

AAUW FUNDRAISING POLICY 501 WITH GUIDELINES

Approved by the AAUW Board of Directors, February 2013; Revised February 2014;
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Note: In all AAUW policies, the term “AAUW” refers to the nationwide organization. The term “AAUW-affiliated entity” or “entity” refers to all AAUW state organizations, branches, or comparable AAUW entities.

Overview

This policy is designed to assist AAUW-affiliated entities in raising funds to support AAUW’s mission. Fundraising procedures, Internal Revenue Service (IRS) regulations, and state laws change over time, and this document will help AAUW and all AAUW-affiliated entities stay current and preserve their nonprofit status.

The IRS views both the tax-exempt nonprofit status of AAUW and AAUW-affiliated entities and the tax deductibility of donations and membership dues to AAUW and AAUW-affiliated entities designated as 501 (c)(3) charities as gifts from taxpayers for our valuable work to advance our IRS-approved mission. We must protect these privileges by adhering to IRS regulations and individual state laws while furthering the purpose for which we were all approved — advancing AAUW’s mission.

Definition of Terms

AAUW. The American Association of University Women uses the acronym AAUW to signify the nationwide organization with members throughout the United States and abroad. AAUW is identified by the IRS as the central organization of a group of nonprofit entities, 501(c)(4), 501(c)(3), or both. These organizations gain eligibility to use the AAUW name by (a) applying to the AAUW Board of Directors for affiliation approval, (b) signing the AAUW Affiliate Agreement, and (c) submitting their current, conformed bylaws to be housed at AAUW headquarters in Washington, D.C. Complying with these three requirements entitles each organization to use AAUW as part of its name to gain tax-exempt status¹ and to use the AAUW name in the conduct of its business and activities.

AAUW-Affiliated Entities. AAUW-affiliated entities are nonprofit organizations that have signed an AAUW Affiliate Agreement. Organizations applying to join AAUW submit [applications](#) (www.aauw.org/resource/state-recommendation-form) for approval by the AAUW Board of Directors as a new “AAUW-affiliated entity.” All AAUW-affiliated entries must be designated by the IRS as nonprofit organizations and must file with the IRS annually, either through AAUW or

¹www.irs.gov/irm/part4/irm_04-075-024.html

independently. This includes branches, state organizations, and a category called Other Affiliated Entities, which currently includes only the [Younger Women's Task Force](http://www.aauw.org/membership/ywtf) (www.aauw.org/membership/ywtf).

Informal Organizational Constructs of AAUW-Affiliated Entities. The nationwide AAUW organization also includes many vibrant and vigorous entities, most often identified as interbranch or interstate organizations. While important to the functioning of our organization, none of these entities have independent AAUW status; that is, they neither sign AAUW Affiliate Agreements nor have IRS-designated nonprofit status. Typically, they are geographic constructs that coalesce the work of a number of branches/states to enhance impact and effectiveness.

Because such bodies are not AAUW-affiliated entities, any fundraising activities they undertake must be conducted under the auspices of their constituent AAUW-affiliated entities, and donors must be clearly informed whether their gifts are tax deductible and under which entity's status that deduction is authorized — that is, which 501(c)(3) AAUW-affiliated entity.

AAUW Affiliate Agreement. The AAUW Affiliate Agreement is the basic contract between AAUW — the 501(c)(3) “parent” organization of a group of “subordinate” entities — and each entity that chooses to become part of the AAUW national organization. The IRS required AAUW to submit two versions of the AAUW Affiliate Agreement for approval, one for 501(c)(3) charitable organizations and one for 501(c)(4) social welfare organizations.

The IRS requires that each AAUW entity (branch, state, multistate, YWTF), whether designated by the IRS as a 501(c)(3) or a 501(c)(4) entity, sign an AAUW Affiliate Agreement appropriate to its designation and send the signed agreement to AAUW headquarters for random IRS inspection. Entities with both designations must sign both versions of the agreement.

