



Guidelines for your Community Giving Program (Welfare / Outreach)

***Many Spouses Clubs have a philanthropic side of their club where they raise money and then give it away to their local community through Grants and Scholarships. The Grants side of giving is called a variety of different things such as Welfare, Community Giving or just Outreach. In order to not confuse the issue, in this document, it will be referred to as Community Giving.

The first step in setting up or updating your Community Giving Program is to write/review your Standard Operating Procedure for this committee.

***The following information discusses items that Clubs should think about when writing their SOP.

1. The Community Giving Committee will work within the guidelines set forth by the Board of Directors through their constitution and bylaws first then an approved SOP at the committee level.
 - a. The constitution and bylaws can create a standard of how the funds will be disbursed and how the committees will be funded.
 - i. Such a 50/50 split between grants and scholarships
 - ii. And/or any limits on funds distributed.
 - iii. How these committees will be funded. (Fundraisers? Thrift Shops?)
 - b. It is best to have a specific set of guidelines or SOP so that no one can question the decisions of your Community Giving Committee.
 - c. If the guidelines have been approved by the entire board and the committee follows all those guidelines, then everyone is happy with the distribution of funds.

**Remember, people can get passionate about money, and you don't want a submitter questioning the committee's decision. If the committee follows the listed guidelines, then no one can question its decisions.
2. What is the process for giving away funds?
 - a. Decide what types of organizations the club wants to support. (only nonprofits, only organizations with a bank account, actual individuals, etc)
*see guidelines listed below. Use your mission statement as your guiding principle.
 - b. Decide on the application process and if you will have a rubric.
 - c. Decide on the application deadlines and distribution timelines.
 - d. Decide in advance if you will inform organizations whose request is denied.



3. Who needs to sit on the committee?

- a. Committee Chair who is a part of the Board
- b. Board Treasurer
- c. VP who oversees the philanthropic arm of your club.
- d. At least 2 other Board Members (Sometimes the Fundraising Chair will sit on this committee so they can see the money they helped raise be given to worthy causes)
- e. Some clubs will have their secretary sit on the committee, but as long as someone takes notes from the committee meeting, that person is not required. (Often the Committee Chair takes their own notes)
- f. At least 2 other Club members who are not board members.
- g. President, Advisor, and Honorary Commander should always be invited.

*** The list of the people who serve on this committee is usually listed in the bylaws of your club. Be sure to follow the rules listed in the current bylaws. If you disagree with the way the bylaws are written, you need to refer to the process that states how to go about changing the bylaws prior to making changes to your committee make up.

***All agendas and committee meeting minutes should be emailed to all individuals listed in Bylaws regardless of attendance.

4. How often does the committee meet/disburse funds?

- a. Some clubs give away money every month, some clubs have a Fall and Spring disbursement. Some Clubs give away money once a year.
- b. Thoughts on these options:
 - i. There are many different thoughts on this, however, giving money away once a year allows the committee to see all the requests at one time and measure that against the funds, they have on hand to give away.
 - ii. The drawback to this is that many requesting organizations can't wait to receive grants only once a year or are not planning that far in advance to request funding.
 - iii. The sweet spot seems to be a twice-a-year distribution (usually Sept/Oct and March/April).
 - iv. The Spring Fundraiser raises the money for the Fall Disbursement and the Fall Fundraiser raises money for the Spring Disbursement.
- c. Knowledge of Available Funds:



