

THE SUPPORTING ORGANIZATION

A flexible solution for managing grant-making and ministry-related activity

A Supporting Organization (SO) is a solution qualified as a tax-exempt public charity that allows you (or your family or business) to manage grant-making to charitable organizations. Following the charitable purposes the SO board establishes, you receive administrative, grants management support, and investment management support from National Christian Foundation (NCF). Unlike a donor-advised fund (what we call a Giving Fund), an SO can have full-time employees, cover operating expenses, provide benefits (such as a health plan and retirement plan), and provide for family involvement and succession. However, many people combine the benefits of both the SO and Giving Fund to further their giving goals and objectives.



CONSIDER AN SO IF YOU WANT TO ...

- Have greater flexibility in grant-making and investment management than what a donor-advised fund alone provides
- Contribute non-liquid assets that would not receive a fair-market-value (FMV) deduction if given to a private foundation
- Hire staff and pay operating expenses (due diligence costs, mission trips, philanthropic counsel, etc.)
- Expand your giving beyond direct-to-charity cash and checks
- Have greater tax benefits than those found in a private foundation

HOW WE CAN HELP

We can provide your SO a full range of assistance, from the creation of your SO under our group exemption to providing ongoing operational and administrative support, including:

- **Board Representation** – Oversight, advisement, and policy development, as well as board meeting supervision and agenda creation
- **Operational Support** – Grants management for the Giving Fund, oversight on operational guidelines and procedures, and monitoring of IRS provisions regulating SOs
- **Administrative Support** – Bookkeeping, financial reporting, and IRS / State compliance (services available are optional and vary based upon the structure and needs of each individual SO)

Get started today. Visit nationalchristian.com/wisconsin or call 262.796.9910.

OPERATING COSTS OF AN SO WITH US

We can provide your SO a full range of assistance, from the creation of your SO under our group exemption to providing ongoing operational and administrative support. Contact us for an explanation of costs:

- Annual Board Representation ministry grant
- Annual Operational Support ministry grant (assessed quarterly) calculated based upon total assets of SO and NCF Giving Fund, based upon stated Giving Fund Administrative allocations as outlined in our Program Guidelines.
- Additional costs can be expected for forming the organization if you do not use our group exemption and for the annual accounting work required in order to report activities to the IRS each year.
- Additional costs to expect: legal fees for incorporation, annual financial audit, employee expenses (if applicable), etc.

REQUIREMENTS OF AN SO WITH US

- Submittal of SO application for approval
- Execution of SO Responsiveness and Involvement Agreement
- Creation of a "Type I" tax-exempt entity
- NCF Board representation
- Creation of a Giving Fund (donor-advised fund)
- Annual costs assessed as outlined above
- Quarterly activity reporting
- Annual financial audit of SO, annual reporting to IRS

SPECIFICS OF AN SO

A Type I supporting organization (SO) is a 509(a)(3) charitable organization created under 501(c)(3) laws and regulations that meets the requirements of the "operated, supervised, or controlled by" test as outlined by the Internal Revenue Code for Type I supporting organizations. The "operated, supervised, or controlled by" test presupposes a substantial degree of direction over the policies, programs, and activities of a SO by the supported organization (SOed) like the relationship between a parent and a subsidiary. At least a majority of the officers or directors of the SO must be appointed or elected by the governing body or officers of the SOed. A SO may not be controlled directly or indirectly by one or more disqualified persons (as defined by Section 4946) other than foundation managers and other than one or more publicly supported organizations.

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