

December 14, 2015

CC:PA:LPD:PR (REG-138344-13)
Room 5203
Internal Revenue Service
PO Box 7604, Ben Franklin Station
Washington, DC 20044

To Whom it May Concern:

On behalf of the Center for Non-Profits, New Jersey's statewide umbrella organization for the charitable community, I write in strong opposition to proposed regulation IRS REG-138344-13, which would modify the gift substantiation and disclosure requirements to add an "optional" alternative reporting mechanism to the Contemporaneous Written Acknowledgement (CWA) that would entail the collection, storage, and reporting of donors' Social Security numbers by charitable organizations. The Center, founded in 1982, is a 501(c)(3) public charity that exists to strengthen New Jersey's charitable non-profit community to improve the quality of life for the people of our state.

Seemingly every month, there are new reports of hacks, leaks, breaches and other incidents compromising the data of some of the largest government agencies and private corporations. High-profile breaches in recent years have included JPMorgan Chase, Target, Home Depot, Ebay, Sony, U.S. Office of Personnel Management, the CIA, and even the IRS itself. Needless to say, all of these entities boast cybersecurity systems far more sophisticated than the average non-profit could possibly provide – and yet they, and many others, were clearly vulnerable.

It's no surprise, then, that law enforcement officials, consumer protection officers, cyber-security experts – and the Social Security Administration and the IRS itself – consistently warn individuals against giving out their Social Security numbers in order to protect against identity theft. By "encouraging" charities to collect Social Security numbers from donors via the proposed alternative reporting mechanism in REG-138344-13, the IRS would inexplicably be contradicting these warnings and needlessly putting donors' identities at greater risk via hacks, leaks of the actual records, or fraud by unscrupulous individuals who may call a donor pretending to represent a charity or the IRS and convince the donor to disclose sensitive information.

Numerous experts, advocates and offices, including the Government Accountability Office, have projected that charitable giving would drop precipitously if donors were asked to provide their Social Security numbers along with their gifts. The two most likely scenarios are that a donor will decline to give altogether, or will reduce the size of the gift to less than \$250 in order to avoid triggering the reporting threshold. Either result would be disastrous for charities already struggling to meet rising demand for their essential services.

Finally, the proposed reporting scheme would add unnecessarily to the administrative burdens of thousands of already under-resourced organizations. A new layer of reports with a February 28 deadline would boost administrative workload and expenses for charities while accomplishing little by way of public benefit. Although the reporting mechanism described in the IRS proposal is touted as a convenience for donors, the required disclosure of sensitive information and resulting vulnerability to identify theft and fraud far outweigh any debatable convenience the system might provide.

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Center for Non-Profits is a New Jersey non-profit corporation and a federally recognized 501(c)(3) publicly supported charity.

We respectfully urge the IRS to withdraw this proposal, and instead redouble its efforts to warning the public about the dangers of disclosing Social Security numbers, and reminding charities that they should **never** request Social Security numbers of their donors. Protecting individuals from fraud and identity theft needs to be Priority One for government regulators, who need to be sending consistent messages to the public.

Thank you for your consideration.

Very truly yours,

Linda M. Czipo
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