those lessons:

the importance of integrity.

Compassion is proud to be one of the charter members of ECFA, and had a strong reputation for integrity long before I came to the ministry 34 years ago. We at Compassion firmly believe that if you lack integrity, you lack everything. If you can't be trusted, you have nothing to offer. The way I learned about integrity in the village of my childhood made a lifelong impression on my soul and shaped my leadership principles.

I was raised by missionary parents among the Senufo tribe in the Ivory Coast. As far as I was concerned, I was as much a true son of our village as any of my little African friends. In fact, each night I would beg God to allow me to wake up the next morning with black skin so that I could be just like them. God never granted that request, but the village lovingly embraced me, anyway, as one of their own.

From these gentle people I learned about love, joy, hope, generosity and courage. I learned the meaning of and purpose for strength. And I learned about integrity. You might think that for people who possessed so little, integrity wouldn't matter so much. But the truth is, the less they had, the greater was their gratitude and contentment,

and the more respect they had for the meager belongings of their neighbors.

Down the dusty two-rut road lived a tribe with a radically different worldview and way of doing business. While we Senufo were hunters, fishermen and farmers, the tribe in the next village included craftsmen who specialized in making jewelry and statues of wood and stone. Every Wednesday was Market Day and people walked for hours

*"From the poor in my West African village, I learned about love, joy, hope, generosity, courage, and integrity."*

in the blazing African sun to gather at a central location so they could sell and buy each others' goods. The craftsmen always arrived at market early so they could set up their stalls of wares in the shade of a grove of mango trees. Shade

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### **Introducing Focus on Nonprofit Accountability**

After 20 years of publishing *Focus on Accountability*, we are now publishing two newsletters (print and electronic): **Focus on Nonprofit Accountability**—placing a spotlight on nonprofit issues—and **Focus on Church Accountability**—highlighting issues of particular interest to churches.

2011 Remembered—2012 Anticipated  
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seeking a declaration that the clergy housing allowance violates the First Amendment.

The Department of Justice also appealed a ruling which allowed a minister to exclude multiple houses under the housing exclusion rules.

**What to expect from ECFA in 2012** as we serve our members and those who give to our members:

- Issuance of a Phase I report from the Commission on Accountability and Policy for Religious Organizations

*“Continuing challenges to the charitable deduction are virtually certain to come in 2012. A charitable deduction floor is the most likely of the options to become law.”*

- Expansion of ECFA’s web-based member profile, giving each member control over a section of their profile to communicate issues of donor interest
- Launching of an ECFA church membership initiative, including a focused approach for the need of churches—a separate newsletter, *Focus on Church Accountability*, church-focused webinars, and more
- Continuing the popular CEO Dialogues under the ECFA brand
- Releasing the first in the Governance Toolbox Series—training for boards
- Increasing the impact of the popular ServantMatch™ concept—expanding the giving opportunities well beyond the current 2,100 giving options
- Republishing *When Giver’s Designate Gifts* (formerly *Donors-Restricted Gifts Simplified*) and *Igniting a Life of Generosity* from ECFA Press in hardcover format with a softcover version for ministry imprint

**What does 2012 hold for the Christ-centered community?** To coin a phrase from my pastor, I am only a “prophet of the obvious”—and this is what I believe is becoming obvious.

- **Impact of the economy.** In non-profit budgetary planning, caution will continue to be the watchword. Some Christ-centered nonprofits will flourish while others will be challenged to match income with outgo. There

will likely be an increasing pressure on smaller nonprofits to maintain or increase resources.

- **Tax legislation.** While conventional wisdom dictates that new tax legislation impacting nonprofits will be delayed until the Presidential and Congressional elections of 2012 are history, tax legislation could be passed on a rather impromptu basis as Congress desperately searches for new and increased sources of Federal revenue.

Continuing challenges to the charitable deduction are virtually certain to come in 2012. A charitable deduction floor is the most likely of the options to become law.

If the Charitable IRA provisions are extended for 2012, it likely will not occur until late in the year—again making charitable gift planning very difficult with respect to gifts from IRAs.

- **Increased collaboration and, yes, some mergers**—especially at the small to medium size charity level. A great example is the agreement of

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**If You Can’t Stand the Heat...**  
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was a high premium because it provided a cooler place to sit, attracted customers, and most importantly, was the ideal setting for “shady deals.” While the Sen- ufo followed the principle of “integrity in everything,” the “crafty” salesmen were more aligned with the philosophy of “There’s a sucker born every minute.”

