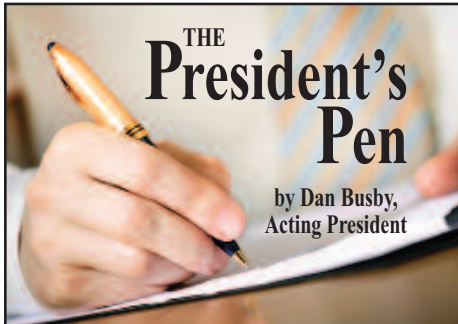




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FOCUS ON ACCOUNTABILITY

FOURTH QUARTER 2008



THE President's Pen

by Dan Busby,
Acting President



Winds of Change

Take a step back for a moment and consider a long view of what could be the future for nonprofits. The revisions to the Form 990 have just been completed, but it seems the winds of change are blowing again with a forecast that could potentially bring a tsunami.

The Senate Finance Committee oversees charitable laws for the Senate while the Ways and Means Committee has a similar role in the House. Measures must ultimately be reconciled and approved by both Houses of Congress and then signed by the president before any laws are changed. So it's a long process, which is why, in part, no sweeping changes have been made in charity law in nearly forty years. But the climate is clearly different now as lawmakers see what has long been considered a lightly regulated "industry" in need of an overhaul.

Nearly five years ago, the Senate Finance Committee set off alarm bells throughout the charity world with a "discussion draft" that envisioned new regulations that would

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The Ideal Board Meeting

by Dan Busby

If you have ever served on a church or nonprofit board, you probably remember board meetings that were not ideal. Many of the board meetings were memorable—but not for the right reasons! How many of those board meetings reached the pinnacle of an "ideal" board meeting? Probably very few.

Why do churches and nonprofits go to such great lengths to select the brightest, the most dedicated and the most qualified board members and then "permit them to languish collectively in an environment more intellectually inert than active, with board members more disengaged than engrossed?"¹

Many board members and ministry leaders "cannot imagine how effective, efficient, and exciting board deliberations can be. They have not attended board meetings that are dynamic and intellectually stimulating and that directors love to attend. They have not participated in the kind of discussion of strategy, management development and succession that generates new insights and breakthrough thinking. They have not had the chance to ask their most incisive questions without concern that the question will be perceived as accusatory. Nor have they felt the energy build as board members challenge and build on each other's comments to push the envelope of thinking and the boundaries of perspective."²

There really are some board meetings that reach these lofty heights—where the board listens, probes, debates, and become engaged in the organization's most pressing issues. Board members share their expertise and wisdom. The organization's leaders and the board learn together and a collective wisdom emerges.

Good governance best practices continue to emerge. More than ever before, boards endeavor to govern in

“Boards endeavor to govern in ways that add value to the organization.”

ways that add value to the organization. Good boards meet their legal requirements but they are driven by the higher purpose of making the organization perform at its best. They understand that good governance occurs in "ideal" board meetings.

What are the characteristics of an ideal board meeting? Consider these

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Winds of Change

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have seriously imposed intrusive and costly requirements on charities, including most ECFA members. Finance Committee hearings were held, and an advisory panel was convened by Independent Sector at Committee Chairman Senator Charles Grassley's (R-IA) encouragement. The Panel, which included ECFA representation, issued a series of reports on suggested changes to the law and a long list of best practices that many charities have adopted voluntarily as a way of preempting the need for new legislation. Only minor changes were made to the law as a result of the initiative.

But the issue has not gone away. Some nonprofits continue to make the news by pushing the law or ignoring best practices regarding raising and spending money that is subsidized by the government in the form of tax deductions for contributors and property and income tax exemption for nonprofits. This keeps lawmakers stirred which leads to new proposals to change the law.

The latest edition of proposals, this time from a member of the House Ways and Means Committee, is perhaps more striking than any in memory. With federal deficits mounting and budget battles increasing, Congress has been looking for more revenue—and that was even before the \$700 billion bail-out was conceived! The charitable deduction is being viewed by some as a source of income and this is a concept which could get traction. One of the ways for Congress to raise more revenue would be to redefine a charity or a church, providing fewer tax-exemption shelters for organizations that now enjoy this benefit.

Some have suggested a greater incentive for gifts to help the poor and a lower or no deduction for gifts to arts or education. The faith-based initiative could be revised to require all ministry recipients of federal funds to fall under EEOC hiring guidelines in order to qualify.

