Anita Herrera, Vice Chair, FCPF Board of Directors Remarks

Board of Supervisors Budget Hearings Testimony

Thursday, April 24, 2025   Government Center Board Auditorium

Good afternoon, Chairman McKay, Vice Chair Smith and District Supervisors. I am Anita Herrera and I serve as Vice Chair of the Fairfax County Park Foundation Board. Thank you for this opportunity to speak with you today.

You have a proposal before you whereby the Fairfax County Park Authority wants to cover its budget shortfall this year by charging the Foundation $300K for the salaries of 3 Fairfax County employees that assist the Foundation with its fundraising efforts. Such a charge would quadruple the Foundation's overhead expenses and force its dissolution within the year.

As Chair Erlacher described, the Park Authority created the Foundation as an Internal Revenue Code 501(c)(3) charitable organization to exclusively support the Park Authority by raising funds for specific programs that the Park Authority names each year. As the entity exclusively supporting the Park Authority, the Park Authority restricts and controls the Foundation's ability to operate and raise funds. To date, the Park Authority has been paying for the salaries and benefits of the 3 Fairfax County employees assigned to the Foundation. This relationship has not been unlike that of other supported entities like the National Park Service, which in 2023 provided grants in the amount of $20MM to the National Park Foundation to cover its administrative expenses.

You may ask - why need the Foundation if tax deductible contributions can be paid directly to the Park Authority? The reason is because in accordance with IRC Sect 170(c)(1), such donations must be made exclusively for public benefit purposes and can not inure to any individual. To protect themselves from perceived quid pro quos, the Foundation's corporate donors have policies requiring that charitable donations be handled through 501(c)(3)s and clearly designate that the purpose is for a specified public benefit. These donors will not donate unrestricted funds that could be used to pay for Fairfax County overhead, potentially a veiled quid pro quo. Corporate donors are accountable to regulators and stakeholders so they donate through a 501(c)(3), which comforts everyone that their donation restrictions will be enforced because the Foundation is an independent entity that must enforce all donor restrictions. Failure to do so would be illegal as a violation of the IRC subjecting the Foundation to any or all of the following: penalties, loss of tax-exempt status, and lawsuits against the Foundation's Board Members.

Unlike unrestricted funds, raising designated funds is easy because we have a great product. You may have told me that it was easy to raise $200K for your campaigns – your donors wanted you! The Foundation raised over $2MM so far this year. But raising funds for overhead is different. The Foundation raises unrestricted funds to cover $100K of administrative expenses with two annual fundraising letter appeals ~$30K each, car donations producing ~$30K/yr, and other small donations from flyers within our real estate tax invoice mailings and a few hundred from regular requests in the ordinary course of business.

To avoid the Foundation's dissolution within the year, we respectfully make two requests. First, to avoid dissolution we request that any additional charge imposed on the Foundation be extended for payment so that it cannot come due before July 1, 2026. This will forestall default within the year and prevent dissolution this year. We need time to get creative, which leads to the second request. We respectfully request that the BOS direct the Park Authority to permit the Foundation without restrictions to investigate and pursue the potential to support other governmental or other entities engaged in the public benefit consistent with the mission of promoting parks, the environment and open space, sports and recreation.

Thank you.