You see, not all wooden carvings are created equal. The shriveling dry heat of half the year combined with the swelling humidity of the other half would often cause a carved wooden elephant statue to crack and split. The artisans’ solution involved cover-up and camouflage. They were adept at filling the cracks with wax, matching the color and grain of the wood by mixing the wax with shoe polish or dye made from flowers or trees. To the unsuspecting customer, the piece of art looked perfect. And of course, the shade of the tree aided in the deception. We boys watched and learned from our elders to examine the artwork carefully and then ask, in French (the colonial language the tribes had in common), “Est-ce sans

cire?” We were literally asking, “Is this without wax?” Sincere? In other words, is it as good as it looks? Does it have hidden flaws? Are you being honest with me? Show me the wax!

These questions were always met with exaggerated indignation that their craftsmanship and their character had been insulted. But after the flurry of protests was over, our next question would be, “Then you would have no problem with me taking it out into the sunlight for a closer look?” Oh my, this they wanted to avoid at all costs, so bargains were offered in a hurry! In the bright tropical sunlight and the sweltering 120-degree heat, strange things happened to seemingly beautiful works of art that were not “sincere.” The heat slowly melted the wax and the light exposed not only the smallest flaws, but the sellers’ lack of integrity as well. John 3:19-20 comes to mind: “Light has come into the world, but men loved darkness instead of the

*“Integrity doesn’t require perfection, but it does require consistent sincerity.”*

light because their deeds were evil. Everyone who does evil hates the light, and will not come into the light for fear that his deeds will be exposed.”

We live in an information-saturated era in which anything can be researched, scrutinized, hacked or shared. Camera phones and social media sites have become our modern-day “cloud of witnesses.” As many a fallen public figure has discovered, it’s much more difficult now to keep a dishonorable private life from tarnishing a polished public image. Integrity doesn’t require perfection, but it does require

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**ECFA.org**

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consistent sincerity, that we are honest about who we really are and what we really do. How sad that the virtue of sincerity is so often faked in this age of greed and cynicism, and that the news is filled with the tragic ramifications of corruption in leadership. Who and what can we believe? Consider those on Wall Street or in Washington who insist that their only agenda is to put the interests of their constituencies first—wouldn't you like to take them out into the bright light and have a closer look? Apply some heat to test their true character, their sincerity, to see which one's facade melts from the scrutiny and drips with deception?

More than ever, donors and customers are astute and discerning. Their giving and purchasing decisions are no longer solely based on their response to marketing presentations. They are "outcome driven," wanting to invest

*"Donors' decisions are not solely based on their response to marketing presentations."*

their resources only where there is a proven track record of success. They want to hear from experienced users via online reviews. Everything can be brought into the light and heat of intense examination, and word can travel fast and far if your product or service lives up to its advertising—and especially if it doesn't.

Donors honor, even demand, accountability and transparency. Their bottom line is: If I look carefully, will I find out that you really are who you say you are? Are you really making the difference you claim? Are you delivering what you promise? Does what you do with my money actually work? Show me!

In the language of my boyhood village marketplace—"Are you without wax? Are you sincere?" We are now a global village marketplace, and it doesn't matter who we are, what we lead or what we are trying to accomplish in this world, integrity will always be what matters most. 

Wess Stafford is president and CEO of Compassion International, Colorado Springs, CO—an accredited ECFA member.

FOCUS Interviews Michael Batts, Commission Chairman



Michael Batts

Nonprofits are more in the spotlight on Capitol Hill now than at any time in many years. This focus is primarily due to a three-year investigation by Senator Charles Grassley of six nonprofit ministries organized as churches.

The Senator closed his investigation in January 2011 and turned to ECFA to facilitate obtaining input from the religious and broader nonprofit sector regarding a litany of tax and policy issues.

In response, ECFA formed a national commission, the Commission on Accountability and Policy for Religious Organizations, to conduct a multi-year study of these issues. For this article, we interviewed the Commission Chairman Michael Batts.

