

Training TOMORROW'S Leaders

How a local initiative is planning for the future of nonprofit organizations. **by Julie Sensat Waldren**

Edie Brengel Radtke had only been chair of the Planned Parenthood board of directors for a week when the chief executive officer unexpectedly resigned. Immediately, she was thrown into the process of putting together a search committee. Though she was a seasoned veteran of board membership, having served on the Milwaukee Ballet and Wisconsin AIDS Fund boards, as well as a number of others in Milwaukee, nothing like this had ever happened to her before.

“Someone had to step in and keep things running while we frantically searched,” Radtke recalls. Luckily, an affiliate organization from California was able to provide an interim director during the search, which

lasted almost a year.

But the experience taught her an important lesson – the need for nonprofit organizations to be prepared with a succession plan.

Radtke is now board chair of PEARLS for Teen Girls, a nonprofit organization founded in late 1999 that focuses on leadership development for teen girls. The founder and executive director of the organization, Colleen Fitzgerald, announced in late 2004 that she was going to step down from her position. But unlike the Planned Parenthood CEO, Fitzgerald gave more than a year’s notice that she would be leaving.

Enter Mindy Lubar Price, president and CEO of Leading Transitions LLC. She’s an executive transitions consultant who has been helping PEARLS through the transition process. And while Fitzgerald’s advance notice gave the organization ample

time to search for her replacement and plan for the transition in leadership, Price stresses that an executive transition is something for which all nonprofits should be prepared. And not enough of them currently are.

A fall 2004 survey of Milwaukee-area nonprofits (sponsored by the Greater Milwaukee Foundation, the Donors Forum of Wisconsin and the Helen Bader Institute for Nonprofit Management at the University of Wisconsin-Milwaukee in partnership with the Annie E. Casey Foundation) found that 66 percent of executives anticipate leaving the organization within the next five years. Part of this is due to the broader “era of transition” as baby boomers near retirement age, with 55 percent of current executives in Milwaukee nonprofits over 50 years old. But in the nonprofit sector, a failed or unsuccessful transition can cause repeat executive turn-

Times of transition are **pivotal** for nonprofit organizations.

over and extended periods of underperformance – even leading to the organization going completely out of business.

Jim Marks, vice president of the Greater Milwaukee Foundation, even sees the financial problems of the Milwaukee Public Museum, revealed in May 2005, as stemming partially from executive transition problems several years back. After William Moynihan left in 2001, there was considerable turnover in leadership, which was among the factors that led to the organization's problems.

And after longtime Executive Director Richard Oulahan of Esperanza Unida suffered an unexpected illness in 2004, the organization fell into financial and administrative chaos.

Times of transition are "pivotal" for nonprofit organizations, says Price. "It can be phenomenal or entirely devastating" for the organization.

For instance, salary and benefits packages for nonprofit execs in the Milwaukee area are modest, with 65 percent earning less than \$70,000 and only half receiving retirement and healthcare benefits. When a long-term or founding CEO leaves, it may be challenging to attract a quality successor with this kind of compensation. And the 2004 survey found Milwaukee-area organizations with smaller budgets are more likely to lose an executive director than those with large budgets.

It's time for nonprofits to move from a "search and hire" position to a more comprehensive transition management approach, says Price.

And she is not the only one who thinks so. Two years ago, Price began meeting with area leaders to discuss a plan for Milwaukee. This advisory council was made up of Donor's Forum of Wisconsin President Deborah Fugenschuh; Brico Fund Executive Director Anne Summers; Linda Davis, board chair of Donor's Forum of Wisconsin; and Greater Milwaukee Foundation Vice President Jim Marks. From those preliminary discussions came the seeds that would eventually become a full-blown initiative called the Executive Transitions Initiative. Similar efforts are being made to address this topic across the nation through organizations like the Baltimore, Maryland-based Annie E. Casey Foundation, which focuses on helping disadvantaged children and their families. But Price says that few other cities are as pioneering as Milwaukee with its initiative.

"We're very ahead of the rest of the country in our momentum," says Price, who is serving as project manager of the initiative, which is presently housed at the Donor's Forum of Wisconsin and originally funded by the Annie E. Casey Foundation, Greater Milwaukee Foundation, Davis Family Fund and Brico Fund. The initiative includes research, an online resource library, templates for succession plans and links to other community resources at the portal found at the Donor's Forum Web site (www.dfwonline.org).

