

Altrusa International, Inc.

*The **mission statement of Altrusa International:** Provide community services, develop leadership, foster international understanding and encourage fellowship by an international network of executives and professionals in diversified career classifications.*

*The **Altrusa International Foundation** is a not-for-profit, philanthropic corporation established in 1962 by Altrusa International, Inc., a worldwide volunteer service organization devoted to contributing to human well-being through the development and implementation of effective local community service programs. The Altrusa International Foundation is dedicated to improving economic well-being and quality of life through a commitment to community services and literacy.*

*The **Altrusa International Inc., of Columbus, Ohio Foundation** established in 2005 is for the purposes of the Internal Revenue Services a 501 (c)(3) foundation under the umbrella of the Altrusa International Foundation.*

Frequently Asked Questions about the

Altrusa International Inc., of Columbus, Ohio Foundation

Why have a Local Foundation?

- As a 501 (c)(3) corporation, gifts made to the foundation are tax exempt and purchases made for community projects are tax exempt. The foundation pays tax only on its business income.
- Corporations and other entities that make matching fund donations are interested in the tax-exempt status.
- Donations to fund raisers are deductible (minus the value of any product or service received).
- Estate plans and wills may include the foundation.
- The local foundation may be eligible for matching grants for local and regional resources.

What are funds within the Columbus Altrusa foundation and how are they funded?

- Dorothy Scrivner Memorial Fund (funded by a bequest)
- Altrusa Service Funds (funded annually by fund raising events conducted by the local club on behalf of the Foundation)
- Memorial/Honoree Fund (not currently funded, but may be funded by donations and/or bequests)

What are the restrictions on use of the funds?

- Dorothy Scrivner Memorial Fund: Preserve \$50,000 in principle. No more than three times the interest plus the appreciation of the equity assets earned in the previous year may be used for funding.
- Altrusa Service Fund: Maintain a minimum reserve for cash flow purposes equal to the average produced revenue of the past two years.
- Memorial/Honoree: There are no restrictions as this fund is not currently funded.

How are the funds to be used?

- Dorothy Scrivner Memorial Fund: Scholarships or community needs related to education which include scholarships.
- Altrusa Service Fund: Projects recommended by Altrusa International, Inc. of Columbus Club and specified operating expenses of the foundation.
- Memorial/Honoree Fund: Not identified, but must comply with Foundation purposes specified in the bylaws.

What is the structure of the foundation? There are five directors serving two-year staggered terms on the board. The officers elected by the directors include: president, vice-president/treasurer and secretary serving one-year terms in the office. The treasurer is limited to serving two consecutive years in that position. The president and the treasurer of the club may not serve simultaneously as the president and treasurer of the foundation. The club president serves as an ex officio member of the foundation to assure effective communication between the foundation and the club.

How often does the foundation board meet? Statutorily, the foundation board is required to meet once a year. However, the foundation board may set its own schedule to meet the organizational needs of foundation.

Why did the club establish a foundation under the International Foundation? The International Foundation has experienced legal services to help the local foundations. There is no need to apply for 501 (c)(3) status on your own, resulting in a cost savings for local foundations.

What management services are involved for running the foundation? UBS Financial Services, Inc., serves as the financial advisor and investment group for the foundation. In order to insure consistency of record keeping, the foundation has contracted with a certified public accountant to:

- Keep the accounting records on Quickbooks.
- Help set-up a procedure that ensures that all financial transactions are input to the accounting records.

- Interact with club members to provide financial information and financial reports as needed by the organization.
- Availability on a weekly basis to answer accounting or financial questions.
- Provide monthly or quarterly financial statements to the organization.
- Prepare and file federal and state tax returns.
- Be available for other accounting or financial work or advice, as needed.

Legal consultation is provided by a foundation board member who is an attorney. A board member provides administrative services, e.g., tracking contributions, conducting correspondence. If expertise did not exist on the board, these services may be contracted with qualified individuals outside of the foundation.

Is the foundation involved in fund raising? The foundation was established as directed by the Altrusa International of Columbus Club. The foundation fundraising activities are primarily carried out through the Club Fundraising Committee.

What are the roles of the club Service Committee? The Service Committee identifies, evaluates and recommends projects to be funded by the foundation. The recommendations are approved by the club prior to submission to the foundation board for final approval.