- i. The Committee knows how much is available to give away and the requestors have two chances each year to request funds for specific items and spend the money within the 5 months between each disbursement.
 - ii. Most clubs will only allow an organization to receive funds once a year.
 - d. Monthly disbursement thoughts:
 - i. When Clubs disburse through their community giving program every month, they don't have all the necessary information to make an informed decision on the amount they currently have to give away or how much they may need to hold back for a future emergency disbursement. Most Clubs fundraise twice a year and use each of those fundraisers to "fund" their grants and scholarships. If they disburse monthly, how can you plan the correct amounts?
 - ii. The committee really has more of a "yes or no" discussion rather than a "true need" discussion since they have no other requests to compare against.
 - iii. There is never the option of giving more than requested because Clubs really don't know how much they have available to give.
 - iv. They never know what major request might come in the next month and end up without funds to support that request.
 - e. Some Clubs want to continue to disburse funds monthly because they feel their community needs the opportunity to request funds on shorter notice. If so, please keep in mind the following:
 - i. Make sure you have a very strict and defined distribution policy and ALWAYS follow this policy.
 - ii. When you cannot see the big annual picture because you are giving funds monthly, you must be sure the requests are worthy of your funds.
 - iii. Always keep a set amount of funds in reserve in case you plan to distribute funds, but your fundraiser is not as successful, or gets cancelled, or something happens that stops you from raising the money you expected.
5. What is the process for Community Giving?
- a. The Committee Chair will gather the applications, set up the reviewing process and work with the Treasurer to set up the dollar amounts, so there is no need for a committee meeting for this task.
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- b. Bottom Line: The Committee meets for the following:
 - i. To ratify the SOP for the year, finalize the application, and finalize the process for selecting recipients.
 - ii. To ensure the applications being presented for funding meet the standards of giving stated in the SOP.
 - iii. To discuss the applications and decide who receives funds and for how much.
 - c. Once the Committee has met and decided who should receive funds, the list is presented to the board at a board meeting for a vote.
 - i. Some clubs only require board approval for the Community Giving decisions because the request was discussed by the committee which represents your membership.
 - ii. Some clubs require a membership vote for final approval if there is a request over \$5000 that has been approved by the committee. This can cause heated discussions since the membership was not privy to the entire discussion in the committee.
 - iii. Some clubs don't require a board vote if the request is under a certain amount (less than \$250) and the committee can automatically approve the request if it meets the guidelines.
6. What does your club want to receive in return as “proof” that the funds were used as intended?
- a. Receipts dated within a certain timeline within the organization's board year.
 - i. This date will vary based on how often you disburse your funds, but will should be required by the time the Clubs closes their books on the board year to allow for a clean audit.
 - ii. If you disburse monthly, the proof should be due back within 60 days.
 - iii. If you disburse twice a year, you may need to give more time for proof to be delivered. Potentially 4 months, but this may cause problems for the end of board year books. Be prepared to work with your board and the organizations to find the sweet spot within your community.
 - b. Photos of the item showing the grant in use and tagging the Club on social media.



7. Your SOP should include guidelines that detail the approval process for the Board once the committee has made their decisions.
 - a. Once the Community Giving Committee meets and sorts through the requests, they bring the recommendations to a board vote for approval.
 - b. The committee chair would summarize the requests that meet the guidelines and make a motion for approval.
 - c. Once the Committee has their distribution plan, they present it to the board for a vote.

 8. When requests are accepted once or twice a year:
 - a. The Committee Chair will get the amount of funds available for distribution prior to the meeting.
 - b. The Committee Chair will go through the requests before the meeting to ensure there is no additional information required for the Committee to make an informed decision.
 - c. The Committee will discuss the requests and requested amounts to make sure the requests match the mission of the Committee.
 - d. If the total amount of funds to distribute is less than the total amount requested, the committee needs to discuss and come up with an agreed upon distribution plan.
 - i. A club can always choose to disburse less money versus outright denying the request if they deem the event worthy but simply don't have enough funding.

 9. If requests are accepted monthly, then the following should happen:
 - a. The committee must meet every month if there are requests prior to the board meeting to discuss if they feel there is a viable need.
 - b. The committee votes to accept/deny/table the requests submitted.
 - c. These results are presented to the board for a vote. If the vote passes, the money is awarded.
 - d. The committee chair should provide a summary of requests reviewed and whether they were accepted or denied in their monthly board report.
 - e. It is also good practice to briefly summarize the requests that were denied with a brief explanation of why the request was denied.
 - f. When meeting monthly, the application should reflect how long it can take to receive funds if a request must be approved through the committee, board and general membership.
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Some potential guidelines to be used by Community Giving Committees when deciding on fund distributions (Grants):

1. Grant requests must be submitted in writing with as much information as possible must be provided.
 - a. Provide the following: Title of organization, bank account name, the amount of the request and its purpose, including those who will benefit from the donation.
 - a. Submitting in writing is a best practice that allows the committee to have all the information prior to deciding to grant funds to the organization.
 - b. Using as much detail as possible allows your Community Giving Committee to know exactly what the funds will be used for.
 - c. Most clubs who grant funds require receipts proving the use of the grant for the approved request so that there is no question of how the funds were used.
 - d. Many clubs will not allow an organization to request funds at another time if they have not turned in their receipts from a previous request/grant.
 - e. It is best to have an actual application that asks for the facts of what you want to know, but then allows for an upload of photos, or free space to write out the full story on how and where they plan to use the money. The point of contact (POC) writing the request must be the same individual that is present for the event and able to submit all receipts after the fact. (Google Forms has an easy process for making an online application for free.)
 - f. Donations will be made primarily to further the common good and general welfare of the people of the base, the military, and the surrounding community; keeping in mind that the more people who benefit from the donation the better.
 - i. Grants going to benefit the common good, the military and the local community is the standard.
 - ii. This does not mean just on post/base, this means the surrounding community off base that tends to support the military. **Think of the local High School where all the military kids attend.
 - iii. The purpose behind this comment is that most welfare granting organizations want to keep the money they raised locally supporting their local community.