None of this is imminent, in fact it is probably a long shot, but come Spring 2009 we could begin to see if

any of these ideas have traction in a new Congress or Administration. Realistically, the more likely early targets could be nonprofit hospitals—which some believe look and operate too similar to for-profit hospitals—or colleges and universities, which are often mentioned because many continue to grow enormous endowments even as tuitions go through the roof.

In any of this, ECFA will speak out on behalf of its membership. We will continue to provide the latest information in these pages, on our website and in regional seminars and other conference venues.

Meanwhile, pursue your mission with passion and excellence. Implement best practices intentionally. Trust the Lord to supply all your needs now and in the future—come what may! ☪

The Ideal Board Meeting

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five elements:

1. God is honored. The fundamental basis for an ideal board meeting is one where the guidance of the Holy Spirit is sought and expected! This is more than a perfunctory opening prayer at the meeting—it is when a board, in anticipation of a meeting, seeks God's guidance for the meeting. It is a meeting in which board members sense the moving of the Holy Spirit throughout the meeting. Even when debate on issues becomes intense, a deep respect is shown for the opinions and feelings of other meeting participants. The very character of the dialogue is God-honoring!

The best organized, most artfully chaired, and most highly participatory board meeting will never rise to the lofty designation of the ideal board meeting unless it is a God-honoring meeting.

2. The board functions as a group. The ideal definition of a "group" is a board meeting when all members are present.

A board can make a good senior pastor or a good CEO

perform better—but only if it can, with the help of the Holy Spirit, function as a group and provide its collective wisdom and perspectives.

The biggest challenge for boards is not *who* is on the board but *how* the work of the board transpires. Ideal board meetings occur because of a board's attitude and expectations and the positive working relationships among meeting participants.

"Every member of the board must seek approval and support from their peers. Only the group can make decisions. Collective judgment cannot emerge, however, unless the individuals have coalesced into a group. Board members must have a chance to build relationships with each other,

"The biggest challenge for boards is not who is on the board but how the work of the board transpires."

to get to know each others' opinions and personalities, to develop trust, and to gain comfort in freely expressing their own ideas through candid, open interactions. Only then will each board member contribute candidly, only then can directors find consensus, and only then can they act in unison. Merely assembling a dozen individuals around a table does not accomplish the same thing."

Some boards schedule a meal before the board meeting to provide an opportunity for the board to reconnect relationally. In other settings, the board agenda may allow for

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The Ideal Board Meeting

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a time of personal sharing—in these moments, participants sense each other’s concerns and passions. Members who arrive late and head for the airport before adjournment rob themselves and the whole group of building relationships that transcend the agenda and are necessary for candid exchanges of viewpoints.

Yes, the primary purpose of board meetings is for the board to provide governance oversight. But launch into a board meeting without taking time for board members to re-connect with each other and you will often just be “doing business.”

3. The board receives the right information. An ideal board meeting is facilitated when a board received the right information in a timely manner. Boards that are not properly informed do too little or too much as they compensate for the lack of information—either totally deferring to staff or refusing to support strategic proposals.

Many senior pastors and CEOs either provide the board too much information or not enough. Sometimes the “kitchen-sink method” or “happy talk approach” might be used. The board is either inundated with detailed reports that obscure the important issues, or they only receive the good news. Finding the right balance in information architecture requires courage and clarity.

4. A good leader/board balance is evident. A balanced board has to start with a balanced board—highlighting the importance of prayerfully and carefully selecting the members.

An ideal board meeting requires finding a balance—the middle ground in everyday board deliberations between

- the board being involved without micro-managing, challenging but also supportive, patient but not complacent and
- the senior pastor or CEO sharing information without feeling vulnerable, seeking advice without appearing weak, soliciting input without appearing to relinquish control over operational decisions.

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The Impact of FIN 48 on Nonprofits

by Richard F. Larkin

FIN 48, *Accounting for Uncertainty in Income Taxes*, will likely not have a major effect on the financial statements of most nonprofits, but it will affect some, and all must consider it.



Every organization—for-profit and nonprofit—has so-called “tax positions.” Even claiming exempt status is a tax position. FIN 48 defines tax positions in Paragraph 4 as:

“...a position in a previously filed tax return or a position expected to be taken in a future tax return that is reflected in measuring current or deferred income tax assets and liabilities...A tax position can result in a permanent reduction of income taxes payable, a deferral of income taxes otherwise currently payable to future years...The term *tax position* also encompasses but is not limited to:

- a. A decision not to file a tax return,
- b. An allocation or a shift of income between jurisdictions,
- c. The characterization of income or a decision to exclude reporting taxable income in a tax return, and
- d. A decision to classify a transaction, entity, or other position in a tax return as tax exempt.”