What is the mission/purpose of the foundation? The Columbus Altrusa Foundation follows the International Foundation purpose:

The objects and purposes for which the corporation is organized and shall be operated are to make and award, without limitation as to any one recipient or to all recipients, donations, gifts, contributions, scholarships, grants, fellowships, and/or loans from income, assets, and property of the corporation; to engage in research; to conduct seminars and workshops; to publish materials; to make grants in furtherance of projects of Altrusa International, Inc. and/or the Altrusa Club of Columbus; to provide service for local service projects; to engage in, assist, and contribute to the support of other activities and projects; to engage in fundraising programs in furtherance of the purposes of the corporation, organization, fund or other foundation operated exclusively for charitable, educational, literary or scientific purposes; and the corporation shall be empowered to engage in other and further means as may be necessary and proper to accomplish the foregoing objects and purposes.

The foundation must comply with 501(c)(3) requirements which include no lobbying, only supporting not-for-profit organizations, and no engagement in political activities.

The purpose as established by International is very broad and covers all of the service and grant activities of the club. If the club wants to do a project outside of these purpose areas, the club would need to raise funds specifically for that purpose and administer the program from within the club.

The objective of the foundation is to authorize the foundation directors as the stewards of funds to grow and promote a foundation that can support community service and women's needs. Distribution will be consistent with international and local requirements.

How are foundation bylaws created and approved? The bylaws for the foundation must follow the outline and regulations of the by-laws given by International. The club board can make recommendations to the foundation board. The by-laws are approved by the foundation board not the club board.

How can we be assured that the strategic direction of the of the foundation is aligned with the strategic direction of the club? All investment and use of funds in the foundation is the decision of the foundation board. However, the foundation board is made up of club members. The foundation board is elected. The members of the club will nominate the foundation board and vote on the foundation board members. The work of the foundation and the club are aligned by election of board members who are trusted to carry out the cooperative efforts of the club and its foundation.

How are foundation operating expenses covered? Operating expenditures for the foundation come from the Altrusa Service Fund. Typical expenses include the post office box, treasurer's bond, letterhead and envelopes and insurance.

Can members or their families benefit from the foundation funds? Spending that may benefit club members or their families is prohibited. The foundation shall use its funds only to accomplish the objectives and purposes specified in the bylaws and no part of the net earnings of the foundation shall inure to the benefit of or be distributable to its directors, officers or other private individuals or other organizations organized or operating for profit, except that the foundation is authorized and empowered to pay reasonable compensation for services rendered.

Who is the statutory agent and what is the address of the of foundation? The statutory agent for the foundation is a member of the club that has several years of service and will remain active in the club. The board designated Lois Borin to the statutory agent. The club established a post office box: **P.O. Box 1221, Westerville, Ohio 43086.**

What will happen to the foundation funds if the club ceases to operate? By law, if the club ceases to function, the foundation can continue to exist with the funds being transferred to the international foundation, another club foundation, or another nonprofit organization. The funds cannot revert back to anything but a 501(c)(3).

What are the tax requirements for the foundation? Small tax-exempt organizations are required to file a return and must do one of the following:

- **FILE 990-N.** If gross receipts are normally less than \$25,000, then 990-N *Electronic Notice (e-Postcard)* should be filed.
- **FILE FORM 990-EZ.** If gross receipts are normally more than \$25,000 and less than \$100,000 and total assets are less than \$250,000, then the Form 990-EZ can be used.
- **FILE REGULAR FORM 990.** Organizations with gross receipts more than \$100,000 or with assets more than \$250,000 should file the regular 990 Form.

Even though Altrusa clubs and their foundations fall under the tax exempt umbrella of Altrusa International, they are **not** included in Altrusa International's 990 Income Tax Return. Altrusa clubs and their foundations **must** file Form 990-N even though their gross income is \$25,000 or less. **Form 990-N**, also known as the **e-Postcard**, must be filed **electronically**. There will be no paper form. The IRS has step-by-step instructions for filing electronically at www.irs.gov/eo. Beginning in **2008**, the e-Postcard will be due every year by the 15th day of the fifth month after the close of your tax period. For Altrusa and the Foundation, the close of the fiscal year is **May 31st** and the e-Postcard is due **October 15**. The e-Postcard will require you to provide the

following information: organization's name, **any** other names your organization uses, organization's mailing address and website address (if applicable); organization's employer identification number (EIN); organization's annual tax period; name and address of a principal officer of your organization; a statement that your organization's annual gross receipts are still normally \$25,000 or less; if applicable, indicate if your organization is going out of business. Failure to annually file the Form 990N (e-Postcard) or Form 990 or 990-EZ for three consecutive years can result in revocation of your tax-exempt status. Reinstatement after such revocation would mean reapplying and paying the appropriate user fee. For the latest information about electronically filing the e-Postcard, you can access the IRS website at www.irs.gov/eo or call the customer service toll-free at 1-877-829-5500.

Further information: <http://altrusa.com> or <http://www.altrusacolumbusoh.com/>