The Brown Bag Syndrome

Since the local 2004 executive transitions survey results were tabulated, Price and Barbara Duffy, senior outreach specialist at the University of Wisconsin-Milwaukee's Center for Urban Initiatives and Research, have led workshops on the topic of transition planning. Executives were hesitant to talk about it at first because they feared their boards would think they were getting ready to quit. Board members feared executives would think they were going to be fired. "We used to joke that it's called a 'brown bag' discussion because you wear a brown bag over your head," says Price. But in all seriousness, she says this to underscore the need for a culture shift to one in which nonprofit boards and executives are open to talking about succession planning.

One way Price recommends opening up the dialogue is to start by creating an emergency succession plan. By designating possible leaders in the organization to step in as interim director in case of an emergency, cross-training within the organization and putting set policies into place, everyone will feel better prepared. "It's a safer way to talk about the issue," says Price. "It's about being proactive."

Other ways of approaching the topic include involving funders in making succession planning a priority. For instance, as part of the grant proposal process, an increasing number of funders have begun asking whether organizations have a succession plan.

Discussions about transitions should be built into the strategic planning process, says Price. She recommends having other people in the organization understand the duties of the executive director, conducting annual reviews of the executive director and ensuring that the executive director's compensation level is keeping up with what he or she should be getting paid.

And Marks notes that the salary of the executive director is not the only one that's relevant. Many nonprofits can afford to pay a good salary for their top person but not a second-tier person, he explains. In nonprofit organizations, lower management can be a bit thin, which can cause an organization to flounder in the event of a transition. "The quality and strength of executive leadership is essential to the programs the nonprofit organizations provide," says Marks, which is why the Greater Milwaukee Foundation is supporting the Executive Transitions Initiative.

A Ship Without Its Captain

Chris Litzau, executive director of Milwaukee Community Service Corps, is well aware of the need to discuss succession planning. At 41, he's not planning to retire anytime soon, but he is troubled that the daily operations of the organization depend so much on him alone. In fall 2005, he needed a medical procedure done that would take him out of work for a few weeks. But he held off scheduling it until near Christmastime, when he knew the organization would be closed anyway. "I tried to calculate the least amount of time the ship might be without its captain," he says.

Litzau has been with the organization since 1998, but since he became executive director in 2000, the organization's programs have shifted to be heavily dependent on him. MCSC provides workforce development and job training education, working with young adults who didn't finish high school to get them credentials to enter the job market. Litzau serves as principal instructor for the training the young adults have to go through – lead abatement/paint issues, hazardous waste and other job skills. "So the credentialing that allows crews to go into homes and do the work is reliant and dependent on my credentials," he says. Litzau is the only one that currently performs this role in the organization. Without him, the programs would be forced to shut down.

Litzau's case illustrates the dangers of jack-of-all-trades CEOs. And he is also thinking ahead to the next generation of leaders. He wonders: "Where are the new big thinkers to come up with the solutions to problems in our community? The closer I hold the cards to my chest, the less the new generation has a chance to learn." He would like to share his duties with other staffers not just to protect the organization in the short term but also for its long-term vitality. Having a succession plan would also free him to launch new initiatives and programs with confidence because he wouldn't be so concerned about the organization's long-term stability.

The Board's Perspective

Other than fundraising, hiring a new executive director is the most dread role of most board members, says Price. So she focuses on ways to make the process easier for them, starting with a few basic principles.

First is the need for the organization to pause and reflect before jumping into an executive search. It should take stock of itself and make sure it's on the right track. For example, if the organization is financially fragile, perhaps the best thing to do is merge with another organization with a similar mission that is healthy and flourishing. Transition planning should be part of broader strategic planning so that everyone is clear about where the organization is and where it is going.

Second, Price recommends that organizations "overcommunicate." Everyone from board members to donors needs to be kept informed about the transition process so those important relationships can be maintained throughout. And since continued revenue is vital, communication with donors is especially important, says Fugenschuh.

This communication and introspection help make the job of the board easier. "Too quickly you rush to fill the position without looking at the organization," says Davis of her past experience on nonprofit boards. "But a transition is the opportune time to reflect on the organization."

And Davis knows from experience that better transitions in leadership make the job of the board easier. She has seen boards rush to bring in a new CEO, who turned out to be wrong for the job, which then led to more turnover, a process that can be painful for the board, the CEO and the people the organization serves. "It's really in our best interest to have quality leadership and smooth continuity between leaders," she says.

