

**Charities on the Frontline:
How the Nonprofit Sector Meets the Needs of America's Communities**

Statement of

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Testimony Before the
Subcommittee on Social Security and Family Policy
Senate Finance Committee
United States Senate

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Luke L. Hingson is President of Brother's Brother Foundation since 1980.

Mr. Chairman and members of the Subcommittee:

Brother's Brother Foundation (BBF) is a 48-year old Pittsburgh-based international charity, which has provided over \$1.6 billion of medical supplies, textbooks, food, seeds, and other humanitarian supplies to people around the world in over 120 countries. With the help of gifts from the general public, corporations and the US government, in 2004 BBF sent product contributions totaling more than \$226,000,000 (3,125,000 pounds) to those in need in 40 countries including Argentina, Armenia, Czech Republic, Ethiopia, Iraq, Poland, and the United States.

Forbes Magazine, the national business periodical, listed Brother's Brother Foundation as the only charity to receive 100% or higher rating in a special issue, 2005 Investment Guide (Charity), December 13, 2004. The issue lists 200 charities, rating them on how efficiently they collect and distribute donations. BBF received 100% rating or higher in all three evaluating categories: charitable commitment, donor dependency and fundraising efficiency.

Most recently, BBF sent aid to tsunami victims in South Asia raising \$2,000,000 in cash and \$41,000,000 in donated products and helped ship over 4,000 tons of donated goods from Brother's Brother Foundation with the aid of other charities.

Over the past two weeks Brother's Brother Foundation has had to respond to sudden needs due to Hurricane Katrina. International disaster response is an area of expertise of BBF. Our experience allowed BBF to quickly respond to obvious and unanticipated needs resulting from the largest national disaster in America's living memory.

BBF is helping survivors of Hurricane Katrina by sending multiple tractor trailer loads of new shoes, clothing and other items to the United Methodist Church distribution center near New Orleans. Additionally, BBF is working with the Church of Latter Day Saints with distribution center in Atlanta, GA.

BBF provided air and land shipments of requested medicines and other supplies to charity clinics in Mississippi and Texas for distribution via the Southern Baptist Convention and Texas Association of Community Health Centers. I am told that as of this morning, the value of donated product to survivors of Hurricane Katrina exceeds \$1.6-million.

Also, we are currently resettling several families from New Orleans in the Pittsburgh area. Areas of assistance include housing, education, daily sustenance, child care and economic rehabilitation.

Brothers Brother Foundation is a member of the Pennsylvania Association of Nonprofit Organizations (PANO). PANO is a membership organization of hundreds of nonprofits throughout Pennsylvania. BBF is enrolled in PANO's Standards for Excellence program as a way of demonstrating BBF's commitment to the highest standards of ethics and accountability

With respect to specific provisions of the Care Act:

First, BBF supports the Non-itemizer Tax Deduction (provided under section 301). We feel strongly that this would increase incentives for charitable giving. Currently, over 2/3 of tax payers do not itemize deductions. We believe people would be more willing to donate if they would receive a tax deduction for their donations.

Second, we support the IRA Rollover Provision (section 302) We believe that this would encourage charitable giving by middle income Americans with secure financial resources.

Third, we support the tax deduction for donated food items. This would create further incentive to give.

Fourth, BBF also supports the tax deduction for Volunteer Vehicle Mileage for individuals, who provide volunteer services including transportation. This would encourage citizens to be more involved with charitable activities. In the case of BBF, it would increase the individual's interest in delivering donated goods to our facility, reduce our cost and increase our potential to provided useful donated items to those in need.

Additionally, I would like to state that while we recognize that some abuses in the charitable sector may exist, only a tiny number of charities engage in abusive conduct. Most charities are run by honest well-intended individuals. They deliver essential services that government is either unable or unwilling to provide. As such, I urge this committee to consider that nonprofit reform legislation will have certain consequences, some unintended, especially with respect to smaller charities. This is not the time to undermine a charity's ability to function in the name of reform.

At this time, our nation is calling upon the charitable sector to do more, not less. It is my firm belief that if elements of the CARE Act had been already enacted into law, BBF would have a greater ability to provide relief to evacuees seeking refuge from hurricane Katrina.

I also endorse more rigorous use of existing laws to protect charities from those individuals in the private sector who abuse charitable intent by false representation for private gain.

Thank you, Senators, for granting me the opportunity to express my concerns before this subcommittee. I invite each of you to visit our facility in Pittsburgh, Pennsylvania. Perhaps, in this way, you could see how the work of charities like BBF is essential to relief efforts, to our communities and to our nation.