Donor Intent. A fundamental principle of charitable giving, “intent of the donor” relates to the donor's expectations in providing a donation of money, goods, or services to a recipient. The IRS considers donor intent the primary determinant for the recipient organization's use of a gift. For generations, courts have recognized respect for the intent of the donor as a critical factor in a wide range of legal matters, from the tax consequences of gifts to the beneficiaries of wills, trusts, and estates (see section I.E).

I. Donations and Fundraising — AAUW's Mission-Based Programs

- A. Support for AAUW Programs.** AAUW-affiliated entities should consider financial support of AAUW's charitable work to be their primary philanthropic priority.

Guidelines

G1. AAUW is designated by the IRS as a code section 501(c)(3) public charity. As such, AAUW is dependent on contributions to support delivery of programs to advance the AAUW mission. Without continuous financial support, AAUW cannot exist.

G2. Like AAUW, all public charities are dependent on donations. And all have a network of leaders and supporters whose role is to raise needed funds for their organization. Other charities do not raise funds to support AAUW. They raise funds to support their own organization, just as AAUW and its affiliates should consider AAUW's work to be their primary philanthropic priority.

- B. Fiscal Integrity.** All fundraising activities and financial management by AAUW and AAUW-affiliated entities must be conducted and communicated so as to uphold and reinforce high standards of fiscal integrity, accountability, and transparency.

Guidelines

G3. AAUW and all AAUW-affiliated entities are responsible for complying with IRS regulations concerning the acceptance and use of all donations. (See IRS publications 526, [Charitable Contributions](http://www.irs.gov/pub/irs-pdf/p526.pdf) [www.irs.gov/pub/irs-pdf/p526.pdf], and 1771, [Charitable Contributions: Substantiation and Disclosure Requirements](http://www.irs.gov/pub/irs-pdf/p1771.pdf) [www.irs.gov/pub/irs-pdf/p1771.pdf], for full details.)

G4. AAUW branches do very important work in their communities, and their members serve as role models. The work and reputation of every branch affect the public perception of everything associated with AAUW. Your branch could be regarded negatively if another branch seems to stray from our mission or is lax in its financial accounting.

G5. Every AAUW member has a role in continuing our legacy. Much is expected from us because of our reputation. Those who have led before us have set a high standard that we must maintain through our leadership.

G6. Because we are a national organization, the work and practices of each branch reflect on all of us. Thus, if another branch is not forthcoming about how it selects scholarship recipients or if a member raises financial support as a representative of AAUW but then gives the support to an outside charity instead, public confusion and mistrust toward AAUW and all affiliated entities can occur.

G7. Before raising funds, you must decide how you intend to use the funds and state that in the solicitation. This is an IRS regulation.

G8. If a branch has a fundraising event and the signs, flyers, and related materials say AAUW, then participants will understand that their donation will go to AAUW.

G9. If the branch intends to restrict a donation to a specific program of AAUW, such as the Legal Advocacy Fund or the Eleanor Roosevelt Fund, then donors need to know that up-front. Otherwise they will assume the gift is unrestricted.

C. Use of the AAUW Name.

1. Funds raised using the AAUW name must go to support AAUW's national programs, activities, and services or other directly mission-related purposes, such as AAUW Funds. (See [AAUW Bylaws](http://www.aauw.org/resource/2013-aauw-bylaws) [www.aauw.org/resource/2013-aauw-bylaws], Article III, "Use of Name," Sections 1–3.)

Guidelines

- G10.** If a branch member gathers financial support as a representative of AAUW but then gives the support to an outside charity instead, public confusion and mistrust toward AAUW can occur.
- G11.** If a branch has a fundraising event and the signs, flyers, and related materials say AAUW, then participants will understand that their donation will go to AAUW. We must always honor that expectation. If the donations are used for any other purpose, this is in direct violation of donor intent.
2. Funds raised using the name of the AAUW-affiliated entity must go to support programs, activities, and services of the AAUW-affiliated entity and/or AAUW. These programs, activities, and services must be directly related to AAUW's mission.