Note the implicit (subparagraph a.) and explicit (subparagraph d.) inclusion of tax-exempt entities in the definition.

This interpretation is a consideration when there might be uncertainty about the following:

- whether a particular type of tax is applicable to an entity at all,
- in what jurisdictions (federal, state, local, and foreign) a tax return must be filed and taxes paid,
- amount of income potentially subject to tax,
- amounts of deductible expenses, especially when allocations are involved, and

- amounts of deferred tax assets and liabilities.

FIN 48 was originally effective for years beginning after December 15, 2006, but for most nonprofit organizations, its effective date was postponed to fiscal years beginning after December 15, 2007—essentially calendar year 2008. (Organizations obligated on conduit debt issued on their behalf by a governmental unit, and where the debt is publicly traded, are not eligible for this deferral.)

FIN 48 Triggers

1. An overriding tax position for nonprofit organizations is whether they still do qualify for tax-exempt

“Tax positions which may be considered uncertain must be reviewed.”

status. Circumstances that might raise questions about this include:

- Private inurement (consider especially compensation of highly-paid people, insider transactions, etc.),
- Excessive lobbying, or for a (c)(3), any political activity,
- Failure to meet the “organizational” and “operational” tests (in other words, failure to do what you told the IRS you would do when you applied for exempt status),
- Having so much unrelated business income (UBI) as a percentage of total income that the IRS might assert you are really a business,
- Gross violations of laws and regulations (e.g., repeated failure to file Form 990, discrimination, etc.).

2. Every nonprofit organization (including churches, other religious organizations, and small organizations not required to file Form 990) must consider whether any of its income

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FIN No. 48

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might be characterized by the IRS as Unrelated Business Income (UBI), under IRC Sec. 511. FIN 48 will usually need to be considered in relation to this tax.

The fundamental question is whether the organization has more than \$1,000 of net income, as defined in IRC Sec. 512(a), from an unrelated trade or business, as defined in Sec. 513(a). Since there is a specific deduction of that amount allowed, lesser amounts of net income will not result in any tax payable. (Note: There is a \$1,000 gross income threshold for filing Form 990-T.)

The following aspects of this tax may result in uncertain tax positions:

- The organization must analyze its sources of gross income and deter-

**“FIN 48 audit footnotes
are reportable
on the new Form 990.”**

mine whether any are potentially UBI.

- Aspects of the IRC definition of UBI that are especially subject to judgment, and thus to uncertainty, include whether an activity is:

- “unrelated” to the organization’s exempt purpose,
- considered a “trade or business,” and
- “regularly carried on.”

- So-called “passive income”—return on investments—is, by law (Sec. 512(b)), not generally subject to the UBI tax. However the rules surrounding some types of this income, such as royalties and rental income, are complex. There may be uncertainties as to whether an item qualifies as a royalty, or whether rental income is (partly) taxable because of certain of its attributes.

- Income from certain trade shows conducted by 501(c)(3), 4, 5, & 6 organizations may be excluded from taxable income (Sec. 513(d)(3)), but only if certain judgmental criteria are satisfied.

- UBI also does not include income from: activities carried on largely by

volunteers, selling of donated merchandise, and activities carried on for the convenience of members, students, patients, etc. (Sec. 513(a)). These definitions are subject to interpretation and may be challenged by the IRS.

- Once a source of UBI has been identified, there may be uncertainty in computing the related gross income. Besides normal matters of accounting judgment: Advertising income is taxable, but when the affected publications are furnished to dues paying members of a membership organization, a complex allocation is required to compute the taxable advertising amount and related deductible expenses.

- There is often judgment involved in determining amounts of expenses allowed as deductions in computing taxable income. This is especially likely to be the case when allocations of expenses are required, as is usual for personnel costs, occupancy, administrative expenses, etc. Allocation of occupancy costs is especially subject to IRS challenge if the facility is used for both exempt and non-exempt purposes.

- There are exceptions to most of the rules (and exceptions to the exceptions!).

- If an organization operates in multiple taxing jurisdictions, there may be uncertainty over allocating the taxable income among those jurisdictions.