Executive Director's Perspective

While boards are responsible for the actual hiring of a successor, it's the executive director who is ultimately responsible for the creation and maintenance of an ongoing succession plan, says Price.

Fitzgerald believes that this responsibility is part of every executive's leadership. "It's really an executive director's role to be mindful of a transition past his or her tenure even from the very beginning," says Fitzgerald. It helps them stay fresh and dynamic, she says.

And if an executive director gives advance notice of his or her departure, he or she can be involved in the crucial process of communication with external supporters of the organization. For example, Price says, "Everyone is devastated Colleen [Fitzgerald] is leaving" as PEARLS' executive director. So Fitzgerald wrote a letter to everyone involved with the organization explaining her decision. She even had a Saturday lunch with people who had been with her since the start to tell them personally about her decision to leave.

"Things like these are harder to do once the person is gone," says Price. In order to maintain relationships she worked so hard to build for the organization, Fitzgerald knew this communication was essential. She even hopes to have the chance to introduce her successor personally to key donors and other leaders.

Fitzgerald also points out that organizations may need different leadership skills at different times in their life cycles. For example, as founder of PEARLS, she saw the organization through the initial start-up phase and ambitious strategic planning process (by the end of 2007, the organization will grow fourfold). "It's really important for boards and leadership to be aware of what kind of leadership is needed throughout the different

stages of a nonprofit: start-up, growth and expansion and sustaining," she says.

Fitzgerald, who is leaving PEARLS to return to her prior work as a consultant, stayed out of the job search process and let the board and the community handle the details. But she knows that the skills they need for their new leader may be different than those she brought to the organization.

Is she worried about what will happen to the organization without her? "It could walk and talk really differently," she says, "but what I want is for the organization's core values to be preserved." Since she has been so open about her decision to leave and her desire for the organization to remain strong, the community has given her a remarkable show of support. She's received so many letters and cards from people affirming their commitment to PEARLS that she's confident the organization will stay strong once she leaves.

"There's a saying that you can gauge an effective leader not by how many people are behind her but by how many are in front of her – people she's helped nudge and develop along the way," says Fitzgerald. And now she's ready to pass the torch.

A Pearl of Wisdom

As for Radtke, she is thankful Fitzgerald gave so much warning about her plans to leave PEARLS for Teen Girls, calling it a "luxury." She hopes PEARLS will serve as a good example to other organizations, possibly even inspiring other executives to initiate conversation with the board about a succession plan.

"We haven't been getting the reactions we feared from donors. We can say, 'Yes, she is leaving and here's what we're doing.' We've shown we have a plan," says Radtke. Because of that, "our odds of hiring the right person for the job are much higher."

Mindy Lubar Price: A Woman and Her Mission



Mindy Lubar Price was so enthusiastic about her meeting with administrators at the Annie E. Casey Foundation that she cut her knee on the waiting room table when she jumped up to greet them. "There was literally blood running down my leg as I walked into the meeting," she recalls. She had flown from Milwaukee to Baltimore on her own dime in order to discuss the foundation's work on executive transitions.

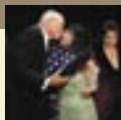
Price, 37, first became interested in this issue about 10 years ago while working as director of

member relations at The Alliance for Children and Families. She noticed that there was a lot of turnover nationally in the executive leadership of the organization. This was frustrating for her because she found it hard to do her job – helping keep organizations sustainable – when the person at the top wasn't even a constant. Just when she developed a working relationship with one, it seemed, that person would be gone.

There weren't consultants available at the time to help nonprofits with leadership transitions, so Price made herself an expert, researching the issue and even writing a guidebook for board members on how to get through a transition. Soon she became known for her expertise. "I couldn't even field all the phone calls from board members around the country," she recalls. "We were just inundated."

After leaving ACF and spending three years as director of philanthropy for Aurora Sinai Medical Center, she finally opened her own business in 2002 – a consulting firm called Leading Transitions LLC, of which she is president and chief executive officer. At first, she consulted on a variety of topic areas, including strategic planning and fund development. But in her spare time, she was always researching the topic of transitions and would always weave it into her consultations.

She was thrilled that her meeting with the AEC Foundation resulted in its investment in Wisconsin's own Executive Transitions Initiative, of which Price is current project manager. "I've been running through the streets with my banner of transition for years," she says. "This is just my life's work."



