

Independent Living Research Utilization

We create opportunities for independence for people with disabilities through research, education, and consultation



Independent Living Research Utilization

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**SILC Congress 2017
Breakout Session:
Resource Development for Non-501(c)(3)
SILCs**

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What You Will Learn

- Strategies for resource development when the benefits of non-profit status are not available to the SILC.
- Considerations for the SILC becoming a 501(c)(3) organization.
- An overview of groundwork necessary for becoming a 501(c)(3) organization.

Resource Development Authority

WIOA

Sec. 705 (c)

(2) Authorities.

(B) conduct resource development activities to support the activities described in this subsection or to support the provision of independent living services by centers for independent living;

Regulations

§ 1329.16 Authorities of the SILC (a)(2).

Can we get funding if we are not incorporated & do not have tax-exempt status?

- Technically, yes. However, your support probably will not come from foundation grants since most institutional funders generally require proof of 501(c)(3) status and prefer to support organizations with a proven track record of fiscal responsibility and programming successes.
- Government grants may be an option if your DSE will apply on your behalf.
- Other types of support may be available.

If you do not have 501(c)(3) status . . .

- Be aware that any contributions you collect without tax-exempt status may be considered personal income and therefore subject to taxation.
- You should inform donors that their contributions are not tax-deductible – be aware that some potential donors may not be comfortable giving money to an organization that is not officially exempt.

Fiscal Sponsorship

- Fiscal sponsorship is a formal arrangement in which a 501(c)(3) public charity sponsors a project that may lack exempt status.
- Fiscal sponsorship allows you to seek grants and solicit tax-deductible donations under your sponsor's exempt status – the fiscal sponsor then agrees to accept and be responsible for monies on your behalf.
- Most grantmakers give to 501(c)(3) nonprofits – fiscal sponsorship may help you qualify for more funding opportunities.

State Requirements

- Most states have laws regulating the solicitation of funds for charitable purposes.
 - Generally require organizations to register before soliciting the state's residents for contributions.
 - May provide exemptions from registration for certain categories of organizations.
- Check with your Secretary of State or Attorney General's Office.

Have a Clear Purpose

- Discussion: Why do you want to do fund development? What would you use the money for?
- Remember:
 Don't chase money for the sake of chasing it.

Organizing Strategies

- Pursue resource development consistent with your mission, vision, goals, and organizational needs.
- Do not tailor activities/proposed activities around what funding you think you may be able to get.
 - What you need funding for determines where you may be able to find it.
- Recruit the skills you need.
 - Fundraising professional
 - Board members with skills & experience
 - Volunteers

Consider a Resource Development Committee

- Provides direct board involvement which is critical in resource development.
- Look to establish a culture of giving on behalf of members and with former members – “Board support” is important to future funders.
- Create a development plan with multiple strategies that can be supported by the full council.
- Create a committee description – Identify a chair and members.
- Revise council member expectations to include giving.

Key Concepts

- “You don’t ask – you don’t get.”
- “Who do you know?” Have a form to assess it (people, businesses, foundations), completed by all council members and staff.
- Create a list of family, friends, businesses, and other **potential supporters** who might be interested in your organization’s mission, and think of ways to get them involved

General Strategies

- Create a SILC website and social media presence.
- Send an Annual Fund and year-end appeal to your potential sponsors.
- Identify connections.
- Create collaborations.
- Recognize donors.

General Strategies, cont'd.

- Have a plan:
 - What or Who would additional funds be used for?
 - Special projects for the CILs?
 - Training?
 - Public Education?
 - Particular underserved populations or geographies?
 - Etc.
 - Be prepared to demonstrate your capacity for success.
 - Do you have partners/collaborators in your pocket?
 - Can you demonstrate a need for the “who” or “what” with hard or soft data?
 - Can you show your capacity for evaluation and results driven projects?

Grant Seeking

- How do you search Federal/State sources for relevant opportunities?
- How do you search foundation, business, and private funding sources for projects?
- How do you address grant writing, staff capacity, and project self-sustainment issues?

Other Sources of Funding/Support

- Identify types of support other than money.
 - In-kind gifts, such as free services, space, equipment
 - Other non-financial donations, can come from local businesses, professionals (i.e., pro bono legal or accounting help), or other community entities
- What other sources of funding/revenue have you been able to pursue or successfully develop?

Additional Considerations

- You may not conduct resource development unless you elected to do so in your SPIL.
- Your SPIL should describe your process to address resource development activities.
- Opportunities are affected by:
 - How your SILC is organized, and
 - How SILC funding is processed.

Should your SILC become a 501(c)(3)?

- Do you have the level of autonomy you need?
- Do you have the resources you need?
- Do you want to handle your own money?
- Do you want to conduct activities outside your SILC Duties and Authorities?
- Do you have the capacity to take on the additional responsibilities of becoming a 501(c)(3)?
- Have you weighed the intended and unintended consequences of your SILC becoming a 501(c)(3)?
- Have you looked into your state laws and regulations to make sure you can become a 501(c)(3)?

How to become a 501(c)(3)

- Register as a corporation with your state:
 - Articles of Incorporation
 - Bylaws
 - Officers
 - Physical Location
- Apply for tax exempt status with the IRS

Internal Revenue Service

- Employer Identification Number if you intend to hire staff

https://www.irs.gov/uac/form-ss-4-application-for-employer-identification-number-ein?_ga=1.229772382.336901453.1426872193

- Tax Exempt Status

https://www.irs.gov/charities-non-profits/applying-for-tax-exempt-status?_ga=1.263324110.336901453.1426872193

- Publication 557 Tax Exempt Status for Your Organization

<https://www.irs.gov/pub/irs-pdf/p557.pdf>

Important to Note

- There is a fee to apply for 501(c)(3) status.
 - \$400 for organizations whose gross receipts do not exceed \$10,000 or less annually over a 4-year period
 - \$850 for organizations whose gross receipts exceed \$10,000 annually over a 4-year period
- You cannot use your federal funds to apply for tax exempt status.
- Form 990 – Return of Organization Exempt From Income Tax must be filed annually

Resources

- ILRU
 - Training - <http://www.ilru.org/training/strategies-for-resource-development-for-silcs>
 - Technical Assistance - <http://www.ilru.org/projects/silc-net/silc-net-technical-assistance>
- Internal Revenue Service
<https://search.irs.gov>
- Grantspace – A Service of Foundation Center
<http://grantspace.org/>

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