Guideline

- G12.** Many branches and states deliver important programs in their community that require financial support. For example, your branch may have a program that encourages high school girls to enter college. Perhaps branch members assist them with college applications and scholarship searches. You may need to raise funds to cover expenses such as purchasing books and materials or renting space for your meetings. Maybe you want to take them to visit some campuses or bring in a speaker. These things cost money and, you should notify potential donors about the program they will be supporting and that the gift is for AAUW (branch name) (state) Branch. This ensures that donors will understand how their money will be used and who will use it.
- D. Collaborations.** AAUW has always recognized the value of joining with other organizations, both nonprofit and otherwise, to raise awareness of issues and/or achieve common objectives.
1. Such efforts may help AAUW and AAUW-affiliated entities further our mission, make more effective and efficient use of our resources, and increase our visibility and impact.

Guidelines

G13. Your branch may want to address a need in your community that is AAUW mission-focused and that another organization also sees as important. In these cases, a collaboration may provide more benefit to your entire community. For example, there may be two or more opposing perspectives about the merits of a public policy issue that affects women and families. It might be a good opportunity to collaborate with the local League of Women Voters or other local civic organization to heighten the issue's visibility. By engaging the networks of both organizations you will likely increase public participation. Public officials may also be more likely to participate due to the larger potential audience, and you can share the expenses for the event.

G14. Collaborations can also increase the public recognition you receive. Make sure your branch or state name and logo are included on materials and in media mentions.

2. The AAUW Collaborations Policy guides AAUW-affiliated entities in collaborations with other organizations. Collaborations that involve joint fundraising, dues payments, or direct support are likely to involve issues of donor intent, nonprofit status, and tax deductibility and, therefore, should be guided by the policy in order to protect members, donors, and entity tax status.

Guideline

G15. It is acceptable to pay dues to directly AAUW mission-related organizations such as a local women's coalition or an international organization. The organization should be thoroughly researched, as some AAUW-affiliated entities have been disappointed to learn that they have invested their resources in organizations that do not meet the same high standards for financial accountability, transparency, and impact that AAUW does.

- E. Respect for the Intent of the Donor.** AAUW philanthropy is grounded in the fundamental principle of nonprofit fundraising and expenditure: respect for the intent of the donor. (See AAUW Policy 600, Collaborations with Other Organizations, and the [Donor Bill of Rights](http://www.aauw.org/files/2013/06/Donor-Bill-of-Rights.pdf) [www.aauw.org/files/2013/06/Donor-Bill-of-Rights.pdf].)

1. Donors have a right to expect that their donations (or dues) to AAUW or AAUW-affiliated entities are raised and spent for AAUW mission-based programs, activities, and services.

Guidelines

G16. If a branch has a fundraising event and the signs, flyers, and other related materials say AAUW or the name of the AAUW affiliate, then the participants will understand that their donations will go to AAUW or the affiliate named. This expectation must always be honored.

G17. If a branch member gathers financial support as a representative of AAUW but then gives the support to another charity instead, public confusion and mistrust toward AAUW can occur, and the branch member is violating donor intent.

2. Even if the donor is deceased, donations (or dues) must be expended as intended by the donor and are presumed to be used by the organization itself to further the AAUW mission unless a more specific designated use is clearly articulated.

Guidelines

G18. Donors have the right for their philanthropic wishes to be honored. If a donor gives a donation to a branch, either through a direct gift or through an estate gift, you must honor that intent. There is no right to presume that the donor would have

given a donation to another charity, even if the money is given in the name of the donor. You may not use that gift to make a donation outside of AAUW. If the donor had wanted to give a gift to another charity, she or he would have given money to that charity instead.

G19. If an estate gift is left to a branch that no longer exists, or if the branch exists but does not have the capacity to use the donation in a meaningful way that would honor the deceased, then the gift must be forwarded to AAUW. AAUW staff often work closely with affiliates to ensure that the intent of the donor is fulfilled, even when the gift is specifically localized. The deceased and the branch will be given recognition at the national level, and the funds will be used to support programs in the geographic vicinity of the branch, as much as possible.

3. Donors must be advised in advance of giving of the intended use of their donations. The stated use may be broad and general, such as to advance the AAUW mission, or more specifically directed to a particular AAUW project or program.