**FOCUS:** Senator Grassley's staff report stated: "Charitable organizations are frequently criticized for the compensation packages they provide to their officers, directors, trustees and key employees, especially when the packages include luxury vehicles and private jets." Related-party transactions and non-arms-length transactions are another frequent complaint. What are the key issues relating to compensation being studied by the Commission?

**Batts:** There is a focus on how nonprofit executive compensation is established. In our direct discussions with Senator Grassley, he has made it clear that his concerns relate more to the process used to set compensation for their leaders than to the amount paid. Of course, the two issues of process and amount can be very related—if the process is not appropriate, unreasonable and excessive compensation can result.

Current law provides something of a safe harbor for nonprofits that follow certain procedural steps in setting executive compensation. If independent members of an organization's

board (or an independent body authorized by the board) establish the compensation using valid comparability data, and document the decision contemporaneously (following the specific requirements of the Regulations), the compensation is presumed to be reasonable. This is called the "rebuttable presumption of reasonableness." It is "rebuttable" because the IRS can challenge the presumption and overcome it; but to do so, the IRS has the burden of proof. Without the rebuttable presumption of reasonableness, the IRS can simply assert that compensation is excessive and the IRS is presumed to be correct—the burden of proof is on the nonprofit organization and its leaders.

*"The focus on executive compensation is more on the process used to set compensation than the amount paid."*

For rather obvious reasons, the nonprofit community really likes the protection afforded by the rebuttable presumption of reasonableness—nonprofit board members can follow prescribed steps and know that their compensation decisions are presumed to be reasonable. When applied in good faith, the rebuttable presumption process is helpful and healthy for the nonprofit sector.

However, Senator Grassley's staff noted certain ministries engaged professional compensation consultants and the compensation studies they performed compared the ministers to celebrities like Oprah Winfrey and others, claiming that their television and media presence were comparable to that of the high-profile ministry leaders. There are many who believe that comparing ministers to media celebrities as a basis for justifying very large nonprofit compensation is an abusive practice. The Grassley staff report includes a recommendation to eliminate the

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Top Nonprofit Issues

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rebuttable presumption of reasonableness in order to prevent such abuse.

So, one of the main questions we are trying to address is how we can continue to have a plan whereby nonprofit board members can set compensation in good faith for their leaders and know that they have some protection from an IRS challenge. At the same time, we need to have a filtering mechanism that prevents abuse by those who would take unfair advantage of such protections in the law.

In addition to compensation, all of these principles apply equally to related-party transactions, which are currently covered by the same rebuttable presumption rules under the law.

**FOCUS:** Some of the issues raised by the Senator's staff relate to the clergy housing allowance. While this is clearly of significant importance to churches,

*“Some suggest the tax law should be modified in an effort to protect the constitutionality of the housing exclusion”*

there are many parachurch organizations which designate a housing allowance for certain clergy employees. How do you evaluate the housing allowance issues being studied with respect to parachurch organizations?

**Batts:** Yes, there are many clergy in parachurch organizations who are considered to have ministerial status for tax purposes. The Commission is looking at several clergy housing exclusion issues.

The clergy housing exclusion is currently under attack in the courts as a group has charged that it is unconstitutional. Some suggest the tax law should be modified in an effort to protect the constitutionality of the exclusion.

In a 2010 case (*Driscoll v. Commissioner*), the IRS challenged a minister's exclusion for a second home under the premise that Congress only intended to provide the income tax exclusion for one home. The minister in this case had a second home that was on a lake. In a 7-6 decision, the Tax Court ruled that the exclusion is not limited to one home.

This ruling has caused consternation on Capitol Hill because prior to the court's decision, virtually everyone understood the law to permit an exclusion for only one home.

In a report prepared by Senator Grassley's staff, an observation was made that one minister under investigation lived in a ministry-owned home that had been valued by the local tax authorities at more than \$6 million. It is likely that neither Congress nor the taxpaying public expected ministers to live in \$6 million parsonages. Some have suggested that the clergy housing exclusion should be limited.

Another facet of the clergy housing exclusion issue is an assertion in the Grassley staff report that some churches ordain large groups of

federal law requires that the Form 990, as filed, be made public with the exception that identifying information about donors is redacted. Form 990 was revised in 2008 by the IRS, and the current version of the form includes schedules that require the filing nonprofit organization to provide information regarding international activities, including grants and direct charitable, religious, educational, or similar activities.

