

AAUW CALIFORNIA SPECIAL PROJECTS FUND

FREQUENTLY ASKED QUESTIONS

WHAT IS THE SPECIAL PROJECTS FUND (SPF)?

The Special Projects Fund is a tax-exempt [501(c)(3)] non-profit corporation. As such, it offers tax-deductibility to all donations made to support AAUW projects and scholarships through the AAUW CA Special Projects Fund. SPF is registered with both the US Internal Revenue Service and the California State Franchise Tax Board as a charitable trust.

SPF was established in 2001 for a 5 year provisional period and received final determination as a 501(c)(3) non-profit corporation in March of 2006.

WHY IS THERE A SPECIAL PROJECTS FUND?

The AAUW CA SPF was established as a “pass through” fund to receive and distribute tax deductible corporate and individual donations for approved AAUW CA state, branch, and inter-branch projects and scholarships that further education and equity for women and girls in AAUW California communities.

HOW IS SPF GOVERNED?

SPF is governed by a Board of Directors representing a broad spectrum of both AAUW and professional expertise and geographical distribution. Directors are appointed independent of the AAUW CA Board of Directors, as AAUW CA SPF is a separate corporation. All directors are volunteers. As a working board, directors log approximately 1700 hours annually in volunteer hours. The AAUW CA President sits on the board, providing an interface between the state and SPF.

DOES SPF HAVE A STAFF?

SPF contracts with a part-time bookkeeper, supervised by the SPF treasurer, and a CPA firm which specializes in non-profit corporations.

WHO USES SPF?

Any AAUW CA project or scholarship that supports the AAUW mission and is administered by a branch, inter-branch council, or the state and wants to offer tax-deductibility to the donors may apply to use SPF as its pass through fiduciary agent. SPF will accept donations only for approved projects and scholarships. Currently, SPF serves 2 state projects, 2 branch project, and 10 local scholarships.

HOW DOES SPF HELP WITH FUND RAISING?

Most major donors, both individuals and corporations, require tax-deductibility. Using SPF provides that tax-deductibility. Most corporations require the necessary documentation which SPF provides before they will consider funding a request. SPF acknowledges all donations of \$250 or more. It is the responsibility of projects and scholarships to acknowledge donations of less than \$250.

HOW DOES A PROJECT OR SCHOLARSHIP APPLY?

Projects and scholarships wishing to use SPF must submit a detailed application to the AAUW CA SPF Board of Directors for review and acceptance. Applications are evaluated based upon the relevancy of the project or scholarship to the support of AAUW's mission and the financial viability of the applicant. All projects and scholarships must have a minimum annual budget of \$1,000 and the applicant must exhibit the ability to sustain the project/scholarship.

WHAT SERVICES DOES SPF PROVIDE TO ITS USERS?

SPF is responsible for:

- Depositing and tracking all tax-deductible donations.
- Paying all vouchered expenses of the projects and scholarships.
- Professional bookkeeping services.
- Audit and tax preparation services.
- Issuing tax letters to donors of \$250 or more.
- 1099 miscellaneous income tax reporting.

HOW ARE THE SERVICES FUNDED?

SPF charges an administrative fee, currently 5%, on all deposits made by the project or scholarship with the fee taken at the time of deposit. This fee is minimal compared to other non-profits, which charge an average of 18-22% assessed annually.

- 30% of the SPF fees are used for professional audit and tax preparation services.
- 38% is used for professional bookkeeping services.
- 26% is used for administrative expenses.
- 6% is used for miscellaneous operating expenses such as postage, phone, post office box rental, and software upgrades.

WHY IS THE SPF FISCAL YEAR DIFFERENT FROM THAT OF AAUW CALIFORNIA?

The SPF fiscal year runs from January 1 to December 31 while the AAUW CA fiscal year, like that of AAUW, runs from July 1 to June 30. A calendar fiscal year allows for improved facilitation of our accounting process during peak activity periods related to projects that occur from March through August.

HOW IS A 501(c)(3) DIFFERENT FROM A 501(c)(4)?

A 501(c)(3) corporation is exempt from federal income tax if its activities have the following purposes: charitable, religious, educational, scientific, literary, testing for public safety, fostering amateur sports competition, or preventing cruelty to children or animals. All contributions to a 501(c)(3) are tax-deductible.

A 501(c)(4) is a nonprofit membership association and contributions are not tax-deductible.

AAUW CA Special Projects Fund is a 501(c)(3) tax-deductible corporation recognized by appropriate agencies of the federal and state governments. Most branches fall within the 501(c)(4) category.