



State of South Carolina
Department on Aging

Henry McMaster
Governor

Connie D. Munn, MSW
Director

January 31, 2025

The Honorable Joseph Jefferson
Subcommittee Chair, Healthcare and Regulatory Subcommittee
304B Blatt Building
Columbia, SC 29201

Dear Chairman Jefferson,

In accordance with the reporting requirements of the House Oversight Legislative Audit Report submitted in August 2023, SCDOA is providing the following response to Recommendation #9, which states *"In coordination with the South Carolina Advisory Council on Aging, and other senior services stakeholders, complete a study to determine the efficacy of developing a 501(c)(3) nonprofit organization whose purpose is to create an endowment to support and sustain the Eldercare Trust. The report should be submitted to the Committee within one year of the Committee's issuance of the study"*.

As a state government entity, we have discovered that there is limited guidance available from state agencies on how to establish a 501(c)(3) organization. After researching the IRS process and reporting requirements for 501(c)(3) organizations, as well as consulting with a state agency that has an established endowment, we at SCDOA have concluded that creating a 501(c)(3) or endowment may not be the most efficient option for the following reasons:

1. The Eldercare Trust generates an average of \$20,000 per year through SC State Tax filings donations.
2. The fund amount is not enough to support a fully operating endowment program with staff per year.
3. The costs to costs associated with establishing and operating an endowment are not feasible.

If you have any questions or need additional information, please do not hesitate to contact me.

Respectfully,

A handwritten signature in blue ink that reads "Connie D. Munn".

Connie D. Munn, MSW