When the IRS released its first draft of the revised 2008 Form 990, it would have required filing organizations to provide specific information about the nature of their activities in specific countries and the locations where activities are conducted. ECFA and many nonprofit organizations protested that requiring such information in a publicly

*“The political speech issue will likely be the most controversial of all the issues considered by the Commission.”*

available document would put people and organizations at risk. Organizations providing humanitarian or religious aid in hostile environments often depend on being able to do so discreetly in order to protect their workers.

As a result of the numerous protests, the IRS modified the 2008 Form 990 and its instructions so that it no longer required highly detailed information about foreign activities that could put people in harm's way.

The IRS recently requested public input on the same issue—whether such information should be required in Form 990. It is not clear why the IRS considered it necessary or appropriate to reconsider such a serious issue that seemingly had been definitively addressed previously.

**FOCUS:** Current law is interpreted by the IRS as prohibiting political campaign intervention by 501(c)(3) organizations. These organizations must not “participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to), any candidate for public office.”

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## We Need Your Input on the Issues!

Please provide your comments for any of the 17 issues:

<https://religiouspolicycommission.org/PublicInput.aspx>

employees in order to take advantage of the clergy housing exclusion. If done for that reason alone, many would view such a practice as abuse.

So I think you can see clearly how this one issue alone could have pervasive implications to ministers employed by parachurch organizations, in addition to those employed by churches.

**FOCUS:** In the last few years, the IRS has added certain questions to the Form 990 that, if fully implemented, could have placed ministry workers in harm's way. How would you summarize these issues being considered by the Commission?

**Batts:** The IRS Form 990 is the annual information return that nonprofit organizations file with the IRS providing information about their finances, governance, and activities. Once filed with the IRS, the Form 990 is made publicly available on the Internet. Current



## 2012 CEODIALOGUES



ECFA is pleased to offer four CEO Dialogues in 2012 with Ed Morgan as lead facilitator. Ed is the CEO of The Bowery Mission in New York City and an outstanding leader.


- March 21 — Brea, CA
- April 10 — Orlando
- September 13 — Atlanta
- October 16 — Dallas

For more information:  
[ECFA.org/Events](http://ECFA.org/Events)

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This prohibition on political campaign intervention is referred to as the “electioneering prohibition.” Should this prohibition be relaxed or modified to permit limited speech in support of or opposition to political candidates?

**Batts:** This issue will likely be the most controversial of all the issues under consideration by the Commission. Very strong views come from both sides as to whether more freedom in this area would be good for churches and the broader nonprofit sector. Regardless of one’s view about the answer to that question, it seems reasonable to conclude that the current situation, as administered by the IRS, is untenable. We have churches in America intentionally engaging in activity that they believe violates the IRS’s interpretation of the law. These churches send documents evidencing their conduct to the IRS along with requests to be audited in an effort to generate litigation on the issue. The IRS is not currently taking the challenge for reasons that are not clear. In a country based on the rule of law, an unresolved conflict of such magnitude is not healthy and does not bode well for a system of justice that is to be respected.

The Commission encourages you to provide input on the issues above (and others noted on the Commission website). The deadline for input is March 31, 2012. 

## Accountability Pays Big Dividends Leaders of ECFA Members Speak Out...



Julie James  
Director of  
Finance  
Billy Graham  
Evangelistic  
Association

At the Billy Graham Evangelistic Association (BGEA), Charlotte, North Carolina, we take seriously the biblical directive of stewardship. That’s one of the reasons we so value our ECFA membership. Having the ECFA seal associated with our organization assures our

accountable—to our supporters, our partners, but ultimately to Him.

ECFA plays a critical role in this accountability, keeping us abreast of pending legislation and changing rules and regulations on governance and financial responsibility that could have an impact on our ministry. Things change so quickly, and having ECFA by our side allows us to stay focused on our main objective—proclaiming the Gospel of Jesus Christ around the world.

donors that we are being held accountable for the resources with which we have been blessed.

We aim to do everything with excellence. And we understand that the ECFA seal gives our donors confidence that we are handling our finances this way as well—with excellence, with honor, and as the biblical stewards we are called to be. We hear confirmation of that first-hand from many of our contributors.


The most basic truth regarding biblical stewardship is understanding that everything belongs to God.