2006

Charitable Events Guide

Peter Di Antoni



PROFILE

Chris Abele: Man Around Town

When a sold-out performance of the Milwaukee Symphony Orchestra gets a standing ovation at the 2,200-seat Marcus Center for the Performing Arts, Chris Abele gets tingles up and down his spine.

"There's this energy, this vibrancy that comes from the shared experience of live performance," says the 38-year-old president and chief executive officer of Argosy Foundation, which was created more than a decade ago by his father, John Abele, co-founder of Boston Scientific Corporation.

Since Abele hit the scene in Milwaukee, he has become one of the most important and visible arts philanthropists in town. Believing in getting personally involved in the organizations his foundation supports, he is currently board chair of Milwaukee Shakespeare, which he founded, the Marcus Center and MSO and is a board member for the Milwaukee Art Museum and United Performing Arts Fund, among others.

One of his priorities is regional arts coordination. He supports creating a more efficient collaborative marketing effort between all of the arts organizations in the seven-county

greater Milwaukee area. He is also co-chairing a Greater Milwaukee Committee task force on creating a cultural district in Milwaukee.

But Abele's philanthropy doesn't stop there. The Argosy Foundation gave some \$4 million to Milwaukee-area nonprofit organizations in 2005 for a wide variety of causes, including the arts, social service, healthcare, education and the environment. As chair of the board of directors for the River Revitalization Foundation, Abele would like to protect public access along Milwaukee's riverfront. As chair of the board of the Boys & Girls Clubs of Greater Milwaukee, he is concerned about the violence in the inner city and how it affects children. And he is concerned about increasing access to healthcare.

Since moving here in 1994, Abele has seen the city become "a lot more confident... more vibrant, more alive," which he attributes to its world-class arts and cultural organizations. He relocated the Argosy Foundation's headquarters to Milwaukee in 2005.

And lucky for the city, he has no plans to leave. "I love it here," he says. "I'd never live anywhere else." – *Julie Sensat Waldren*

PROFILE



Anne Summers: *Helping Fund Systemic Change*

When asked what she likes most about her job as executive director of the Brico Fund, Anne Summers simply gets a big grin on her face. She feels privileged to work for the fund, which is managed by philanthropist Lynde B. Uihlein.

Summers, 42, joined the fund in 2003 after more than a decade as vice president of development for Planned Parenthood. She was drawn to the opportunity to work for a funder because of “the ability to work on the big picture, to have a longer and deeper impact and to work across issues,” she says.

When making grants, the fund encourages organizations to come up with new, creative ideas that will effect systemic changes rather than perpetuate the status quo. For example, the fund is supporting a pilot initiative of the Task Force on Family Violence that will approach the problem of domestic violence by working with the children of such families. “Instead of intervening and pouring treatment on the problem, this approach asks,

‘How do you stop the cycle?’” explains Summers.

Summers’ own dedication to issues of social justice started early, when, as a new graduate of the University of Wisconsin-Madison’s political science department, she got a job working for progressive legislator Peter Barca in the mid-1980s. One issue that stands out in her memory is the creation of a new law raising the state’s minimum wage in 1989. “When constituents would call, I heard firsthand stories of how the issue affected people’s lives,” she says. “It had a really profound effect on me.”

This experience in the Legislature makes Summers an asset to the Brico Fund, whose priorities for 2006 include working with the Boys and Girls Club to better meet the needs of girls and continuing to work toward a more just and equitable society, including increasing access to affordable healthcare.

“I can go home every night and feel like I’ve made a difference,” says Summers, who works closely with Uihlein to help determine how to do the most with the fund’s resources. “I have the best job in the world.” – *Julie Sensat Waldren*



Peter Di Antoni

Daniel Bader: Positive Solutions

Milwaukee has its share of challenges, says Daniel Bader, many of which center around race. As president and CEO of the Helen Bader Foundation, he supports creating opportunities for minorities and low-income populations in the city. Attending Riverside High School on Milwaukee's East Side was pivotal in shaping his outlook. "If I had not gone to public school and been exposed to different races and ethnicities, I would not have the level of appreciation for diversity I do," he says. "I want Milwaukee to become more ethnically and racially cohesive."

After graduating from Rochester Institute of Technology in New York and working in software development in Madison, he returned to Milwaukee in 1991 to head the foundation when it was created in honor of his late mother, a local businesswoman, social worker and philanthropist.

Since its inception, the Helen Bader Foundation has given out more than \$140 million in grants. In fiscal 2005 alone, more than \$1.8 million went to help economic development in the City of Milwaukee, including support for businesses and nonprofit organizations in majority-minority areas.

