



Starting and Using Your Rotary Club Foundation and Staying Out of Trouble!

Presented to Rotary District 7390

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Objectives

- How and why start an affiliated Foundation.
- The ins and outs of running a charitable foundation.
- Avoiding trouble
- Lots of interaction!

Why start a charitable foundation?

- Attract tax deductible donations from club members, their families, other individuals, and businesses.
- Fund community enriching initiatives and provide individual scholarships.

How to create a charitable foundation

- Operating a foundation is hard work. Think hard about it.
- Working with another established charitable nonprofit organization.
- Using a fiscal sponsorship.

Establishing a separate charitable foundation

- Determine the purpose of the foundation and its name.
- Determine the structure of the foundation.
- Recruit initial board of directors/trustees
 - PA law requires nonprofit corporations to have a President, Treasurer, and Secretary.

Establishing a separate charitable foundation

- **Get an attorney**
 - Articles of Incorporation and bylaws
 - EIN
- **Get an accountant**
 - Apply for 501(C)3 tax exempt status
 - IRS Form 1023 or Form 103-EZ
 - Set up the books of the foundation
 - Annual information return filings
 - IRS form 990-N, 990, or 990-EZ
 - Register with and file annually with Pennsylvania Bureau of Charitable Organizations

Stay Out of Trouble!

- Conflict of interests
- Scholarships
- Private inurement
- Annual audits, reviews, or compilations
- Trust but verify

Resources: <https://pano.org/starting-a-nonprofit-organization-in-pennsylvania/>

Questions