*Yours, LORD, is the greatness and the power and the glory and the majesty and the splendor, for everything in heaven and earth is yours. Yours, LORD, is the kingdom; you are exalted as head over all. Wealth and honor come from you; you are the ruler of all things. In your hands are strength and power to exalt and give strength to all (1 Chronicles 29:11-12).*

As Christians, we understand that it all belongs to God. We have been entrusted to care responsibly for the resources which He has provided to us. It is in light of this understanding that BGEA makes every effort to be



BGEA Festival/Rock the River—St. Louis


BGEA proclaims the Gospel of the Lord Jesus Christ throughout the world by every effective means available. From its headquarters in Charlotte, N.C., BGEA directs a wide range of domestic and international ministries, including: large-scale festivals led by evangelists Franklin Graham and Will Graham; Dare to Be a Daniel, a youth evangelism training project; My Hope World Evangelism Through Television; the Billy Graham Rapid Response Team of crisis-trained chaplains; and many others through print, television, telephone, radio and the Internet. 

Tangible resources were meager when God inspired a new speaking and training ministry to be launched 25 years ago to raise up thousands of *Kingdom laborers* who would invade every facet and sphere of society as *hearts on fire* and *lives on purpose*. This BIG mission had only the accompaniment of two full-time staff members, a handful of energetic inexperienced volunteers, a donated garage as our first office building, and a shoe box for containing early financial records. We believed God's promise, "I will call others and together you will



Dwight Robertson  
Founding President/CEO  
Kingdom Building  
Ministries

purchase our first Colorado-based Ministry Center for Outreach and Training. Eighteen months later, God had miraculously provided the means to make our final mortgage payment. It was during the Mortgage Burning worship time that God led the lender to return our final payment, which became the long-awaited donation toward an outside audit and ECFA membership application fee. What a glorious celebration day! Subsequently it became an advantage for new ministry acquaintances and potential donors who appreciate the ECFA seal with the quick assurance and peace-of-mind it provides. Our ECFA membership has provided decades of continued growth and informational support for KBM's executives and board members.

Celebrating 25 years of ministry inevitably involves the recollection of countless God-stories—and with special gratitude we recognize the provision and blessing ECFA membership became two decades ago and is still today in our ever-unfolding ministry journey. 



Emerging young Kingdom Laborers (in summer discipleship training) praying with homeless woman

do it," but how would this transplanted vision of His be accomplished?

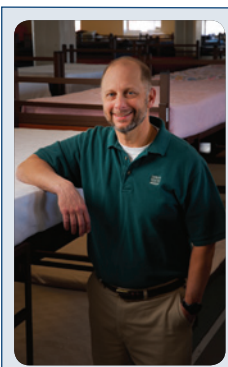
Establishing a new organization and effectively communicating it to others is no small challenge. From the get go we sought to "do things right" and establish "enduring methods." God graciously led our young organizational experiences to be with well-established, highly reputable ministries that were God-honoring in ministry practices and financial affairs. We noticed the ECFA member seal in their publications. They were all ECFA members.

The meaning and value of this seal for financial partners and organizational constituents was appreciable—but it was necessary in those days to invest in an annual "outside audit"—a cost we couldn't justify and grow the ministry the way we needed to in those early days.

Then in the early nineties, a ministry friend provided "bridge financing" for Kingdom Building Ministries so we could


When Senator Grassley asked nonprofits to address issues relative to policing ourselves, to provide accountability and best practices we can all use, it was no coincidence that he called on ECFA. Known for integrity, accreditation, and ensuring that nonprofits like ours act responsibly, ECFA was the obvious choice. I am looking forward to how

ECFA's work in this area addresses some of the issues that the senator, and our country, is concerned about.



Brad Mueli  
President/CEO  
Denver Rescue  
Mission

In addition to the respect afforded ECFA not only by the government but by the Christian community and its donors, I appreciate ECFA's pass-fail accreditation process versus a rating system. Either your organization is doing the things it needs to be doing to meet the ECFA criteria or it's not. There is no gray area or stars to designate some level of compliance. I like straightforward, honest approaches and this is what you always get with ECFA.

As the incoming chairman of the board for the Association of Gospel Rescue Missions (AGRM), I encourage rescue mission leaders to be accredited by ECFA. There can be no better time than now to be transparent and accountable with all we do. ECFA guides us to do just that. 