Legacy Bank represents just one example. A minority-owned bank on North and Fond du Lac avenues, it sits in an area "usually considered void of economic activity," explains Bader, 44. "Legacy Bank has proved [this assumption] wrong." The bank and its nonprofit affiliate, Legacy Redevelopment Corporation, have helped develop the neighborhood via loans to homeowners and businesses.

Despite these improvements, Bader knows Milwaukee still has a long way to go. The problem of violence hit home in 2005 when the child of a foundation employee was shot and killed while sitting on a North Side porch.

"We want to focus on creating additional positive alternatives for youth," Bader says, "so they don't get involved in gangs, drugs and crime." Through its Sankofa Youth Development grants, the foundation already supports a homework program for students in Milwaukee Public Schools, summer tennis lessons for central city youth and African drumming lessons for students with learning differences, just to name a few.

"I love Milwaukee and its people," says Bader. "[We're] just trying to make it a better place."

— Julie Sensat Waldren

PROFILE

Carmen Haberman: *Passion of a Lifetime*

When she retired in 2001 from the Milwaukee Art Museum after 20 years as senior director of development, Carmen Haberman couldn't sit still for long. It only took a few minutes before she decided to go back to work, this time as program manager for the Richard and Ethel Herzfeld Foundation.

"There are just so many things we need to do," says Haberman, 64. "I feel very passionate about a strong arts and cultural scene in a community and what it brings to people in terms of enjoyment and inspiration.... Art binds us together as human beings and at the same time really celebrates our differences."

Haberman's personal appreciation for the arts began early in life, while she was growing up in La Crosse. When she was just 5 years old, she was particularly impressed when she went to see opera star Roberta Peters. "I looked up and my mother had tears in her eyes," recalls Haberman. "It was so powerful. Here I am 60 years later thinking about it."

Since 1997, the Herzfeld Foundation has provided grants in three areas: arts and culture, education and civic projects. Haberman's

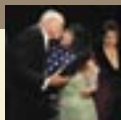
responsibilities include grant recommendation and analysis and community outreach, duties for which she's particularly well qualified from her years as a development professional.

"I would love to see arts and education available to everyone," she says. The foundation's Arts in Education program provides transportation for school children (particularly those in MPS) to participate in education programs at arts organizations such as the Milwaukee Ballet, Milwaukee Art Museum, Milwaukee Symphony Orchestra and Skylight Opera. "We want to encourage teachers to work with the arts groups to enhance their curriculum," says Haberman.

She is also proud of her involvement in the Cultural Alliance of Greater Milwaukee, launched in November 2004. The alliance, whose funders include The Greater Milwaukee Foundation, The Richard and Ethel Herzfeld Foundation, The Anthony Petullo Foundation and The Argosy Foundation, seeks to unify the arts and cultural organizations in the seven-county metropolitan area "to market our diverse arts organizations and attract audiences to them," she explains.

The 5-year-old girl in Haberman hasn't lost any enthusiasm for Milwaukee's arts and cultural scene – and she hasn't slowed down a bit.

– Julie Sensat Waldren



2006

Charitable Events Guide

RAISING FRIENDS

How people help sustain the area's nonprofit organizations.

There are an estimated 3,500 nonprofit organizations in the greater Milwaukee area, and special events are only one way they raise funds. Any healthy nonprofit organization has a diverse portfolio of revenue sources.

Some organizations, like the Leukemia & Lymphoma Society, rely on events nationwide, where participants raise pledges and get together to walk, run or cycle in major sporting events. The events help get the word out about the organization and its mission, and the people who participate generate excitement and momentum for the cause.

But events are not the primary way nonprofits raise funds, says Doris Heiser, director of development and donor services at the Greater Milwaukee Foundation. Instead, "cultivating key donors is absolutely the most important," she says. Many organizations conduct annual campaigns to raise funds for their yearly programming. Others en-

gage in capital campaigns, like the Milwaukee Art Museum's fundraising campaign for the Calatrava addition or the Children's Outing Association's campaign to purchase and renovate the COA Burleigh Center facility. Still other groups focus on securing their long-term future, like The Boys & Girls Clubs of Greater Milwaukee, which completed a successful \$25 million endowment-building campaign in 2003.

Deferred or planned giving is also essential for any organization's long-term future. Planned gifts, which can be written into people's wills or worked into their retirement plans, come with tax incentives for the donor and help ensure the organization's longevity.

