



CMF members and staff in Washington for Foundations on the Hill.

## RAISING AWARENESS

These six case studies demonstrate the value and benefits of regional associations and their members engaging policymakers at the local, state and federal levels. PolicyWorks is designed to build the capacity of regional associations by: (1) raising awareness; (2) building skills and systems; and (3) catalyzing action. In doing so, PolicyWorks envisions that regional associations will become valued voices and expert resources on issues critical to philanthropy and society.

- ➔ Beyond Tinkering in Education Reform
- ➔ **Opening the Charitable Spigot**
- ➔ Building the Bridge
- ➔ Striking a Compromise
- ➔ Forging a Partnership
- ➔ Supporting Nonprofit Partners

## Opening the Charitable Spigot

### Overview

The challenge for the Council of Michigan Foundations (CMF) in 2006 was simple yet formidable: help convince a cash-strapped Congress to enact federal IRA Charitable Rollover legislation.

Realizing this long-term legislative goal, one of CMF's many legislative goals, would contribute to CMF's overall mission to strengthen, promote and increase philanthropy in Michigan.

Years of planning, collaborations with other national philanthropic organizations, strategic communications and relationship building with key Michigan congressional leaders all played a role in the effort's success when an IRA Charitable Rollover provision was attached to The Pension Protection Act of 2006 and signed into law by President Bush on August, 17, 2006.

The provision was time limited; it applied only to distributions made in taxable years beginning after December 31, 2005 and before January 1, 2008.

As enacted, the legislation permitted IRA owners age 70½ or older to make direct gifts from their IRAs to qualified charities totaling \$100,000 per year without suffering any negative tax consequences since it does not have to be declared as income.

On October 3, 2008, Congress passed The Emergency Economic Stabilization Act of 2008, extending the IRA Charitable Rollover through the end of 2009. A one year extension has been approved for 2010. CMF and others are seeking to make it permanent.

Congressional watchdog groups estimate that the legislation so far has generated more than \$250 million nationally for philanthropic programs, projects and initiatives.

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—U.S. Sen. Carl Levin

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The potential benefit to CMF, its member foundations and Michigan's charitable community was obvious and two-fold: creation of a new federal tax law that would open the spigot to millions of new philanthropic dollars and help CMF achieve its commitment to increase philanthropy in Michigan.

## Challenge

Long before Congress took up the issue of including an IRA Charitable Rollover provision in the federal tax code in 2006, CMF leaders decided its creation and passage should be a priority goal based on several factors: primarily a slowing economy, predicted market volatility possibly resulting in fewer future charitable dollars available to fund nonprofit efforts serving those in need and the rapid growth of community foundations.

## Strategies

CMF President & CEO Robert S. Collier says there was a synergistic opportunity in 2006 “where our efforts over the years to pass the IRA legislation came together with the realization by Congress that such a provision might pass if attached to the pension reform bill.”

The first step in the long process for Collier was raising the issue for discussion with his trustees and members of the CMF Government Relations Committee, which was created more than 20 years ago to advocate for a legislative and regulatory environment conducive to organized philanthropy.

“To achieve this (IRA) goal and to convince our leadership of its importance, we needed data demonstrating the positive financial, legal and charitable impact this legislation could have on Michigan and throughout the U.S.,” says Collier. “And for that, CMF needed to work in coordination with national organizations with a shared commitment to seeing this legislation passed.”

CMF called on its long-time collaborators on legislative issues, the Council on Foundations (COF), Independent Sector, Forum of Regional Associations of Grantmakers, other regional associations and the National Council on Planned Giving (NCPG), among others. Inestimable hours were spent developing its strategy



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and messages for use with state and federal policymakers, all of which Collier presented to the Government Relations Committee and CMF Board of Trustees for comment.

Briefs, talking points and other information tools were also developed for use in educating congressional leaders and their staffs about the potential impact the IRA rollover dollars could have on nonprofits serving their respective districts.

Educating, recruiting and orienting allies from CMF’s membership and Michigan’s nonprofit sector was another critical step needed to build an effective and committed coalition to appeal to Michigan’s congressional delegation.

The effort moved forward with clear targets within Michigan’s congressional leadership, including Senators Carl Levin (D-MI) and Debbie Stabenow (D-MI) and Representatives Dave Camp (R-MI) and Sander Levin (D-MI), members of the powerful House Ways & Means Committee.

“Effective advocacy requires knowing which of your members have relationships with congressional leaders targeted for the campaign,” says Collier. “Equally important is being able to help those members understand the potential benefits of the legislation and fully preparing them to reach out to those delegates with compelling arguments for supporting or in other cases not supporting a particular piece of legislation.”

The value of personal relationships between members and our congressional leaders cannot be overstated,” says Collier. “Margaret ‘Ranny’ Riecker, president of the Herbert H. and Grace A. Dow Foundation, for instance, played a pivotal role in communicating to the House Ways and Means Committee’s Ranking Republican Member, Rep. Dave Camp, the importance of the legislation.”

