



UNWLA Fundraising Guidelines

Dec. 4, 2021

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Branch President Orientation Dec. 4, 2021

Topics

1. Background
2. What the UNWLA Does Not Fund
3. IRS Rules Governing Donations to a Foreign Country
4. IRS Rules Governing Donations/Grants to Individuals
5. Things That Get Us Into Trouble with the IRS
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1. Background

- Under IRS rules governing not-for-profits, we are a public charity exempt from federal taxation, known as a 501 (c) (3).
- In return for our tax-exempt status we must abide by the federal laws and regulations governing such organizations by operating strictly in accordance with the exempt mission and purposes that are specified in our Bylaws.
- We may not solicit money, nor pay out money, for purposes that are not specifically spelled out in our Bylaws.

1. Background

- Branches, Regional Councils and Headquarters are expected to adhere to UNWLA's fundraising guidelines to ensure responsible use of funds for designated purposes and to demonstrate our commitment to ethical practices.
- This document spells out general guidelines. Based on these general guidelines, each Standing Committee will be establishing specific guidelines that apply to their Committee's endeavors. When completed, these will all be posted to the Member Portal on our website.

2. What the UNWLA Does Not Fund

A. The UNWLA does not:

- purchase automobiles, homes, renovations to government owned buildings, or create monuments;
- make donations to other organizations with a similar mission, unless a partnership with equal credit is established. If we partner with another organization, it is expected that the UNWLA will be given full credit in writing for its support;
- fund caretaker salaries or salary upgrades;

2. What the UNWLA Does Not Fund

(Continued)

A. The UNWLA does not:

- donate to UNWLA National, Regional, or Branch accounts to directly benefit family members, relatives, friends, neighbors, or personal acquaintances of UNWLA members. Such an expenditure is strictly prohibited under IRS 501(c)(3) because it relieves the member (or her family) of the economic burden of providing financial or medical assistance to a family member, relative, or friend, etc., and, therefore, constitutes inurement to the benefit of a private individual.

2. What the UNWLA Does Not Fund

(Continued)

A. The UNWLA does not:

- allow donors to designate money or gifts for a particular individual and passing the gift through a 501(c)(3) organization – considered “earmarking”. In essence, this amounts to allowing a donor to launder money by running a personal gift through a nonprofit organization. If the nonprofit then gives this donor a receipt for a tax-deductible donation, it is potentially fraud.
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- fund specific individuals through social media’s crowd-funding efforts, such as GoFundMe. These are not tax-deductible.

3. IRS Rules Governing Donations to a Foreign Country:

The IRS requires that we exercise adequate discretion and control over grants made to foreign recipients. Our tax-exempt status can be revoked if we cannot prove that the grants were actually used for exempt purposes.

This requires that we keep adequate records by:

- maintaining procedures for properly vetting a foreign grantee – such as a written request/application and/or conducting background checks;
- entering into an agreement with the foreign grantee that actually spells out the purpose of the grant;
- exercising oversight to ensure that the grant is used as intended.

4. IRS Rules Governing Donations/Grants to Individuals:

Of course, the UNWLA donates funds or awards grants to specific individuals which we select (not a donor) i.e. for scholarships, hardship cases, grants for cultural endeavors, etc.

4. IRS Rules Governing Donations/Grants to Individuals:

When donating to a specific individual, the Branch, Regional Council, or Headquarters must maintain adequate records and case histories to show the:

- name and address of each recipient,
- amount distributed to each,
- purpose for which the funds were given,
- manner in which the recipient was selected,
- relationship, if any, between the recipient and members, officers, or trustees of our own organization.

5. Things that can get us into trouble with the IRS:

- Bad recordkeeping or a lack of accountability;
- Spending too much on unrelated business activities;
- Distributing organizational funds to causes that are not within the organization's specified tax-exempt purposes in accordance with its Bylaws.

6. Final Caveat

From a federal tax standpoint, funds distributed without approval of our National Board of Directors may jeopardize the deductibility of donations by donors.

It is crucial that Regional Councils and Branches follow established procedures in communicating and **obtaining approval** before fundraising for a new project which has not been approved by the UNWLA.

New Project Request Form

If a Branch is considering a project that has not been officially approved, it must first seek approval by completing a *New Project Request Form* and submitting it to the appropriate National Standing Chair for approval.



**Ukrainian National
Women's League
of America, Inc.**

New Project Proposal (FORM A)

Branch #: Regional Council [Click here to enter text.](#) National Executive

Location: [Click here to enter text.](#) Date: _____

1. Name of applicant: [Click here to enter text.](#)

Applicant's Tel: [Click here to enter text.](#) Email: [Click here to enter text.](#)

2. Category of Proposed Project:

Social Welfare Education Culture Other _____

3. Briefly describe proposed project and how it aligns with our organizational mission (attach additional page if needed):

4. Location and address of project: [Click here to enter text.](#)

5. Contact person at project:

Tel.: [Click here to enter text.](#) Email: [Click here to enter text.](#) Website: [Click here to enter text.](#)

6. Estimated total cost of project: [Click here to enter text.](#)

7. Amount being requested from UNWLA headquarters (if any): [Click here to enter text.](#)

Signatures:

Applicant

Branch / RC President / Standing Chair

New Project Request Form

The New Project Request Form can be found on our Member Portal.

<https://unwla.org/wp-content/uploads/E-New-Project-Proposal-Form-A.pdf>

Summary

- As a non-profit we must follow all IRS rules that govern fundraising and donations of funds.
- We must work strictly within the bounds of our Bylaws.
- Follow UNWLA financial guidelines regarding what we may or may not raise funds for.
- Inform UNWLA Headquarters of any proposed new project to ensure it aligns with our mission and is consistent with IRS rules..

Questions?