

ASK AN EXPERT

Can the Children's Fund help manage a club foundation — or even help us start one?

Opening a club foundation can be complicated. And maintaining one can be overwhelming. Fortunately, the Kiwanis Children's Fund is a resource for foundations in the Kiwanis family. We can provide guidelines for existing foundations — or for starting a new one. We'll get you started with five tips:

- 1 **Update your bylaws and policies using the Kiwanis International template.** It's best to review your bylaws and policies regularly. The Children's Fund offers a template created by experts in the field, so you can be sure your assets are protected. Find these documents and others at kiwanischildrensfund.org/foundation-resources.
- 2 **Take advantage of liability insurance from the Kiwanis Children's Fund.** Make sure the Children's Fund has documentation of your club foundation. By submitting your bylaws, Articles of Incorporation, State approved Articles of Incorporation, and letter of determination from the IRS, your foundation will be covered by Kiwanis International's liability insurance — protecting your assets at no cost to your foundation.
- 3 **Keep your club and your club foundation separate.** Your club is a 501(c)4 non-profit and your club foundation is a 501(c)3. As legally separate entities, they should not have identical boards of directors. At the very least, each board should have a different treasurer.

What's the difference? Contributions to 501(c)4 nonprofits are not tax-deductible for federal income tax purposes. 501(c)3 nonprofits are eligible to receive tax-deductible donations. 501(c)3 status is also often required when applying for grants or corporate sponsorships.



- 4 **Address your club's priorities.** While the boards are separate, both entities should share the same philanthropic goals. In fact, the club should have some means of offering input regarding the foundation's charitable priorities. After all, club members will likely plan and run the fundraising events.

>> **HERE'S A PRO TIP:** Ensure your foundation is addressing the most pressing needs within your community by conducting a community needs assessment.

- 5 **Make sure you're in good standing with the IRS.** You can visit irs.gov/charities-and-nonprofits to see whether your club foundation is in good standing. You'll also find the most up-to-date information about annual reporting and filing with the IRS. Make sure to keep an eye on it so your foundation remains in good standing.

The Children's Fund offers more foundation management resources at kiwanischildrensfund.org/foundation-resources.



Gretchen Anderson is administrative associate of the Kiwanis Children's Fund. She can be reached at childrensfund@kiwanis.org.