Guideline

G20. Advise donors of the intended use of their donations through solicitation materials or, at events, through signs, advertisements, flyers, and related materials.

4. Specific donor designations for gifts must be adhered to. If a designation is not suitable for the organization, the donor must agree to an alternative use, or the organization must refuse the gift.

Guideline

G21. AAUW Policy 500, Gift Acceptance, states that AAUW must refuse gifts in cases where we could not fulfill the restrictions made by the donor. If you are to accept a gift with unusual restrictions, you should be certain that you can maintain financial records to account for expenditures from this restricted gift. Contact the Development Office at the national office at Development@aauw.org or if you need guidance or assistance in dealing with gifts that may be of this type.

- F. **Fundraising for Other Charities.** Fundraising for other organizations at AAUW or AAUW-affiliated entity meetings and events or in AAUW or AAUW-affiliated entity publications is not allowed.

Guidelines

G22. Individuals join and participate in AAUW because they are committed to the mission, and many enjoy the camaraderie of membership. If members learn that their branch is instead supporting a different charity, it can cause alienation. If branch members solicit donations for another charity in their role as AAUW members, this can cause discomfort. One cannot presume that all members want to support another charity. If they do, then they will participate in the other charity's programs. Some members may not agree with some part of the other charity's

mission or may have personal reasons to not support that organization that they would not want to share with you. It is best to not put members in an uncomfortable position by asking them to support another charity.

G23. Like AAUW, all public charities are dependent on donations. And they all have a network of leaders and supporters whose role is to raise needed funds for their organization. Other charities do not raise funds to support AAUW. They raise funds to support their own organization, just as AAUW and its affiliates should consider AAUW work to be their primary philanthropic priority.

G24. Payment of dues to other directly AAUW mission-related organizations is not considered a direct contribution and is acceptable. The organization should be thoroughly researched, as some AAUW-affiliated entities have been disappointed to learn that they have invested their resources in organizations that do not meet the same high standards for financial accountability, transparency, and impact that AAUW does.

G25. Inviting other charities to educate AAUW members about their programs is a welcome idea. AAUW members like to be knowledgeable about many issues and are respected in the community for their well-rounded knowledge. AAUW members may want to support these other charities personally on an individual basis. Educating members about the work of another charity so that they can decide for themselves if they want to be further involved is encouraged. However, asking AAUW members to give to the other charity or using AAUW resources and events to raise funds for another charity is not allowed.

G26. Providing a modest honorarium to a speaker from another organization would be considered a program expenditure and would not violate this policy.

G27. AAUW-affiliated entities can collect and donate in-kind donations to another charity as a community service program as long as that program is consistent with AAUW's mission. Examples are collecting books for a local education program, clothing for an organization that helps women entering the workforce, or personal care items for displaced women and children.

II. IRS Regulation of Contributions to Nonprofit Organizations as It Pertains to AAUW

- A. AAUW.** AAUW is designated by the IRS as a nonprofit 501(c)(3) charitable organization and is identified by the IRS as the parent organization of a group of "subordinate" AAUW-affiliated entities, both 501(c)(4) social welfare organizations and 501(c)(3) charities.

Guidelines

G28. The 501(c)(3) designation is considered to have a charitable purpose, specified by the mission for which the IRS has conferred the status. Accomplishing that specific mission is deemed worthy of both tax-free status to the organization and a tax deduction to the donor. The IRS therefore requires a higher level of scrutiny for organizations bearing this designation, and each organization must file with the IRS

every year with a level of reporting detail that is considerably higher than that required of a 501(c)(4).

G29. AAUW-affiliated entities receive their status, whether 501(c)(4) or 501(c)(3), from the IRS, as AAUW subordinate organizations.

G30. The IRS requires every organization approved as an AAUW-affiliated entity to sign an IRS-approved AAUW Affiliate Agreement appropriate to its designation.

- B. AAUW Action Fund.** The AAUW Action Fund, a subordinate organization of AAUW (wholly controlled by AAUW), is designated by the IRS as a nonprofit 501(c)(4) social welfare organization through which AAUW supports member activism and voter mobilization.