3. Tax on income of a taxable subsidiary of a nonprofit organization.

All of the normal uncertainties affecting for-profit organizations apply here; they are discussed in FIN 48 and elsewhere in accounting literature.

4. Private foundation tax on net investment income (IRC Sec. 4940).

(Although this is technically an excise tax, it is covered by FIN 48 because it is based on a type of income.)

While there are likely not very many religious organizations that are characterized as private foundations, there are probably a few. For them, the following concerns may also


apply. Fortunately, the magnitude of any effects of FIN 48 will usually be very small as the tax rate is only 2% (sometimes 1%):

a. If the foundation has sold at a gain investment securities which had been donated to it, and the foundation is not readily able to determine the correct basis to use in the tax calculation.

b. If the status of a 501(c)(3) organization as a private foundation vs. a public charity under IRC Sec. 509(a) is open to question. The organization may thus be uncertain whether it is liable for this tax at all.


Summary

All organizations need to make an inventory of their tax positions and judge which ones might be considered uncertain (less than 50% likely to be sustained on audit). If there are uncertain positions, assessment must be made of any possible resulting taxes (plus interest and penalties, if applicable) for accrual in the balance sheet and footnote disclosure.

Further, for those organizations that do file Form 990, the text of that footnote will be required to be included in the Form 990 starting in 2009. Thus the note should be worded carefully to avoid revealing more than is required. A tax advisor and/or attorney should be asked to review the draft wording before the note is finalized. 

Richard F. Larkin, CPA, is Technical Director for the Institute for Nonprofit Excellence, BDO Seidman, Bethesda, Maryland. He may be reached at dlarkin@bdo.com.

IRS Tax-Exempt Projects

The IRS has released a list of 314 projects that it plans to complete before the end of June 2009, including 11 items that would directly affect tax-exempt organizations. Included in the list are proposed rules on excise taxes for people who improperly benefit from donor-advised funds and final regulations on penalties for organizations that participate in prohibited tax-shelter transactions. 

New Form 990 Policy/Procedure-related Questions

The new Form 990 poses a number of new policy/procedure-related questions for those organizations required to file this form. While a organization is not required to have each of the policies or procedures, a No answer to the related question generally requires an explanation. ECFA has posted a sample policy/procedure in relation to each of these questions on our website, linked from the home page.

The policy/procedure-related questions include:

- Policies and procedures governing local branches, chapters, and affiliates (Part VI, Question 9b).
- Review of Form 990 by the organization board (Part VI, Question 10).
- Conflicts of interest policy (Part VI, Question 12 a-c).
- Whistleblower policy (Part VI, Question 13).
- Document retention and destruction policy (Part VI, Question 14).
- Compensation approval of top management official and key employees (Part VI, Question 15 a-b).
- Joint venture policy (Part VI, Question 16 a-b).
- Public inspection of Form 1023, 990, and 990-T (Part VI, Question 18).
- Disclosure of governing documents, conflict of interest policy, and financial statements (Part VI, Question 19).
- Policy for the payment of a housing allowance, first class charter travel, spousal travel, gross-up payments, discretionary spending, health or social club dues, etc. (Schedule J, Question 1b).
- Gift acceptance policy of non-standard gifts (Schedule M, Question 31).
- Soliciting, processing, or sale of non-cash contributions (Schedule M, Question 32 a-b).

Discipleship Fund-Raising

by Todd W. Harper

A new approach. In fund-raising, there is great temptation to focus solely on the needs of the organization. In order to move beyond fund-raising to transformational disciple-making, the focus must include the needs and interests of the giver. People are drawn toward those who are free from the need to solely look out for their own interests and can instead focus on the needs of others. As this quality becomes more evident in askers' lives, their effectiveness in discipling or influencing others greatly increases. People who do not allow God to cultivate a spirit of generosity in their own lives will be handicapped when they try to exhort others to move into greater generosity.



Fund-raising means gathering financial resources to accomplish a cause, most often with a marketing and transactional focus. On the other hand, discipleship means teaching, modeling, and encouraging people so that they become devoted followers of Christ who, in being conformed to the image of Christ, are enabled to be increasingly rich toward God.

