



INDEPENDENT SECTOR

*The national leadership forum
fostering private initiative
for the public good*

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October 12, 2004

Senator Charles E. Grassley, Chairman
Senator Max Baucus, Ranking Member
U.S. Senate Committee on Finance
Washington, DC 20810-6200

Dear Senator Grassley and Senator Baucus,

Thank you for your letter of September 22, 2004, encouraging INDEPENDENT SECTOR to convene an independent panel on the non-profit sector to consider and recommend actions that will strengthen good governance, ethical conduct and effective practice of public charities and private foundations.

We appreciate your thoughtful comments about the diversity of this important sector and the many good efforts around the country to consider how best to encourage good practice and address the wrongful actions of those who are exploiting charities' tax-exempt status and abusing the public trust. We applaud your desire to engage in serious analysis and deliberation to construct appropriate legislative remedies and enable good self-regulation.

To that end, we are proceeding with convening the independent national panel on the non-profit sector that you have called for and plan to engage a broad spectrum of leaders from charities and foundations of all sizes, as well as technical, legal, and financial experts to assist the panel in its work. As you have requested, the panel will provide an initial report of its findings and recommendations to the Finance Committee in February 2005, and a final report in the spring of 2005. We expect the work of the Panel to continue through the fall and will probably update our recommendations to you at that time.

I have attached a list of the outstanding individuals who have agreed to serve on the panel. We will provide other updates to your staff as we proceed with this important effort.

Thank you for your interest and support for the work of this vital sector. We look forward to working with you in the months ahead.

Sincerely,

Diana Aviv
President and CEO