



AHP Government Relations – First Quarterly Update and Welcome – October 2007

Welcome and thank you for volunteering as the 2008 AHP regional government relations chair or state/provincial representative. We wanted to provide you with some information about your role, a roster with contact information, and information on government relations activities impacting health care philanthropy that AHP is tracking.

Key Contacts and Important Links

Michael Stein is serving as the 2008 AHP Government Relations Chair. Michael is the Executive Director of Government and Community Affairs at Bassett Healthcare in Cooperstown, New York. Your AHP associate liaisons are Kathy Renzetti, Director of Communications and Membership; and Aj Aziz, Government Relations intern. We've attached a roster with contact information for the regional government relations chairs and state/provincial representatives.

You can reach AHP Government Relations Chair Michael Stein at michael.stein@bassett.org, AHP Communications Director Kathy Renzetti at kathy@ahp.org, or myself at the contact information below.

AHP government relations activities are posted on the Web site at <http://www.ahp.org/government-relations/index.php>.

Role of Government Relations Chair or State/Provincial Representatives

Your role as a government relations chair or state/provincial representative is to disseminate information to your region, state or province regarding legislation at the local and national level that impacts health care philanthropy. We also ask that you forward relevant information to the AHP office (aaziz@ahp.org) so that we can include it in a quarterly government relations update.

Michael, Kathy and Aj prepare quarterly updates (October, January, April, July) and compile information we have gathered at the national level with information you provide at the local level. We distribute that to all of you and post the information on the Web site. We also provide information to the AHP E-Connect for distribution to the entire membership. You may also be asked to help contact local representatives on behalf of AHP.

Please let us know if you have any questions, comments, or additional information for this email update.

Update on Tax-exempt Status of Charitable Organizations

On July 24, AHP attended a hearing on Capitol Hill to review the status of tax-exempt charitable organizations. The witnesses to appear before the House Ways and Means Committee were Steven T. Miller, Commissioner, Tax Exempt and Government Entities Division, IRS; Stanley J. Czerwinski, Director, Intergovernmental Relations, Strategic Issues, Government Accountability Office; Gregory D. Kutz, Managing Director, Forensic Audits and Special Investigations, Government Accountability Office; Diana Aviv, President and Chief Executive Officer, Independent Sector; and Steve Gunderson, President and Chief Executive Officer, Council on Foundations.

At the hearing, Chairman John Lewis (D-GA) stressed that Congress should support nonprofits. Other members shared this view as well. Ranking Member Jim Ramstad (R-MN) said that he could not overstate the contributions nonprofit organizations have made in our communities and that most are “full of integrity.” Congresswoman Stephanie Tubbs Jones stressed this point by adding that public charities should not have to face unfair legislation based on a few “bad apples.”

AHP submitted a written testimony for the record to the House Ways and Means Subcommittee on Oversight prior to the hearing. In the testimony, AHP President and CEO Bill McGinly discussed the challenges facing the not-for-profit health care community, and the steps AHP is taking to meet these challenges. He stressed the need for legislators to understand the environment that health care fundraisers are currently working within to fully grasp the importance of their tax-exempt status and the need for transparency and accountability. He stated AHP’s support of legislation that stems tax-avoidance scams and that shines more light on compensation packages of nonprofit executives. However, McGinly warned of the danger of unintended consequences for philanthropy through legislation. With the challenges facing health care delivery and the definite need for philanthropic support, it is crucial that the role of the development office and its operation is understood fully so as not to thwart fundraising efforts and erode the public trust of nonprofit health care providers.

Update on Form 990

On October 1, the IRS announced that it will eliminate from the summary page of the proposed Form 990 questions on compensation percentages, fundraising percentages, and comparisons of an organization’s net assets to total expenses. Ronald J. Schultz, IRS official with the Tax Exempt and Government Entities Division, added that the part of the form reporting program service accomplishments will be moved to the front of the core form. Schultz also stated that the Service has not made a final decision on Schedule H dealing with hospitals, but suggested that there is a “pretty realistic chance” there will be transition relief of perhaps a one-year period for filing that schedule. AHP’s comments on the proposed IRS Form 990 are located at <http://www.ahp.org/government-relations/docs/Form%20990%20comments-draft3.pdf>.

Type III Guidance Issued

The IRS is also lifting a seven-month ban on issuing private letter rulings on the status of nonprofit entities as Type III functionally integrated supporting organizations. The IRS decided to lift the ban because it now has specific guidelines to determine a supporting organizations' public charity status. The guide sheets explaining the measures can be seen at <http://www.irs.ustreas.gov/charities/article/0,,id=160487,00.html>.

IRS Pension Protection Act – IRS Issues 3 Guides

The IRS has issued three guides to assist 501(c)(3) organizations and taxpayers in complying with the laws of tax-exempt organizations. Two of the publications, separate guides for public charities and private foundations, outline the law and restrictions of the organization. The third guide – “Charitable Contributions – Substantiation and Disclosure Requirements,” explains the federal tax law for organizations such as charities and churches that receive tax-deductible charitable contributions and for taxpayers who make contributions.

Read the IRS Compliance Guide for [Charities](#), [Private Foundations](#), and [Charitable Contributions](#).