Carol Paine-McGovern, president, Paine Family Foundation and co-chair of the CMF Government Relations Committee, says “strong communication between Collier and the committee and between CMF and other national organizations was—and continues to be—critical to keeping all foundation leaders and their organizations informed and engaged.”

## Results

Michigan has secured millions to date in IRA rollover funds for philanthropic projects and organizations that might not have survived in these trying economic times if not for CMF's and the Michigan Nonprofit Association's efforts.

Brenda L. Hunt, president & CEO of the Battle Creek Community Foundation and CMF board vice chair, says the IRA rollover effort "should be and is a model for effective leadership and strategic impact for all foundations and other nonprofits interested in achieving systemic and sustainable change in the sector."

Collier says the strategies CMF developed for the IRA campaign can easily be adopted by other regional associations on a smaller scale and on local or even statewide issues of importance.

"It's about being strategic with your goals and implementation plans; targeting and aligning with your key proponents and decision-makers; formulating a communications plan to spread your message and using your influence, especially personal relationships with key players," says Collier.

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CMF members and staff meet with Congressman Dale Kildee (D-MI) (front left) in Washington.

## Response From Policymakers

Michigan's congressional leaders say without CMF's efforts to educate them about the IRA legislation and its importance to nonprofits throughout Michigan, it is unlikely they would have supported its inclusion in The Pension Protection Act of 2006.

"Quite honestly, in the beginning of 2006 there were so many issues and agendas before Congress I wasn't that familiar with the IRA rollover legislation," says U.S. Sen. Carl Levin. "If not for CMF, I would not have been aware of it and probably would not have gotten behind the effort to see it enacted."

U.S. Rep. Dave Camp, a Ranking Member of the House Ways & Means Committee that handles all tax legislation, says the most significant part of CMF's IRA advocacy campaign for him was the "continual contact from foundation representatives from his district."

"There was a constant barrage of contacts from foundation leaders...and that is a good thing," says Camp. "CMF kept me educated to the (IRA's) importance, the need for me to get behind its passage and the overall philanthropic benefits it will bring to not only Michigan, but to people in need across the nation."

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U.S. Senator Debbie Stabenow, also credits the work of CMF and its members "with bringing me up to speed on the need for the IRA rollover legislation and keeping it front and center on my plate. My support came because of CMF's tireless efforts to ensure we in Congress knew just what a difference it could make in the lives of those who need all our help."

U.S. Rep. Sander Levin says CMF's strategies "of continual notification on the (IRA's) legislative progress, one-on-one meetings with congressional leaders and their staffs, generating constituent letters and telling the stories and needs of their members in a way that we in Congress could easily grasp the significance and depth of the importance of their efforts, should be a textbook example for all such (foundation) associations when they seek any such legislation that will positively impact their work."



CMF members meet with Representative Mark Schauer (D-MI) (fourth from left) during the 2009 Foundations on the Hill visit to Washington, D.C.

## KEY LESSONS FOR SUCCESS

Collier says that, “Getting buy-in from the board and key committee leaders is critical in any legislative initiative. For CMF, this was our Government Relations Committee”. Melonie Colaianne, CMF board chair and president, MASCO Corp. Foundation said “Keeping key stakeholders engaged and informed throughout the campaign is also essential.”

- ➔ Clearly define goals, strategy and tactics for the initiative
- ➔ Identify members’ relationships with lawmakers in key positions
- ➔ Align with local, regional, state and/or national partners who share goals
- ➔ Find or develop high-quality data to put a dollar value on the change you seek
- ➔ Identify and key decision makers to target for outreach
- ➔ Develop a strategic communications plan designed for your target audience
- ➔ Use your members’ influence and relationships to leverage systems change
- ➔ Continually review and discuss successes and failures

## DISCUSSION QUESTIONS

- 1) What capacities need to be in place before launching such an initiative? Do we have this capacity?
- 2) What opportunities exist for increasing philanthropy in our state/region?

**PolicyWorks**  
FOR **Philanthropy**  
 Helping Regional Associations  
 Engage Policymakers

**POLICYWORKS FOR PHILANTHROPY** seeks to build the capacity of regional associations of grantmakers’ staff, board and volunteer leaders to engage policy makers in support of a vibrant and effective philanthropic sector. The 20 regional associations participating in PolicyWorks serve more than 3,000 foundations and corporate giving programs in 39 states. Policy work includes: government relations—related to legislation and regulations affecting the work of charitable foundations; and public policy engagement—supporting the achievement of charitable foundations’ grantmaking goals.

PolicyWorks is led by the Council of Michigan Foundations (fiscal agent), Donors Forum (Illinois), Grantmakers of Western Pennsylvania, Northern California Grantmakers, Ohio Grantmakers Forum and Philanthropy New York and funded by the William and Flora Hewlett Foundation and the Charles Stewart Mott Foundation. PolicyWorks partners include the Communications Network, Forum of Regional Associations of Grantmakers and the Philanthropy Awareness Initiative.