



Guidelines for Participation in Fundraising Events for Other Charitable Organizations

A frequent inquiry is to what extent choruses, quartets, and regions may donate to or raise funds for other non-profit or charitable organizations. It is often assumed that this is permissible activity since it is between non-profits. However, there are numerous Internal Revenue Service non-profit designations granted to organizations based on their stated purpose.

Sweet Adelines International was granted status as an exempt educational organization under Section 501(c)(3) of the United States Internal Revenue Service Code. Exempt status is granted based on the purposes stated in the application for exemption and in the Articles of Incorporation. To maintain the exempt status the organization and its affiliates (choruses, quartets, and regions) must strictly adhere to these purposes:

- Provide education and training for its members in singing four-part harmony, barbershop style, without instrumental accompaniment.
- Give public and private performances to promote an interest in the development and general appreciation of all things pertaining to the art form of barbershop harmony.

However, there are provisions within the IRS code that allow restricted participation with or donations to other 501(c)(3) non-profit organizations. The primary requirement is this participation may not exclusively benefit another organization or be ongoing. The primary focus and participation of a Sweet Adeline affiliate should be the performance of four-part harmony singing with the fundraising aspect secondary.

To verify if an organization qualifies as a 501(c)(3), please refer to the IRS Publication 78, Cumulative List of Organizations, <http://www.irs.ustreas.gov>. This listing is also available at most public libraries. Another resource is <http://www.guidestar.org>.

An attorney specializing in tax exempt organizations provided the attached guidelines for participating in fundraising activities for other organizations.

Choruses and Regions are encouraged to share the joy of our art form by performing and participating in community activities, including fundraising benefits as long as the above-mentioned guidelines are followed.

If there are any questions regarding these guidelines, please contact International Headquarters:

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Guidelines for Participation with Other Non-Profit Organizations

1. Sweet Adeline choruses, quartets, and regions should restrict themselves from serving as a collection agent or fiduciary of the other organization. It is acceptable for a representative from the other organization to attend chorus performances and collect donations. Persons contributing to this particular solicitation should understand that funds donated are being donated directly to the other organization (not Sweet Adelines). It is also acceptable for the chorus or quartet to advertise this type of activity through its promotional materials and make announcements at the performance with respect to same.
2. It is acceptable for Sweet Adelines International affiliates to announce as a part of its performance that a portion of the proceeds from the performance will go to another 501(c)(3) organization in order to support that organization's tax exempt purpose and activities. But in connection therewith it should be understood that these collected funds will at the time of the collection be Sweet Adeline funds, subject to the claims of Sweet Adeline creditors, if any, and reportable as Sweet Adelines funds at the time of collection for the tax period in which the funds were collected. As long as it is not part of, and does not constitute an ongoing program, a Sweet Adeline affiliate is authorized to make distributions from its treasury directly to the other organization of the precise amounts of funds collected, or in amounts less than these funds or more than these funds. The other organization must understand in connection with such an arrangement that it does not have a right to "Claim" the funds raised by Sweet Adelines, but the other organization would have an expectation of receiving a portion of the proceeds from the activity from Sweet Adelines. This arrangement must be made clear between the two organizations. Otherwise, Sweet Adelines conceivably could be viewed as a collection agent, fiduciary or other form of agent for the other organization.
3. Any chapter, region, or quartet of Sweet Adelines International is permitted to make a donation from its general treasury from time-to-time to a properly qualified 501(c)(3) charitable organization such as the Red Cross or a September 11th (9/11) fund. This type of activity is included in the broad purposes of Sweet Adelines International governing instruments, and comports with 501(c)(3) laws and regulations. No such activity should be regular and continuous, but these types of gifts and contributions certainly can be made in support of these types of causes and activities to 501(c)(3) organizations which are in receipt of IRS determination letters.
4. The international, regional, and chapter levels of Sweet Adelines International may lend their name to other 501(c)(3) activities, provide performances, and solicit donations generally in support of the other organizations but they should not actively collect, handle, or distribute any donations on behalf of the other organization (except as described in guideline #2.) If the activity consistently is seen as raising or soliciting funds on behalf of another 501(c)(3) organization, tax

exempt status concerns may exist. The concerns are minimized if the Sweet Adelines involvement is strictly a performance of singing.