In the world of Christian fund-raising, which often follows a secular model, those seeking resources tend toward one of two extremes: the relational fund-raiser or the transactional fund-raiser. While relational fund-raisers are primarily concerned with being friends and "buddies" with givers, transactional fund-raisers focus solely on the gifts and moving on to their next prospect. Both extremes have down sides: The relational approach generally avoids the financial aspect of givers' lives, while the transactional approach tends to miss a relational connection. Both approaches limit the opportunity to transform the hearts of givers. I want

to advocate an alternative to these extremes: financial discipleship. If askers take the discipleship of givers seriously, they will intentionally build relationships to address specific, spiritually significant financial issues in givers' lives.

Those involved in asking others for funds have the opportunity to facilitate the steady transformation of people to follow God wholeheartedly, releasing financial resources for kingdom work and experiencing the blessings of the abundant life: freedom, joy, peace, contentment, meaning, and purpose. This approach to

“Fund-raisers tend towards one of two extremes—the relational or transitional.”

raising resources can grow the giver spiritually, bless the asker relationally, bless the ministry financially, and expand God's kingdom exponentially.

The asker's role. The Holy Spirit transforms believers over time by means of God's word, relationships, and experiences. The role of the asker is to actively facilitate and participate in this transformation in the lives of givers. A leader cannot take people where they have not been themselves. Paul exhorts, in I Corinthians 11:1, "Follow my example, as I follow the example of Christ." The askers' authority rests in a genuine expression of spiritual qualities in their own lives. Because Paul was content, as described in Philippians 4:11-12, he could ask with authority and integrity in verse 17: "Not that I am looking for a gift, but I am looking for what may be credited to your account." The readers of this letter recognized that

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Discipleship Fund-Raising

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due to Paul's contentment, he was not seeking money for his own benefit but rather was teaching the biblical principle of generosity, "It is more blessed to give than to receive" (Acts 20:35).

Often what one says is less insightful than the questions one asks, and listening allows one to discern where the giver is on his or her journey. Asking good questions and listening closely to the answers demonstrate the discipler's priorities—the purpose of the questioning is to disciple, encourage, and help the giver mature spiritually. One can aid them in their giving journey: from an emerging giver to a maturing giver and finally to a generous giver. If a giver believes probing questions are for his or her benefit and that the

“Listening allows one to discern where the giver is on his or her journey.”

answers are actually given attention, he or she will be more likely to engage in the discussion and invite challenging questions. The biblical message of generosity is one of opportunity, not obligation; joy, not duty; grace, not law. Generally the most significant thing a development officer can do is ask thought-provoking questions and tell stories of other generous givers.


The result. With this financial discipleship approach to raising resources, everyone involved gains much for eternity. Askers/disciplers are not called simply to facilitate financial transactions between givers and worthy causes. They have the privilege of facilitating transformation in the lives of their brothers and sisters in Christ. As people are liberated from the love of money and the cultural pull of materialism, they are released into the joy of generosity, and they become increasingly rich toward God. They gain as they are freed to experience giving not under compulsion but “giving as much as they are

able and even beyond their ability,” as the Macedonians did for the believers in Jerusalem (2 Corinthians 8:3). Those seeking resources also gain as they experience deeper relationships with their constituents. They understand that as disciplers of givers, they do not simply transact business but rather follow God's ways and do business very differently from most fund-raisers. Most important, God's kingdom is made more manifest on earth as people are transformed to become more like Christ and resources are released exponentially for his work. 

Todd W. Harper is executive vice president of Generous Giving, managing its interactions with givers. He holds a bachelor's degree in economics and entrepreneurship from Baylor University and comes out of an 11-year career with Campus Crusade for Christ International, where he served in Russia, Yugoslavia and the United States. Prior to joining Generous Giving, Harper was a partner with an investment firm, advising high net-worth clients on growing and using wealth wisely. Harper's passion is to disciple others. He has extensive experience in ministry leadership, major donor development and philanthropic advising. He lives with his wife, Collynn, and five children in Orlando, FL.

IRS Reminder About Foreign Bank Account Filing

The IRS has issued a reminder concerning the responsibility to file the “Report of Foreign Bank and Financial Accounts” (Treasury Form TD F 90-22.1, referred to as FBAR).

This TD F 90-22.1 form is required of U.S. citizens and residents (including an individual, corporation, partnership, trust or estate) who have a financial interest in, or signature or other authority over, any financial accounts (including bank, securities, mutual funds or other types of financial accounts in a foreign country), if the aggregate value of such accounts exceeded \$10,000 at any time during the year. 