Guideline

G31. AAUW is a 501(c)(3), and the AAUW Action Fund is a 501(c)(4). The AAUW Action Fund supports the AAUW Lobby Corps and AAUW voter guides. Because the AAUW Action Fund is a 501(c)(4), gifts made to it are not tax deductible.

- C. AAUW-Affiliated Entities.** These entities are a group of AAUW branches, state and multistate organizations, and the Younger Women’s Task Force, all of which the IRS recognizes as AAUW-affiliated nonprofit entities — both 501(c)(4) nonprofit social welfare organizations and 501(c)(3) nonprofit charities.

Guidelines

G32. These AAUW-affiliated entities are required by the IRS to sign AAUW Affiliate Agreements.

G33. For more information on AAUW Affiliate Agreements, see AAUW Fundraising Policy 501 and section II.E, below.

1. **IRS Status Designation.** All AAUW-affiliated entities receive their nonprofit status, whether 501(c)(4) or 501(c)(3), from the IRS as a “subordinate organization” of AAUW (the national organization).

Guideline

G34. Any change in nonprofit status must come through an application with the IRS and must be approved by the IRS. The process is undertaken by the affiliate itself.

2. **501(c)(4) Organizations.** AAUW-affiliated entities designated as 501(c)(4) organizations do not pay federal taxes, but they are obligated to file documents annually with the IRS.

Guideline

G35. Annually, AAUW requests that affiliates covered under the AAUW group tax exemption submit responses to a simple form authorizing AAUW to file with the IRS for the affiliate and providing necessary information for the filing. Alternatively,

501(c)(4) AAUW-affiliated entities may file for themselves. Most affiliates find it easiest to let AAUW staff file the affiliate's annual documents with the IRS. Either way, such filing is required annually.

- a. Most are obligated to pay taxes in their states and to pay sales tax.

Guideline

G36. States, branches, and other AAUW-affiliated entities that have 501(c)(4) status do not need to pay federal taxes. In some states, however, they may have to pay state and sales taxes. It is your responsibility to find out this local information. Your secretary of state or state attorney general can provide this information.

- b. Donations to these entities are not tax deductible.

Guidelines

G37. As with the AAUW Action Fund (see section II.B, AAUW Action Fund, in AAUW Fundraising Policy 501 and these guidelines), the 501(c)(4) designation indicates a social welfare mission and, therefore, tax-free status. The IRS does not allow donors to deduct donations made to 501(c)(4) as a charitable deduction.

G38. However, donations that are raised by a 501(c)(4) entity and forwarded to AAUW national are tax deductible, because the national AAUW organization is a 501(c)(3) public charity. For information about how to forward these donations and what you and your donors can expect from AAUW national, see section II.I.2, Locally Collected AAUW Donations, in AAUW Fundraising Policy 501 and these guidelines.

- c. The process for applying for IRS designation is not complicated, though it can be protracted.
- d. These organizations may elect to have AAUW file annually with the IRS via the AAUW group tax exemption, but they are obligated to respond annually to AAUW's request for updated submission data. Failure by the entity to file annually has penalties and may result in loss of nonprofit status.

Guideline

G39. It is vital that you review information provided to you by AAUW national and submit requested authorization and information in a timely manner. Some AAUW branches that failed to comply with IRS regulations have been cited for IRS non-compliance and had to pay a fee to be reinstated.

3. 501(c)(3) Organizations. AAUW-affiliated entities designated by the IRS as 501(c)(3) charities also do not pay federal taxes, but they are obligated to file documents annually with the IRS.

Guideline

G40. The IRS does not allow AAUW national to help states, branches, or other AAUW-affiliated entities attain 501(c)(3) status. Attaining 501(c)(3) status is often not advisable, as it requires substantial time, considerable resources, and expertise to attain and maintain and is therefore often not a good fiscal investment for a branch, state, or other AAUW-affiliated entity. To discuss whether becoming a 501(c)(3) is right for you, call 800.326.2289 or e-mail at connect@aauw.org.

- a. Most are obligated to pay taxes in their states and to pay sales tax.
- b. Donations to these entities may be tax deductible to the donor under conditions stipulated by the IRS.

