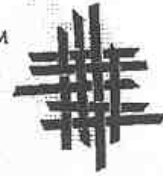


FORUM
OF REGIONAL
ASSOCIATIONS OF
GRANTMAKERS



January 6, 2005

Received by the
Commissioner's Correspondence
Office

The Honorable Mark W. Everson
Commissioner
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20214

JAN 18 2005

Dear Commissioner Everson:

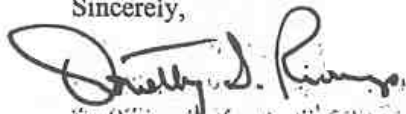
We are writing in regard to the announcement that the Internal Revenue Service (IRS) is planning to investigate sixty 501(c)(3) organizations to determine whether there were violations of the prohibition against intervening in political campaigns.


The Council on Foundations (Council) and the Forum of Regional Associations of Grantmakers (Forum) support your agency's increased enforcement activities and believe, as you do, that foundations and other charitable organizations should be held accountable for wrongdoing. We are mindful that the prohibition against improper political activity is absolute and that violation can result in imposition of an excise tax or revocation of tax exempt status.

We also believe it is critical for charitable nonprofits to be able to speak out on public policy issues that affect their missions and constituencies. As the IRS proceeds with this investigation, we encourage you to carefully weigh all of the rights and responsibilities placed on nonprofits and ensure that enforcement of one set of regulations does not dilute the rights of the charitable sector to engage in government policy debates.

The Forum and the Council encourage you to continue to balance IRS oversight and investigatory actions with the need to preserve the free speech and advocacy rights of nonprofits.

Sincerely,


Dorothy S. Ridings
President and CEO
Council on Foundations


Alison Wiley
President
Forum of Regional Associations of
Grantmakers