

Letter to the Editor

From the San Jose Mercury News
(<http://www.mercurynews.com>)

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The bottom line for non-profits

Two recent Mercury News editorials -- "Regulate charities, but don't sink them" and "Reasonable limits needed on trustee pay" (Opinion, July 8) -- focus on legislation being introduced by Sen. Charles E. Grassley of Iowa to further regulate the financial and governance processes of the non-profit community.

The draft legislation addresses many important points but misses the most critical reason why confidence in the non-profit sector is at an all-time low. While so much attention is being paid to fiduciary and regulatory issues, the overall health and effectiveness of the non-profit sector suffers because we aren't focused on the true bottom line for non-profits.

It is entirely possible that an organization can adhere to the letter and spirit of current and proposed new laws, but be ineffective in fulfilling its non-profit mission of making a positive difference in its community.

Non-profits should be evaluating both operating procedures and the impact of their work in the communities they serve in a transparent and comprehensive manner. Doing so would make further legislation and regulations unnecessary.

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