

Stiffer penalties urged for non-profits breaking rules

By Charles Storch. *The Chicago Tribune*
Tribune staff reporter
June 30, 2005

Diana Aviv's keynote speech at last Thursday's Donors Forum of Chicago luncheon was well received. The head of Independent Sector, a Washington-based coalition of non-profits, discussed the report on strengthening transparency, governance and accountability of charitable groups that she and other members of an influential task force had delivered to a U.S. Senate panel only 24 hours before.

It's unlikely many at the luncheon had yet digested the whole 112-page report. If they had, some appetites might have been spoiled.

Among its more than 120 recommendations, the Independent Sector task force called for the federal government to stiffen the penalties for charitable violations and abuses, including for excessive executive compensation; clarify and tighten rules regarding donor-advised funds and some other charitable entities; impose guidelines on appraisals of non-cash contributions; and demand more transparent financial reporting, including audits for non-profits with revenues of at least \$1 million and independent accountants' reviews for groups with revenues between \$250,000 and \$1 million.

Aviv's argument was that non-profits should support and lobby for these proposals because the Senate Finance Committee will come out soon with more onerous ones. The committee has been holding hearings on charitable abuses over the last year.

But Rick Cohen, for one, doesn't believe the task force's proposals are tough enough. Cohen, the executive director of the Washington-based watchdog group National Committee for Responsive Philanthropy, said he found the report an improvement over an earlier effort by the task force, but it still "falls short of addressing some of the key issues undermining public confidence in charities."

He said the report should have gone further in proposals to prevent conflicts of interest on a board and called for forbidding compensation for board members (rather than just discouraging such payments). Among other things, Cohen would have liked the task force to back minimum distributions for each donor-advised fund administered by a public charity rather than an aggregate minimum payout by the administrator.

Stay or go? In a brief interview after last week's Donors Forum luncheon, Kenneth Gladish, president and chief executive officer of YMCA of the USA, said whether his organization remains in Chicago or moves to Dallas remains an "open question."

He said his board recently reduced to three the number of sites being eyed in Chicago and to a "few" the possible sites in Dallas, but he declined to be more specific. A decision on a move may come this summer.

Greektown: The foundation of area billionaire John Calamos Sr. has pledged \$2 million toward the building of a permanent Chicago home for the Hellenic Museum and Cultural Center. The foundation's pledge is the largest individual gift in the museum's \$15 million capital campaign.

The museum has been operating in fourth-floor space in a Greektown building at 801 W. Adams St. It plans to construct and open in 2008 a 40,000-square-foot facility nearby at 333 S. Halsted St. The demolition of a vacant hardware building at that site is expected to begin in July, the museum said.

Calamos, founder and head of Naperville-based Calamos Investments Inc., said in a statement: "I think of the important contributions that Greek immigrants like my parents made to this country. I am very excited about the work of the Hellenic Museum and what it means to the Chicago community and the Greek community at large."

Grants: McCormick Tribune Foundation approves \$5.32 million in grants to Chicago-area community groups, journalism organizations and citizenship causes.

The Chicago Community Trust gives \$30,000 to the Hyde Park Art Center, bringing to \$130,000 its contributions over the last five years toward a new home for the center. The facility is to open next year.

Carol Palmer Wardlaw, the manager and family nurse practitioner for the Crane Tech Prep Common School, student health center, wins this year's \$25,000 community nursing award from the VNA Foundation of Chicago.

The DuPage Homeownership Center recently presented its Robert Christ Affordable Housing Award to the DuPage Housing Action Coalition. The coalition was cited for organizing this year a countywide forum on affordable housing, an issue that, the center said, is reaching a crisis level in DuPage.

cstorch@tribune.com

Copyright © 2005, [Chicago Tribune](#)