Guideline

G41. For information on these IRS conditions, see IRS publications 526, [Charitable Contributions](http://www.irs.gov/pub/irs-pdf/p526.pdf) (www.irs.gov/pub/irs-pdf/p526.pdf), and 1771, [Charitable Contributions: Substantiation and Disclosure Requirements](http://www.irs.gov/pub/irs-pdf/p1771.pdf) (www.irs.gov/pub/irs-pdf/p1771.pdf). Please be aware these rules change over time, so make sure you consult the publications for the most up-to-date information.

- c. Attaining 501(c)(3) designation is relatively complicated, may be protracted, may be expensive because application may require legal assistance, and is usually accompanied by a state incorporation requirement. The IRS prohibits AAUW from providing application assistance.
- d. Annual IRS filing by the entity itself is required and complicated. The IRS prohibits AAUW from providing assistance. Failure by the entity to file annually has penalties and may result in loss of nonprofit status. Failure to file for three consecutive years will result in loss of nonprofit status.

D. Informal AAUW-Related Organizations. Other AAUW entities, such as interbranch and interstate councils, are not designated by the IRS as nonprofit entities, and they have not signed AAUW Affiliate Agreements. (See AAUW-Affiliated Entity definition, above.)

Guidelines

G42. See AAUW Affiliate Agreements in AAUW Fundraising Policy 501, definitions of terms.

G43. Solicitations and acknowledgments may not be made by informal AAUW-related organizations. Only IRS-designated nonprofit organizations approved by the AAUW Board of Directors may solicit donations or have the authority to acknowledge gifts as tax deductible.

1. Despite their important AAUW roles, such entities are the constructs of their constituent branches/states and, therefore, have informal status.

2. To ensure protection of the IRS status of their constituent, AAUW-affiliated organizations, informal entities should take care in their functioning to avoid overstepping the role of an entity that is not independently IRS-designated as a tax-exempt nonprofit organization.

- E. AAUW Affiliate Agreement.** The IRS requires every organization it designates as a nonprofit subordinate entity of the AAUW national organization to sign an IRS-approved AAUW Affiliate Agreement appropriate to its nonprofit status designation.

Guidelines

G44. For more information on AAUW subordinate entities, see section II.C, AAUW-Affiliated Entities, in AAUW Fundraising Policy 501 and these guidelines.

G45. For information on AAUW Affiliate Agreements, see AAUW Fundraising Policy 501, definition of terms.

1. Dual Designations. If an organization has two IRS-designated entities, that is, both 501(c)(4) and 501(c)(3),
 - a. The IRS requires that a signed Affiliate Agreement for each entity be housed at AAUW's national headquarters, accompanied by its current entity bylaws.
 - b. Each entity has annual IRS filing requirements, though the requirements differ for 501(c)(4) and 501(c)(3) organizations (see Section I.C).
2. Status Change. The IRS requires any change in nonprofit status to be reported to AAUW. A new signed Affiliate Agreement, accompanied by new entity bylaws, must be sent to AAUW's national headquarters for random IRS inspection.

- F. IRS Compliance.** AAUW and all AAUW-affiliated entities must comply with IRS regulations concerning the acceptance and use of all donations. (See IRS publications 526, [Charitable Contributions](http://www.irs.gov/pub/irs-pdf/p526.pdf) [www.irs.gov/pub/irs-pdf/p526.pdf], and 1771, [Charitable Contributions: Substantiation and Disclosure Requirements](http://www.irs.gov/pub/irs-pdf/p1771.pdf) [www.irs.gov/pub/irs-pdf/p1771.pdf], for full details.)

Guideline

G46. Please be aware that these rules change over time, so make sure you consult the IRS publications for the most up-to-date information.

- G. Entity Donations.** The IRS prohibits financial donations (funds and other donations of material value, like stock, property, art, etc.) that are given by a 501(c)(3) organization to a 501(c)(4) organization. But the IRS does permit donations (funds) to be given by a 501(c)(4) organization to a 501(c)(3) charitable organization. Individuals may give personally to either one.