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CrossGlobal Link (formerly IFMA) and The Mission Exchange (formerly EFMA) to merge, forming a body representative of 35,000 evangelical missionaries.

• **The courts.** The decision of the U.S. Supreme Court on healthcare reform will have a significant impact on the future of healthcare for nonprofits and staff.

• **Donors.** Individual donors will likely continue to contribute over 80% of all donations to nonprofits. Donors will increasingly look for assurance (peace of mind) that charities are legitimate charities and will make good use gifts. They will strongly value the accreditation of charities, looking for appropriate transparency. This is where ECFA shines.

Overall, 2012 will be a time to focus on the open doors God provides—and walk through them. It will be a time to discern God's plans—a time to say: "You speak, I am listening." 



**Dallas — The Hope Center**

- March 13** — Nine Governance Essentials for Nonprofits
- March 14** — Six Financial Oversight Strategies for Nonprofits
- March 15** — Four Key Resource-raising Principles



R. Scott Rodin



Steve Macchia



John Pearson



Michael Batts



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Dan Busby

Join some of the nation's leading presenters on governance, financial management

and fundraising/stewardship topics.

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**FREE to ECFA Members**

Just a few of the presenters —



Scott Rodin



Cathi Linch



John Pearson



Atul Tandau



Dave Moja



Danny Miller



Erika Cole



Bill Frisby



Steve Macchia

**Register online at [ECFA.org/Events](http://ECFA.org/Events)**

**RECENT DEVELOPMENTS**

• **IRS sets mileage rates for 2012.** Effective January 1, 2012, the standard mileage rates for the use of a car (also vans, pickup or panel trucks) are:

- 55.5 cents per mile for business miles (unchanged from the mid-2011 adjustment)

- 23 cents per mile for medical or moving purposes (down 0.5 cents per mile)

- 14 cents per mile driven in service of charitable organizations (no change)

• **Giving to ECFA members outpaces giving to secular charities.** Cash charitable giving to ECFA members continues to be very strong, totaling \$9.38 billion for 2010, a 5.8 percent increase from the 2009 level of \$8.87 billion.

ECFA's second Annual State of Giving Report (<http://ECFA.org/stateofgiving>) showed charitable contributions held up especially well among larger charities. Donations to ECFA member organizations with more than \$10 million in annual revenue increased 6.7 percent in 2010, compared with 2009, while organizations with less than \$10 million in annual revenue increased 1.6 percent during the same span. Non-cash giving decreased 13.5 percent in 2010, compared with 2009.

Recent reports indicate stagnant donations to large charities and nonprofits nationwide. The *Chronicle of Philanthropy* reported that cash donations to the nation's 400 charities that raise the most funds from private sources was up 0.2 percent in 2010, compared with the previous year.

• **IRS informally says iPads will be treated like cell phones.** IRS officials have informally stated that the IRS will treat iPads and other tablet-type devices in the same manner as cell phones for tax purposes. Earlier, the IRS announced relaxed rules related to the tax treatment of employer-provided cell phones and reimbursements for cell phones. The lines of distinction between cell phones and tablet devices are difficult if not impossible to draw. Much of what can be done on an iPad can be

done on an iPhone and vice versa.


• **Supreme Court to rule on health care law.** In a widely expected move, the Supreme Court will review the 2010 health care law.

The Supreme Court is expected to hear oral arguments in the case this March 2012, which would be roughly two years after the law's passage. A ruling in the case will come before the court recesses in late June.

• **Congress approves extension of payroll tax "holiday."** Just before Christmas, House and Senate leaders agreed to end their stalemate over extending the payroll tax break. Under the agreement, for the first two months of 2012, a 4.2% Social Security tax will continue to apply to workers' pay (10.4% OASDI tax for self-employment income).

The legislation allows employers to withhold employee payroll taxes at 4.2 percent (instead of 6.2 percent) on all wages paid during the two-month extension period, subject only to the full 2012 wage base (\$110,100) and without regard to the \$18,350 cap (two-twelfths of the wage base of \$110,100) on wages earned through the end of February, 2012. If an employee's wages during the first two months of 2012 exceed \$18,350, and the payroll tax reduction is not extended for the remainder of 2012, an amount equal to 2 percent of those excess wages would ultimately be recaptured on the worker's individual tax return for 2012.

