

For Immediate Release

9/9/2003

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FOUNDATION SPENDING REFORM MEASURE IN CHARITABLE GIVING ACT

Money to Charity, Hamper Foundation Accountability and Open More Loopholes Than It Closes, NCRP Says

WASHINGTON ----- In approving the Charitable Giving Act of 2003 (H.R. 7) this afternoon, the House of Representatives has weakened a reform measure that would have required private foundations to spend a minimum of 5 percent of their assets each year on charitable purposes. "While the original version of Sec. 105 would have pumped more grant money into charities and simplified the rules governing foundation spending, the altered version of the bill opens more loopholes than it closes," says Sloan C. Wiesen, NCRP's director of public policy. Under current law, private foundations are required to spend a minimum of 5 percent of their assets each year on charitable purposes. Unlike its predecessor, the altered version of Sec. 105 creates a laundry list of certain administrative expenses that foundations can deduct from their required spending. If the altered version of Sec. 105 is enacted, it would not be the first time Congress has tried to force foundations to spend more money on charitable purposes.