

Proposed CFC Rules Threaten Donor Choice and Funding for Nonprofit Advocacy

By Aaron Dorfman

The Huffington Post

May 19, 2013

The federal government shouldn't be in the business of picking winners and losers regarding which charitable organizations its employees can support with their donations. But that's exactly what will happen if some new rules currently under consideration get approved.

The Combined Federal Campaign (CFC) is the world's largest workplace charitable giving campaign. Since it was established by President John F. Kennedy in 1961, the CFC has raised more than \$7 billion for thousands of charitable organizations across the country and the world, thanks to the generous donations of federal employees. Last month, the U.S. Office of Personnel Management (OPM), which has regulatory oversight of the CFC, proposed new rules that would dramatically shift which charities are eligible for donations through the CFC. Here's some historical context.

Thirty years ago, the organization I now lead, the National Committee for Responsive Philanthropy (NCRP), was instrumental in expanding the range of nonprofits that federal employees can contribute to. We argued that all legitimate charities with 501(c)(3) tax status should be allowed to participate, including groups that engage in advocacy, policy reform or community organizing. Prior to our campaign, traditional service providers were eligible for participation while advocates and organizers were excluded. A charity that provided shelter to homeless people could fundraise in the CFC because its work could be classified as "services," but one that primarily advanced affordable housing through research and policy advocacy could not. After a long-fought campaign including dozens of allies, the eligibility criteria was expanded to include any group that "provides or conducts real services, benefits, assistance, or program activities."

On May 16th my organization submitted comments to OPM stating concerns about the proposed new rules. My primary concern is that the proposed rules would not only make it harder for advocacy organizations to be considered eligible, these would also open up the possibility of significant burdens being placed on smaller- and medium-sized organizations. For example, under the proposed restructuring of how the CFC is managed, local engagement that is an integral component of workplace giving would be eliminated. Additionally, there is an overuse of the terms "services" and "benefits" rather than "program activities," which poses a

real threat in terms of how the eligibility criteria will be interpreted if the rules pass. This is why the resounding absence of the term "program activities" from the proposed rules is a serious cause for concern.

NCRP's Grantmaking for Community Impact Project researched 110 local and regional advocacy and organizing nonprofits operating in 13 states over a five-year period. The project documented \$26.6 billion in benefits for taxpayers and communities, and found that every dollar grantmakers and other donors invested in policy and civic engagement provided a return of \$115 in community benefit.

And it isn't just the high return on investment that's a reason to protect nonprofit advocacy. Organizing and advocacy are among the most impactful tools to effect long-lasting change in our society. From the Civil Rights Movement to women's suffrage to enacting strong environmental protections, advocacy has played a central role in ensuring that nonprofits and the communities we serve have agency and voice in our deliberative democracy. It is an integral part of our country's history and character and one that should be supported more, not less, regardless of the giving vehicle.

If OPM doesn't revise its proposed rules to clarify what types of organizations would be eligible, many nonprofits, regardless of political ideology, have a real cause for concern. Organizations ranging from The Heritage Foundation to Planned Parenthood, the Brady Center to Prevent Gun Violence and the Family Research Council could lose important funding that supports the diversity of our sector.

The rules have the potential to undo three decades of progress and inclusion, and I urge others to join me in opposing the arbitrary restrictions. All nonprofits that have and maintain 501(c)(3) status should be eligible to participate in the CFC. There should be no discrimination against organizations that primarily achieve their missions through advocacy.

OPM is accepting public comments on the proposed new rules through June 7, 2013. I encourage you to submit comments and protect advocacy organizations from possibly being excluded from the CFC.

[This commentary originally appeared on *The Huffington Post*.](#)