Whatever the campaign, outreach efforts and relationships with people are of utmost importance. Whether they're big or small, charitable events are always about "friend-raising." And who can argue with that? – *Julie Sensat Waldren*

MAKING BOARDS BETTER

A new initiative offers a wealth of resources for nonprofit boards.

“A successful board is key to the long-term success of any nonprofit organization,” says Patricia Wyzbinski, a fund advisor with the Nonprofit Management Fund and president of Management Cornerstones, a consulting firm that works with nonprofit organizations. “If you can fix the board, you can fix the organization.”

That’s why Wyzbinski is so excited to be involved in a new initiative of the Nonprofit Management Fund called BoardStar. Starting in 2006, area nonprofit organizations will be able to connect with potential new board members through BoardStar’s Web-based matching service, Greater Milwaukee On Board. And people from the community can search for organizations that match their interests. Wyzbinski hopes this will bring greater diversity to the city’s nonprofit boards.

The initiative also expands some of the services already offered by the Nonprofit Management Fund, such as the training of professional consultants to work with boards, seminars and workshops to help train board members, and grants to organizations for board development. Its comprehensive approach will set Milwaukee apart from other cities across the nation.

“We looked at 48 cities and found that they have some of these pieces but not all,” says Wyzbinski.

One of the topics on which she often consults is “conquering your fears” about fundraising. “Some people feel fine about making cold calls but uncomfortable approaching friends and acquaintances. Other board members may find that they enjoy the details of planning an event or are effective at writing letters,” she says. “Everybody can be involved in some way.”

The BoardStar initiative, funded by the Northwestern Mutual, Greater Milwaukee, Helen Bader and Faye McBeath foundations and others, comes at a crucial time for Milwaukee. Recent research found that 42 percent of the area’s nonprofit organizations have no formal orientation for board members, which can have obvious serious implications.

Though there have been examples of boards being asleep at the wheel reported in the press recently, a determined Wyzbinski says, “We can’t let this continue to happen in our community.” She hopes Milwaukee’s BoardStar initiative will be part of the remedy, making for stronger, more cohesive nonprofit boards. – *Julie Sensat Waldren*

A NEW DAY

Federal legislation aims to improve charitable organizations.

The proposed Tax Relief Act of 2005, passed by the U.S. Senate in November, included a number of reforms that would increase accountability and improve charitable giving for nonprofit organizations across the country and in the Milwaukee area.

It's been more than 30 years since Congress considered this kind of far-reaching change for the nonprofit sector, says John Palmer Smith, executive director of the Helen Bader Institute for Nonprofit Management at the University of Wisconsin-Milwaukee. In 2002, the federal government passed legislation (the Sarbanes-Oxley Act) aimed at reining in abuses at publicly traded corporations, stemming from scandals at companies like Enron. Accounts in the press of similar problems at nonprofit organizations prompted the Senate Finance Committee to pursue such regulation for the charitable sector.

Milwaukee has had its share of scandals at nonprofits in the last year or two, involving criminal activity and/or financial troubles at organizations including the Opportunity Industrialization Center, the Police Athletic League and the Milwaukee Public Museum.

The charitable reforms of the 2005 bill, which are intended to help reduce abuses and improve charitable giving, received bipartisan support in the Senate and endorsement by Independent Sector, a

national coalition of nonprofits, foundations and corporate-giving programs. In fact, a panel convened by Independent Sector in October 2004 made a number of recommendations to the Senate in 2005, many of which were incorporated into the bill.

For instance, one of the provisions would require all 501(c)(3) organizations that currently don't have to report to the IRS to file a form in order to maintain their tax-exempt status. In Milwaukee, this would improve accountability of the city's estimated 1,500 smaller nonprofit organizations, which have been able to operate under the IRS radar.

The bill's reforms also include a new tax incentive to help improve charitable giving. People who make charitable donations but do not itemize on their taxes would be able to deduct donations larger than \$210 for single filers and \$420 for joint filers, which they are currently unable to do.

Taken as a whole, the provisions will help clarify and improve the accountability needed to keep nonprofit organizations running smoothly and positively, says Smith. "These reforms would close some loopholes and tighten some regulations that in the past allowed abuses to occur." And since abuses at a few organizations can unfairly taint public opinion against all nonprofit groups, most of which are legitimate and healthy, this is definitely a step in the right direction. – *Julie Sensat Waldren*