- H. Regulation of Fundraising Events.** The IRS and most states regulate nonprofit organization events, drawings, raffles, games of chance, auctions, and other activities in which participants stand to benefit by obtaining something of value for their participation. Representatives of each entity need to be informed about IRS and state requirements before holding such events and follow required procedures. (See IRS publications [1771](#) and [526](#); see AAUW Funds Fair Market Value Worksheet and Special Event Worksheet.)

Guideline

G47. Regulations about some elements of fundraising activities vary from state to state and sometimes by community. AAUW-affiliated entities must comply with all these laws and regulations. Because it is impossible for AAUW to know every local regulation, it is your responsibility to find out this local information. Your secretary of state or state attorney general can provide this information.

I. Contributions That Are Tax Deductible

1. Donations to IRS-Designated 501(c)(3) Entities. Donations (and dues) made to AAUW and other AAUW-affiliated entities that are designated by the IRS as 501(c)(3) charitable organizations are tax deductible by the donor, less the value of any goods and services that the donor may have received as a result of making the contribution. Donors to 501(c)(4) entities may receive a gift for their contribution, but no part of the donation is tax deductible to the donor. (See IRS publication [1771](#), Goods and Services section, for guidance; see also AAUW Funds Fair Market Value Worksheet.)

Guidelines

G48. For example, donations made to AAUW national to support a Research and Projects Grant would be considered tax deductible.

G49. Contributions can be made by cash, credit card, and check and should be made payable to American Association of University Women, Inc., AAUW, or AAUW Funds. Gifts of stock are also welcome.

G50. Contributing online at the [AAUW website \(www.aauw.org/contribute\)](http://www.aauw.org/contribute) is one of the easiest ways to make a donation and receive immediate confirmation and a receipt for tax purposes.

G51. Fundraising credit is given for every donation made by a member of an AAUW-affiliated entity and by any nonmember who requests that an affiliated entity receive fundraising credit for a gift on the donation form. This credit is given even if the gift is made on the AAUW website or through mail appeals. Fundraising credit is given to the branch or state in appreciation of its encouragement of member generosity.

2. Locally Collected AAUW Donations. If a gift intended for AAUW is collected by an AAUW-affiliated entity and forwarded to AAUW, the gift is considered tax deductible to the donor because the affiliated entity is acting as AAUW's fundraising agent.

Guidelines

- G52.** For example, if a branch holds a fundraiser to support the Legal Advocacy Fund, collects donations at the event, and sends those donations to national, then the donations are tax deductible. However, if an AAUW-affiliated entity keeps part of the donation to pay for the expense of the event, then only the portion of the donation that is sent to AAUW is tax deductible. The donor must be told in advance of making the donation what portion of the gift will be tax deductible.
- G53.** If the gift is deposited into an AAUW-affiliated entity's bank account and the entity writes a check from that account to AAUW national, then the branch officer must advise AAUW national of the identity of the donors and the value of any goods or services that donors may have received as a condition of their gift. This allows AAUW national to send a receipt that accurately denotes the amount of the donation that is tax deductible. To use the previous example, if the branch collects donations for the Legal Advocacy Fund, deposits the donations into its account, and sends one check to national, it should delineate the individual donations that make up that one check. The donations in this example would still be tax deductible.
- G54.** If a donation is made through an AAUW-affiliated entity, then that entity's AAUW funds chair or finance officer is responsible for promptly forwarding the contributions to AAUW national. This allows AAUW to promptly send a receipt to the donor. A delay in forwarding a donor's contribution may cause the donor to lose the ability to deduct the gift within that tax year and violates the donor's intent.
- G55.** Saving donated funds from one year to another before forwarding to AAUW is not allowed by IRS regulations. Some AAUW branches have been cited by the IRS for this action.
- G56.** AAUW national mails acknowledgments/receipts directly to donors for all gifts of \$10 or more.
- G57.** AAUW national sends quarterly fundraising reports to AAUW state presidents, AAUW funds chairs, and finance chairs to show all donations received by AAUW national that are credited to their state. Branch officers may not be aware of all gifts credited to their branch, so state officers should forward their respective branch reports to them. Quarterly reports contain confidential donor giving information and therefore should not be shared freely. State officers are responsible for forwarding quarterly reports to branch officers but only the information pertaining to their specific branch.
3. Donation Deduction Substantiation. To claim gifts as tax deductions, donors must substantiate the gift with a receipt from the charity (AAUW or another 501(c)(3)-designated AAUW-affiliated entity), a copy of the canceled check, bank records, or other means of verification of the gift as determined by the IRS. Every member's 24-

month giving history, printable for tax-deduction verification, is posted on the password-protected AAUW Member Services Database.

