



DON'T MALIGN TAX-FREE CHARITABLE GIVING [LETTER]

December 24, 2013

Robert B. Reich was one of my outstanding professors at law school, so it was particularly disheartening to see one of my academic heroes get it all wrong in his recent commentary ([“Charity begins at home \(particularly at wealthy homes\),”](#) Dec. 18).

First, he questions the tax status of colleges and universities, some of the very ones where he attended, taught or wrote his most notable books. He wrongly criticized the tax status of museums and other cultural institutions, many of which now fill a growing gap in our educational system and are vital to helping ensure students succeed.

Professor Reich’s assertion is wrong that some charities are worthier than others. Charitable giving should remain an independent investment — free of politics or favoritism.

Perhaps most upsetting is his diatribe against the charitable giving by the “rich.” Many organizations, including those that provide crucial social services to the most vulnerable among us, rely on the generosity of wealthy donors. Many social service and religious organizations operate under a “90-10 rule” and receive 90 percent or more of their total funds from less than 10 percent of their most wealthy donors.

America is still recovering from an economic downturn and our charitable organizations are being asked to do more with less. Let’s stop bashing those who choose to give to causes about which they care deeply.

Professor Reich was a great teacher. I can’t remember the grade he gave me in law school, but I’d have to give him an “F” for his take on charitable giving.

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<http://www.baltimoresun.com/news/opinion/readersrespond/bs-ed-charity-letter-20131224,0,7566598.story>

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GIVE NOW BEFORE CONGRESS CHANGES TAX CODE

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By Gretchen Hardman, Waldorf

The conversation buzz is growing around the fear of Congress cutting or capping deductions for charitable contributions in a new tax reform bill. Chances are this bill will not pass for 2014, but the fact remains, it is still unknown.

If passed, capping the charitable deduction would greatly impact giving to nonprofit organizations, putting at risk billions of dollars in donations to support nonprofits that serve millions of people every day. The government's shutdown only confirmed the important role nonprofits play in our communities. So, with this pending bill, why wait to give? Donors can create a donor-advised fund, which is one of the many types of funds offered by the Community Foundation of Southern Maryland.

Setting up a fund with the Community Foundation of Southern Maryland is easy, cost-effective and the tax deduction you receive is immediate. There are no startup fees, and our primary purpose is to support programs that meet the specific needs of our community and residents. Starting a donor-advised fund is a convenient and flexible tool for individuals, families, businesses or special groups who want to personally be involved in suggesting grant awards made possible by their fund. People with a range of community interests find that it's an ideal vehicle for fulfilling their charitable wishes.

Donors creating or supporting donor-advised funds or any charitable fund at the Community Foundation of Southern Maryland receive more favorable tax treatment than gifts to private foundations. They are not subject to private foundation income taxes, excise taxes or the 5 percent mandatory distribution rules. Actually, some private foundations in our community have rolled their foundation under our umbrella, because they were tired of the IRS reporting, accounting work and having to deal with board of director meetings.

Donors can choose their funds to be the recipients of their living trusts, wills, IRA rollovers, life insurance plans and make special arrangements that give the donor flexibility in the timing and distribution of grants to their favorite charities.

Don't wait to see what Congress decides. Give now and create your own legacy for yourself and for Southern Maryland. Learn more at www.cfsomd.org.

The writer is the executive director of the Community Foundation of Southern Maryland.

<http://www.somdnews.com/article/20131018/OPINION/131019269/-1/give-now-before-congress-changes-tax-code&template=southernMaryland>