The Ideal Board Meeting

—from page 3


The senior pastor or CEO will be convinced it has been an ideal board meeting when he or she says to the board: “I've been thinking of doing this,” as regards operations and the board responds, “We'll give you our opinions, but it's your decision.”

An ideal meeting is not necessarily characterized by unanimous decisions on every issue. A balanced board will see various viewpoints and perspectives brought to the meeting. A balanced board will learn from one another in a way that brings about consensus. An ideal meeting will be evidenced by statesmanship among the members when disagreement occurs.

5. The board provides value-added. An ideal board meeting occurs when the board does more than assume their traditional role of overseeing management and ensuring fiduciary responsibility. They contribute to the judgment and wisdom of the senior pastor or CEO, acting as a resource and identifying blind spots of the organizational leaders. The board is often in an excellent position to add value in assessing the need, direction and speed of change.

How the value-added counsel is received is as important as how it is given. The ideal board meeting is when the senior pastor or CEO recognizes the board's input as food for thought and its incisive questions as useful reminders.

Closing. Inadequate board governance is frequently at the heart of ministry problems and conflict. When boards “gel” in ideal meetings as described here, the chances are high that they will own the issues and work together to a solution. When board meetings are never or rarely ideal, the CEO and his/her staff are functioning without an essential part of the team at full strength.

Certainly, every meeting may not be ideal but the pursuit of such a meeting is always well worth the effort. 

¹ *Board as Governance*, Richard P. Chait, William P. Ryan, Barbara E. Taylor, BoardSource, 2005

² *Boards at Work*, Ram Charan, Jossey Bass, 1998



ECFA will be represented at the following events and meetings:

- October 21 Church and Nonprofit Financial Forum
Brea, CA
Dan Busby, Presenter
- October 23 Church and Nonprofit Financial Forum
San Jose (Livermore), CA
Dan Busby, Presenter
- October 24 Church of God Minister's Workshop
Portland, OR
Dan Busby, Presenter
- October 28 Church and Nonprofit Financial Forum
Colorado Springs, CO
Dan Busby, Presenter
- November 4 Church and Nonprofit Financial Forum
Chicago (Lombard), IL
Dan Busby, Presenter
- November 6 Church and Nonprofit Financial Forum
Atlanta, GA
Dan Busby, Presenter
- November 7 Christian Business Faculty Association Conference
Indianapolis, IN
Dan Busby, John Van Drunen, Presenters
- November 18 Commonwealth Fund Forum
San Francisco, CA
Dan Busby, Panelist
- January 17 Mission Exchange Tax and Accounting Conference
Dallas, TX
Dan Busby, Presenter
- February 6 Kellen & Owens Nonprofit Tax Conference
Overland Park, KS
Dan Busby, Presenter

● **Congress renews IRA rollover provisions.** The IRA charitable rollover was a tax incentive in effect in 2006 and 2007 that allowed individuals aged 70-1/2 and older to donate up to \$100,000 per year from their Individual Retirement Accounts (IRAs) and Roth IRAs to public charities without having to count the distributions as taxable income. This provision was extended as part of the "bail-out" legislation for distributions made in 2008 and 2009.

● **Pulpit initiative.** The IRS has taken a "wait-and-see" approach to Pulpit Freedom Sunday. Alliance Defense Fund (ADF) senior counsel Erik Stanley told Tax Analysts that 32 churches participated in the event on September 28 and that it was "a great success and was well received by the congregations." Senator Charles Grassley commented: "A minister ought to be able to speak politically just like anybody else can. The only thing that I would say, a pastor can't use the resources of a church or a non-profit organization for political purposes."

Marcus Owens, an attorney with Caplin & Drysdale and a former director of the IRS's Exempt Organizations Division said, according to Tax Analysts, that the individual churches participating in Pulpit Freedom Sunday will likely face an audit and a letter asking them not to do it again. He also said that it is unlikely their tax-exempt will be revoked.


● **Per diem rates adjusted.** The IRS has just released revised per diem rates for high-cost localities and some other localities. The high per diem allowance rate increases from \$237 to \$256, and the low rate increases from \$152 to \$158. There have been several changes to the list of high-cost localities for purposes of the high-low substantiation method. The standard per diem rate in

the U.S. remains \$70 for lodging and \$39 for meals and incidentals. *Revenue Procedure 2008-59.*

● **Mandatory endowment payouts resisted.** Last month, Senator Grassley hosted a round table discussion with college and university educators and administrators. The Senator told the group he has asked the IRS and Treasury Department to formulate a Form 990 schedule for higher education institutions comparable to that required for hospitals. The college and university representatives agreed that a mandatory endowment payout would hinder how they operate.

