



UNWLA Vendor Policy

1. Purpose

This Vendor Policy establishes uniform guidelines governing vendors participating in fundraising events conducted by National, Regional Councils or branches of UNWLA.

The purpose of this policy is to:

- Protect the UNWLA's 501(c)(3) tax-exempt status
- Ensure compliance with IRS regulations
- Prevent private inurement or improper private benefit
- Provide fair and consistent procedures for National, Regional Councils and branches
- Limit legal and financial risk

2. Scope

This policy applies to:

- Fundraising events
- All UNWLA members, board members (National, Regional and Branch), sponsors, and third-party vendors
- All states in which UNWLA operates

*Branches may not create separate vendor policies that conflict with this national policy.

3. Vendor Participation Structure

The UNWLA can use either of the following fundraising structures depending on the type of fundraising event.

A. Booth Fee Model

Vendors pay a booth or participation fee set by the National, RC or branch. Applicable for Fairs or Fundraising events with booths and multiple vendors.

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- Vendors retain proceeds from their individual sales.
- UNWLA retains booth fees as fundraising revenue.
- Vendors are solely responsible for:
 - Collecting and remitting sales tax. UNWLA does not collect or remit sales tax on behalf of vendors
 - Reporting on their own business income
 - Obtaining required licenses and certifications.

B. Percentage Donation Model

Branches may require vendors to donate a stated percentage of sales in select applications, such as Workshop/Educational/Fashion show or fundraising events.

- The percentage must be clearly disclosed in writing
- Vendors remain responsible for their own tax reporting
- UNWLA reports only the donated amounts received

Prohibited Structure

UNWLA may NOT require vendors to turn over 100% of sales proceeds to the UNWLA without prior written approval from the UNWLA Executive Committee.

4. Vendor Written Agreement

All vendors must sign a written agreement outlining fees, responsibilities, and any required donation percentage. UNWLA sample available upon request.

5. Use of UNWLA Name/Brand

Vendors may not use UNWLA's name, logo, or branding except as approved for the specific event.

6. Required Practices:

- **Fair Market Value (FMV):** All vendors pay **fair market value** for booth space. UNWLA members do not receive special pricing or preferential treatment. Branches must document how booth fees were determined to reflect fair market value.
- **Access:** Vendor selection must be objective and documented, but may prioritize mission-aligned participants (e.g., Ukrainian cultural or educational alignment) Vendor spots should not be limited to members only.
- **Mission Alignment:** The **primary purpose** of the community event or festival should be fundraising or mission related. The event must have a clear educational or charitable component
- **Transparent Records:** Keep clear records of who paid what fees.

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- **Written agreement** with vendors is required.
- The nonprofit (home office or branch) **retains the net proceeds** (i.e., they are not distributed back to an individual).
- Members requesting to function as vendors are treated as independent vendors. In order to comply with the UNWLA Conflict of Interest Policy, additional scrutiny is required when Executive Board Members or Officers (at the National, Regional and Branch levels) participate as vendors.

***To ensure fundraising events/festivals stay within legal bounds, the organizers should treat member-vendors as they would any third party.**

7. Situations to avoid

Items that could cause IRS scrutiny:

- **Preferential treatment**
 - o Members get discounts or free booths
 - o Non-members are excluded without mission justification
- **Insider control**
 - o Board members or Officers dominate vendor opportunities
 - o Decisions are not documented
- **Festival primarily benefits vendors**
 - o The nonprofit earns little or no net revenue
- **Use of nonprofit assets**
 - o Free marketing, staffing, or equipment provided to vendors
- **Branches funnel benefits**
 - o Branches exist mainly to support member businesses rather than the nonprofit mission

These situations are more likely to be characterized as **impermissible private benefit**, and if insiders are involved, possibly **inurement**.