

September 11, 2024

Dear Representative:

I write to you on behalf of Citizen Impact, the Georgia Association of Christians Schools, and the 700 schools in the American Association of Christian Schools, to raise a serious issue threatening the vital work of all tax-exempt organizations across the nation. Some courts have recently ruled that tax-exempt organizations are the recipients of federal financial assistance (FFA). Consequently, tax-exempt organizations could be automatically subject to burdensome regulations and obligations not originally agreed to. **We urge Congress to protect the critical work of charitable organizations by voting “yes” on the Safeguarding Charity Act.**

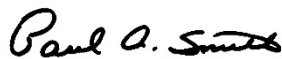
The tax-exempt status applies to a plurality of organizations, from volunteer fireman’s associations to credit unions. This status is also given to institutions doing vital charitable work. Private Christian educators are sacrificially educating the next generation, all while saving the government and taxpayers money. To equate an organization’s tax-exempt status as FFA is unfair, burdensome, potentially catastrophic, and wrong as a matter of law. First, it is unfair because it changes the rules in the middle of the game: no advance notice was given to our schools or any tax-exempt organization that they would ever be subject to these regulations. Second, it is burdensome because the FFA obligations include both prohibitions and obligations that severely burden fundamental freedoms. Because our schools often have small administrative staffs, they lack the resources to track these ever-changing regulations. Third, it is potentially catastrophic because this ex post facto interpretation of existing law serves to punish tax-exempt organizations and will drive them out of the social service sectors. And finally, it is wrong as a matter of law. No law has ever included the tax-exempt status as a part of FFA. In fact, the Biden administration has recently affirmed that an organization’s tax-exempt status does not automatically make it a recipient of FFA. However, one case on this issue is pending, and charities could be subject to wasteful lawsuits until a nationwide standard is established.

Fortunately, a solution exists: the **Safeguarding Charity Act**. This simple, one sentence bill would codify what everyone already knew—that the tax-exempt status is not equivalent to receiving FFA. Congress exercises its legislative prerogative over the courts by ensuring a consistent nationwide standard allows tax-exempt organizations to continue their vital work without fear of repercussions or costly and burdensome regulations.

Congress should safeguard the work of charitable organizations to fulfill their missions. Otherwise, many charities and those they serve will suffer the consequences. To equate the tax-exempt status with FFA would have devastating and costly effects across the nation, effects that are wholly avoidable. Congress should avoid this issue by clarifying that the tax-exempt status has never and will never be considered equivalent to FFA.

Thank you for your consideration and for your service to our great country.

Sincerely,



Paul A. Smith

Executive Director