It is likely that Congress will find a way for the payroll tax "holiday" to apply for all of 2012.

• **New charitable gift annuity rates recommended.** The American Council on Gift Annuities ([acga-web.org](http://acga-web.org)) board of directors has reviewed the current assumptions that underlie the rates schedules. Given the significant changes in the economic environment, the new schedule of suggested maximum gift annuity rates became effective January 1, 2012. At ages older than 60, when the majority of gift annuities are issued, one-life rates will decline by 0.5 percent to 0.8 percent. 

## ECFA Accredits a Record 150 New Members in 2011!

1. A Child's Hope International, Liberty Township, OH
2. A Rocha USA, Fredericksburg, TX
3. A Woman's Choice Resource Center & Necole's Place, Louisville, KY
4. AbbaCare, Winchester, VA
5. Administer Justice, Elgin, IL
6. Agape Children's Ministry, Modesto, CA
7. Aggieland Pregnancy Outreach, College Station, TX
8. All God's Children International, Portland, OR
9. America World Adoption Association (AWAA), McLean, VA
10. American Bible Society, New York, NY
11. Anabaptist Foundation, New Columbia, PA
12. Anglican Mission in America, Pawleys Island, SC
13. Apartment Life, Euless, TX
14. Aramaic Bible Translation, Winfield, IL
15. Arctic Barnabas Ministries, Kenai, AK
16. Arrow Child & Family Ministries, Spring, TX
17. As Our Own, Chicago, IL
18. Ascending Leaders, Sugar Land, TX
19. Association of Classical & Christian Schools, Moscow, ID
20. Back2Back Ministries, Mason, OH
21. Bonclarken Conference Center, Flat Rock, NC
22. Bridgeport Rescue Mission, Bridgeport, CT
23. Brooklyn Tabernacle, The, Brooklyn, NY
24. Campus Renewal Ministries, Austin, TX
25. Catherine Foundation Pregnancy Care Center, Waldorf, MD
26. Center for Global Impact, Greenwood, IN
27. Champion Ministries, Castle Rock, CO
28. Chestnut Mountain Ranch, Morgantown, WV
29. Children of Grace, Danville, CA
30. Children's International Lifeline, Clay City, KY
31. China Ministries International, Pasadena, CA
32. Christ for All Nations, Orlando, FL
33. Christ for All Peoples, Charlotte, NC
34. Christ's Church of the Valley, San Dimas, CA
35. Christian Alliance for Orphans, McLean, VA
36. Christian Educators Outreach, Charlottesville, VA
37. Christian Endeavor Mid-Atlantic, Gilbertsville, PA
38. Christian Family Services Management, New Wilmington, PA
39. Christian Friends of Israel—America, Burlleson, TX
40. Christian Investors Financial, Minneapolis, MN
41. City Impact, Lincoln, NE
42. CJF Ministries, San Antonio, TX
43. Compassion Pregnancy Center, Clinton Township, MI
44. Creative Ministries, Manheim, PA
45. Crown & Sickle Ministries, Amite, LA
46. Distant Shores Media, Maple Grove, MN
47. Doulos Partners, Birmingham, AL
48. Downtown Pregnancy Center, Dallas, TX
49. Dream Center Foundation, Los Angeles, CA
50. Eagles Nest Ministries, Butler, IL
51. Empowering Lives International, Upland, CA
52. Expected End Ministries, Maricopa, AZ
53. Experience Life Church, Lubbock, TX
54. Family Talk, Colorado Springs, CO
55. Fellowship Housing Corporation, Hoffman Estates, IL
56. First Baptist Church of West Palm Beach, West Palm Beach, FL
57. Forward Edge International, Vancouver, WA
58. Freedom House Ministries, Green Bay, WI
59. Fresh Start For All Nations, Omaha, NE
60. Friends of iThemba, Silverdale, WA
61. Frontline Missions International, Taylors, SC
62. Fulaa Lifeline International, Annandale, VA
63. Global Hope, Plano, TX
64. Global Hope India, Raleigh, NC
65. Global Outreach Mission, Buffalo, NY
66. God Speed Ministry, Kings Mountain, NC
