UNITED CHARITABLE
Guiding you on your charitable journey

Frequently Asked Questions

Below are some frequently asked questions about beginning a charitable program at United Charitable. Please feel free to contact us at (571) 620-3008 if you don't see a response to your particular question.

1. How much does the program application cost?

The application fee to begin a fiscally sponsored program is $1,000. You also must have at least $10,000 in funding or pledges confirmed in writing to start a fiscally sponsored program.

2. What are the operating fees? Are there any annual fees?

United Charitable charges a 10% administration fee on each donation made to your fiscally sponsored program at United Charitable. There is also an annual fee of $2,000, which will be assessed to your program account each year on May 31st.

3. How long does it take for approval of my program application?

Our review committee analyzes each application as they are submitted. We review your application for charitable purpose, possible risks, clarity, and feasibility among other items. If the application is completeand legible (please only submit typed applications), and the charitable purpose is accepted by United Charitable, you should receive approval within 3-4 weeks. A United Charitable staff member will personally call each applicant to discuss the proposed plans before the application is submitted to the United Charitable review committee.

4. Are donations to the program tax-deductible?

Yes, as long as the donor is receiving nothing of value in return. If a donor is paying for services, like a conference or a dinner, then the Fair Market Value of that item is not deductible. All donations **must besent to United Charitable for deposit.** We will place these funds (minus our applicable fees) into an internally segregated account to be used to further your charitable purpose. DO NOT open your own local bank account. **THIS IS PROHIBITED**. You will be able to securely log in to our system to view your program account transactions online using an ID and password that United Charitable will provide to you. If you lose your login information, please call us.

Once your program has been accepted at United Charitable, we will send you the applicable forms to use when recommending disbursement of funds from the United Charitable account. You can always find the updated forms on our website.

5. Are gifts of services tax deductible?

The IRS rules on this are clear; the answer is "no." For example, if a surgeon who charges $5,000 for a heart valve replacement procedure donates his time to provide ten such procedures for needy patientswithout health insurance, he or she is not allowed any charitable deduction for the value of his time, even if there is an established "market" to substantiate value. This same rule applies to the time spent by an artist in providing services to or for a charity, or a hotel that donates a room for the night.

An artist is limited to deduction of the actual cost of the materials used to create a work of art, but only if the artist has not "expensed" (or "deducted") the cost of such materials. Most professional artists deduct as "overhead" the cost of raw materials, paint, supplies, etc. These are deducted under Code section 162, which allows a deduction for "ordinary and usual business expenses." There is no benefit tothe artist in taking a Code section 170 charitable deduction if a Code section 162 business deduction is available. You should always check with your tax preparer for tax advice.

IRS Publication 526 provides a useful chart which summarizes what is and what is not deductible.

6. Can I open a local checking or bank account?

No, do NOT open a local checking account or a bank account of any kind! Local checking and bank accounts bearing the name of a program at United Charitable **are not permitted**. Please only use the Donation Deposit Form to send in donations to your program at United Charitable. Each donation, even though benefiting a specific program at United Charitable, must be sent by the Program Manager to theUnited Charitable office (using the appropriate form). Do not have donors send their donations directly to us at United Charitable. Any donation not received by United Charitable will not be tax-deductible by the donor. Our mailing address is:

United Charitable
44921 George Washington Blvd. Ste. 230, Ashburn, VA 20147

OR

***United Charitable WFB Lock Box**
P.O. Box 715969
Philadelphia, PA 19171-5969

7. How should donors write their checks to my program?

Checks may be made payable to “United Charitable and/or Program Name,” or to United Charitable with the name of the program in the Memo line. Checks may also be made payable to “Program Name.” **Do not endorse these checks**. If you have collected donations in cash, please send us a cashier's check or money order for the funds. The Program Manager may copy and use the Donation Deposit Form (whichmay be found online at www.unitedcharitable.org) to send donations to United Charitable for deposit into the program account. Please use the Disbursement Request Form to request disbursements from the program.

8. Do I have to do any Federal or State filing, registering, etc.?

No. When you have a program at United Charitable, we do all the paperwork. We file the IRS Form 990 annually which includes the activity of all our programs and donor-advised funds. You do not need to register your program in the state where you reside. United Charitable is registered in all states that require separate registration (See section on “State Solicitation & Registration” in this manual). You must, however, submit an **Annual Program Activity Report** to United Charitable to tell us what you've been doing, both successfully and not so successfully.

9. Do all funds become the property of United Charitable?

Yes. There must be a "completed gift" to the charity in order to obtain any tax deduction. This means that all rights title and interest in the donated property must pass to the charity. Therefore, United Charitable is in control of all donated funds.

10. Why does United Charitable exert full discretion and control over each program that it sponsors?

United Charitable is the entity that is legally responsible for all funds received on behalf of a sponsored program. We must ensure that the program uses the funds for charitable and educational purposes. Thisis accomplished through an application process, internal procedures regarding disbursements and grants, and a sponsorship agreement between United Charitable and the program that details the specifics of the relationship. When a donor makes a contribution to United Charitable with a recommendation that this contribution be applied to your program, United Charitable monitors that their donations are properly used by your program. We also ensure that all tax-reporting requirements are met.

11. Once my program has been accepted by United Charitable as a fiscally sponsored program, have I become a nonprofit?

Being a fiscally sponsored program at United Charitable **does not make the program an independenttax-exempt organization**. Those who donate to your program at United Charitable gain the benefit of a charitable deduction for income tax purposes by donating to United Charitable, a section 501(c)(3) organization.

12. Where can I find my program's EIN or Tax ID number?

Since your program is not separately incorporated, your program does not have its own EIN or Tax ID number. Your program has nonprofit status under United Charitable. The Tax ID number of United Charitable is 20-4286082.

When your program is accepted, we provide you with your program account number, which you must include with all correspondence. If you don't remember your account number, please call us at (571) 620-3000.

13. As the Program Manager, can I use the title Director, President, or CEO of my program?

No, you cannot use any corporate titles. This would mislead your donors to believe that your program isa separately incorporated nonprofit. Instead, please only use the title "Program Manager" or "Founder."

14. Do you assist with fundraising for my program?

No, United Charitable does not raise funds for your program. The Program Manager and the Program

Advisory Committee is responsible for soliciting the funds and grant monies to support the program. United Charitable is primarily responsible for receiving and administering charitable contributions, grants, and other expenditures or disbursements on behalf of the program, as well as the complete oversight of the activities of your program.

However, we want to help you to be successful! We provide numerous resources and information to helpyou raise funds and find grant and donation sources. Check our website for materials, and be sure to watch your email for information on upcoming webinars, etc.