

Tax-Exempt Organizations Institute sponsored by UCSD

February 13, 1973

A prediction of greater public scrutiny and closer IRS supervision for tax-exempt organizations was made by Internal Revenue Service Commissioner Johnnie M. Walters speaking at the first annual Tax-Exempt Organizations Institute in San Diego.

According to Walters, the IRS can no longer be accused of "benign neglect" of tax abuses by private foundations. He promised the Tax Reform Act of 1969, with its sweeping changes for tax-exempt organizations would be administered in a firm, evenhanded and fair manner. But he warned delegates to the Institute that the law subjects private foundations to closer public scrutiny and greater IRS supervision.

The three-day mid-January Institute, sponsored by the University of California, San Diego, was attended by representatives from 75 tax-exempt foundations and more than 200 attorneys and certified public accountants from across the nation.

The list of speakers for the morning and afternoon seminars included attorneys, public accountants, university deans, and foundation presidents and managers. The major speakers for the Institute, in addition to Walker, were Evelle J. Younger, Attorney General for the State of California, and McGeorge Bundy, President of the Ford Foundation.

The Institute grew out of the concern of a group of attorneys and public accountants involved with tax-exempt organizations such as universities, churches, and foundations over the implications in the day-by-day interpretation of new and proposed Treasury regulations. The 1969 Federal Tax Reform Act, which curtails irony activities previously permitted for foundations and requires detailed reporting of activities, has raised more questions than answers since its passage.

According to Robert H. Smith, Assistant to the Chancellor for Alumni and Development at UCSD, the purpose of the Institute was not to find ways of circumventing the act but rather to gather a better understanding of it and complying with it.

He said the University's interest was two-fold in that it is a tax-exempt organization which also receives grants from other tax-exempt foundations.

More than 130,000 private and public tax-exempt organizations providing funds for charitable, educational or scientific work are included among the foundations affected by the tax reform act.

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