67. Gospel Rescue Ministries of Washington, DC, Washington, DC
68. Grace International, Hialeah, FL
69. Grace International Children's Foundation, Richmond, TX
70. Ground Zero, Myrtle Beach, SC
71. Heart of the Bride, Niceville, FL
72. Hines Ugandan Ministries, Littleton, CO
73. HIS BridgeBuilders, Dallas, TX
74. His Little Feet, Windsor, CO
75. Hope Matters Marriage Ministries, Plano, TX
76. Hope Pregnancy Resource Center, Boone, NC
77. HOPE South Florida, Fort Lauderdale, FL
78. Houston Pregnancy Help Center, Houston, TX
79. Hume Lake Christian Camps, Fresno, CA
80. International Aid, Spring Lake, MI
81. International Fellowship of Evangelical Students—USA, Platteville, WI
82. International Ministerial Fellowship, Navarre, MN
83. International Technical Electric & Construction, Montoursville, PA
84. Into-Africa, Tucson, AZ
85. Iron Sharpens Iron, West Hartford, CT
86. Jericho Road Ministries, Brooksville, FL
87. Jewish Jewels, Lauderhill, FL
88. Kidzana Ministries, Everett, WA
89. Lexington Rescue Mission, Lexington, KY
90. Life Choices Center, Binghamton, NY
91. Life Church Green Bay, De Pere, WI
92. Life Without Limbs, Agoura Hills, CA
93. Light of the Village, Bay Minette, AL
94. Living Room Ministries International, Redding, CA
95. Living Word Bible Church, The, Mesa, AZ
96. Luther Rice Seminary & University, Lithonia, GA
97. Marriage Mentors, Addison, TX
98. Messenger International, Palmer Lake, CO
99. Messianic Jewish Alliance of America, Broomall, PA
100. Middle East Bible Outreach, Marietta, GA
101. Mideast Baptist Conference, Youngstown, OH
102. Ministry Developers Network, Brainerd, MN
103. Mission Hills Church, Littleton, CO
104. Mission Norman, Norman, OK
105. Mission Year, Atlanta, GA
106. Mission: Pre-Born, Lebanon, IN
107. Missionary Aviation Repair Center, Soldotna, AK
108. New Life Church, Renton, WA
109. North American Baptist Conference, Folsom, CA
110. Ocean City Tabernacle, Ocean City, NJ
111. Operation Inasmuch, Knoxville, TN
112. Operation Renewed Hope, Fayetteville, NC
113. OurCalling, Dallas, TX
114. Paradise Bound Ministries, Hamilton, MI
115. Perimeter Church, Duluth, GA
116. Point University, Atlanta, GA
117. PowerPoint Ministries, Dallas, TX
118. Predisan USA, Atlanta, GA
119. ProvenWay Ministries, Plano, TX
120. Rahab's Rope, Gainesville, GA
121. Resource Center for Women, Corinth, MS
122. Resources for the Blind International, Columbia, SC
123. Ripe for Harvest World Outreach, Grover Beach, CA
124. The Sacred Portion Children's Outreach, Bozeman, MT
125. Set Free Ministries, Grand Rapids, MI
126. Shaping Destiny, Austin, TX
127. Shared Blessings, McAlester, OK
128. She Is Safe, Roswell, GA
129. Snowbird Outfitters, Andrews, NC
130. Spruce Hill Christian School, Philadelphia, PA
131. Stockbridge Boiler Room, Grand Rapids, MI
132. Strategic Angel Care, Plano, TX
133. Stronghold Ministry, Dallas, TX
134. Texas Generation One, Houston, TX
135. The Latin American Missionary and Bible Institute, Charleston, SC
136. Theological Book Network, Grand Rapids, MI
137. Tikkun International, Montgomery Village, MD
138. Training Leaders International, Anoka, MN
139. Union Gospel Mission of Salem, Salem, OR
140. VELA Ministries International, New River, AZ
141. Visiting Orphans, Nolensville, TN
142. Way Cool Angels, Addison, TX
143. Western Carolina Rescue Ministries, Asheville, NC
144. Women at Risk International, Wyoming, MI
145. Women's Hope Medical Clinic, Auburn, AL
146. World Gospel Outreach, Humble, TX
147. World Hope Ministries International, Spring, TX
148. World Mission, Grandville, MI
149. Youth Missions International, Tacoma, WA
150. Youth On Mission, Rocky Mount, NC