● **2009 Congressional hearings on charities proposed.** Support appears to be building for Congressional hearings next year on a wide-range of topics relating to donors and charities. Some leaders even question the charitable tax deduction that costs the federal treasury an estimated \$44-billion dollars a year. Others believe the basic tax code for charities—which has not been significantly revised since 1969—need to be overhauled.

The emerging questions about charitable tax exemptions and deductions are coming at a time when Congress is looking for ways to rein in the country's enormous budget deficit, cope with the costs related to failure of the financial markets, and even pay for new programs.

● **House bill would relax PPA reforms.** The House has passed legislation (H.R. 7083) which would relax some of the reforms included in the Pension Protection Act of 2006 (PPA), particularly those relating to donor-advised funds and supporting organizations. Because of the opposition of Senator Charles Grassley, it is unclear if the legislation would pass if introduced in the Senate. 

MEMBER NEWS

Changes to ECFA's Membership

Accredited Members

New Members:

1. **A Door of Hope Pregnancy Center**, Wilmington, DE
2. **Asian Partners International**, Lubbock, TX
3. **Caribbean Christian Centre for the Deaf**, Lewisburg, WV
4. **Cornerstone University**, Grand Rapids, MI
5. **Crossing Cultures International**, Brandon, FL
6. **Crossing Ministries**, Louisville, KY
7. **CrossRoads Missions**, Louisville, KY
8. **Free Market Foundation**, Plano, TX
9. **Heartland International Ministries**, Mission, KS
10. **Hope and Help International**, Chattanooga, TN
11. **Life Covenant Church**, Edmond, OK
12. **National Prayer Committee**, Colorado Springs, CO
13. **Pacific Justice Institute**, Sacramento, CA
14. **TechMission**, Dorchester Center, MA
15. **Walk in the Word**, Elgin, IL ⁽¹⁾
16. **Washington Baptist University**, Annandale, VA

Voluntary Resignations:

1. **Elna M. Smith Foundation**, Eureka Springs, AR
2. **Great Dads**, Fairfax Station, VA

Membership Terminated by the ECFA Board of Directors:

1. **First Choice Women's Centers**, Homestead, FL — Failure to submit renewal information

Affiliate Members

New Members:

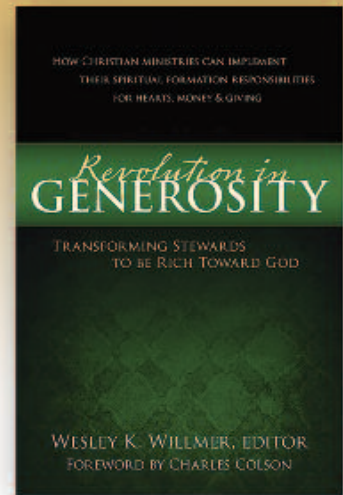
1. **Converge NW**, Tacoma, WA
2. **Creation Studies Institute**, Ft. Lauderdale, FL
3. **FollowOne International**, Winter Springs, FL
4. **Life in Abundance International**, Pasadena, CA
5. **Native Missionary Movement**, Richardson, TX
6. **Reach Ministries International**, Orange, CA
7. **Refuge of Hope Ministries**, Canton, OH

⁽¹⁾ Formerly a subsidiary of RBC Ministries

Revolution in Generosity

Transforming Stewards to Be Rich Toward God

Wesley K. Willmer, Editor



If the Bible is correct in teaching that there is a critical link between our material stuff and our spiritual life, then how we give—and ask—for money is important. *Revolution in Generosity* contrasts today's fund-raising culture with the Bible's teachings on money and generosity, and concludes that complete transformation is necessary. Combining a solid theological foundation with practical suggestions, *Revolution in Generosity* places giving and asking in the broader context of spiritual transformation and explores how our stewardship of possessions can help us conform to the image of Christ. With biblical guidelines from 23 Christian leaders, this book equips churches and other ministries who want to raise money based on Christian, not secular, values. Josh McDowell says, "*Revolution in Generosity* is a compelling vision of 'giving and asking' as they were meant to be done in God's eyes. Every person should read this book... you can't afford not to."

Revolution in Generosity

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