Guideline

G58. AAUW also provides written acknowledgments for any gift of \$10 or more.

4. Tax Advice. Donors are advised to consult their tax professional before making any deductions.

J. Contributions That Are Not Tax Deductible

1. AAUW Action Fund. Because the AAUW Action Fund is designated by the IRS as a nonprofit 501(c)(4) social welfare organization, contributions received by the AAUW Action Fund are not tax deductible.²

Guideline

G59. The work of the AAUW Action Fund includes our Lobby Corps efforts and voter education materials such as the *Congressional Voting Record*.

2. Donations to IRS-Designated 501(c)(4) Entities. Contributions received by a 501(c)(4) entity are not tax deductible.

Guidelines

G60. This also includes any dues that are paid to a 501(c)(4) entity.

G61. For example, if an AAUW-affiliated entity that has 501(c)(4) status held a fundraiser to support a branch tutoring program, any donation collected at that fundraiser would not be tax deductible.

G62. Only when the affiliated entity forwards the donations it collects to the national office are the donations considered tax deductible, less the value of any goods or services.

3. Donations to Individuals. A donation to benefit a specific individual who is selected by the donor is not tax deductible.
 - a. For a gift to be tax deductible, the donor must make the donation to a 501(c)(3) entity, and the donor may not influence the selection of the specific individual recipient. This requirement applies to recipients in a wide variety of contexts but most frequently arises in the context of scholarship recipient selection.

Guideline

G63. For example, if an AAUW-affiliated entity pays the registration fee for a local student to attend the National Conference for College Women Student Leaders or

²The IRS requires donation solicitations and acknowledgments to identify gifts that are not tax deductible. The gift acknowledgment should also tell the donor the portion of the amount received that is tax deductible, if any.

gives money to an individual so she can pay her own fees, that donation would not be tax deductible.

- b. The recipient of an award may be selected from a pool of applicants or candidates qualified by established criteria, and the donor may participate in establishing the criteria, so long as the criteria are not so restrictive as to apply to a specific individual recipient.
4. **Pass-Through Donations.** A donation to AAUW or to any other 501(c)(3) AAUW-affiliated entity given with the condition that the donation is to be passed back to a 501(c)(4) AAUW-affiliated entity so that the donor can receive a tax deduction for this donation is prohibited by the IRS. Acceptance of such gifts would compromise the 501(c)(3) charitable status of AAUW and, potentially, the nonprofit status of AAUW's-affiliated entities.

Guidelines

G64. This can have dire tax implications. Such an action jeopardizes the tax status of any entity involved, and the donor may be an inadvertent victim, subject to IRS penalties.

G65. It also increases the likelihood that the recipient may have been individually selected, and AAUW's own charitable status could be compromised by not being able to ensure that the distribution is fully compliant with IRS regulations.

G66. If AAUW's charitable tax status were to be compromised, that would also compromise the nonprofit status of all AAUW-affiliated entities.

For further information about fundraising credit, contribution submission, quarterly reports, and confidentiality, please see [Guidelines](http://www.aauw.org/resource/fundraising-policy-guidelines) (www.aauw.org/resource/fundraising-policy-guidelines).

For further clarification, please e-mail connect@aauw.org to ensure that questions are directed to the appropriate source of information. For IRS-related issues, refer to the [IRS website](http://www.irs.gov/Charities-&-Non-Profits) for charities and nonprofits (www.irs.gov/Charities-&-Non-Profits) or call the IRS nonprofit office at 877.829.5500.