2. Many clubs state that funds can only be given to support organizations recognized by the IRS as nonprofits.
 - a. This is a normal stipulation so that legitimate organizations will be using your Grant to fund their project. Their nonprofit status can be verified on the IRS Website.
 - b. That means whoever requests funds must be requesting on behalf of a 501c3/501c4/or 501c7 – (There are a few others like churches, but for the most part, this is what you will see).
 - c. This point says that funds can only go to Nonprofit organizations that are registered with the IRS.
 - d. Your application should request a copy of their EIN number, which allows the committee to look up the organization on the IRS website to make sure they are legitimate nonprofits.

***This protects you from a group of people who want to get money for something but then possibly don't follow through or take the money and run. It does not mean that the group who wants funds to "update the local playground" is not legit, but it encourages people to function within nonprofit rules rather than taking money that may be construed as "under the table" or something like that. If you donate to an unincorporated group, who are you giving the money too? If money is given to an individual, then it goes into a personal bank account and may need to be claimed on the individual tax form, requiring the club to publish a 1099 at the end of the year.
 - e. Again, it is another way to protect you against people questioning your committee decisions. Why did you give to that fund and not ours? There is not a way to prove legitimacy without looking at the IRS Websites.
 - f. Remember, according to IRS Rule and DoD Regulations, those serving on the Board of the Gifting organization (and their family members) cannot personally benefit from the operation of the organization.

 3. Another suggestion for your SOP and for your application is to state that "Funds will not be donated to a political candidate or a partisan political cause."
 - a. You do not want to donate to anything that causes a division within your membership.
 - b. Nonprofits are required to stay out of Political Funding and Lobbying.
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4. Another suggestion for your SOP is that donations “will not go to individuals”.
 - a. This is again to protect your club and maintain impartiality in the community.
 - b. While one family has financial hardship, so you want to support them, yet this other family has issues as well – how are you as a club/committee supposed to decide who is more in need?
 - c. If you have someone who needs help and you want to support them, a good idea is to find a nonprofit that can give them what they need, and then donate funds to that nonprofit with the name of family designated as the people who you would like to receive the aid. **For example, a family needs a special stroller for their child because they have a heart problem, yet Tricare does not cover the fees for the stroller. You can donate money to www.militaryheartsmatter.org and ask them to use the funds to find the right kind of stroller for that specific family. This is just an example of a work around, but we still do not recommend supporting individual requests – it can really get Clubs into trouble quickly.

 5. Donations should be contingent on the funds being used for what was requested in the grant application.
 - a. The organization receiving the funds must provide proof of the way the funds were used. (i.e. receipts).
 - b. Be sure to include a deadline in your application for receiving the receipts/proof of purchase so that there is a known time frame for spending the donated funds.
 - c. Have someone on your committee follow up to ensure the receipts are received from the organizations who received the funds by the deadline and compare the receipts against the original request.
 - d. Be sure to include that they need to pay the money back if it was not used for the intended purpose. If they cannot pay the funds back, they will not be allowed to request funds from your Club for at least 24 months (about 2 years).

 6. Most Clubs have a stipulation such as this: Funds will NOT be donated for food and beverages.
 - a. Welfare organizations do not like funds to be used for food because there is no lasting effect.
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- b. The intent is for the money to reach many people and have a lasting effect on the community. ***If you think about \$100 for food for 20 people that is gone in an hour and only benefited 20 people, vs. \$100 for new kickballs, bats, gloves, baseballs that can last much longer and benefit many more people, it makes the club feel they are having a bigger impact on helping the community. If you want to fight hunger – then donate money to the local food bank – which is its own nonprofit.
 - c. It is also a good idea to list those requests that are not being fulfilled and the facts/reason behind the denial. **If the request is denied because they requested funding for a party and your guidelines clearly state you do not fund parties, then list those facts so there are no hard feelings.
7. Most Clubs will include a stipulation that says: The Community Giving Committee will not donate money to reimburse for items already purchased prior to the grant approval.
- a. This one is straightforward – you will not give funds for something already spent.
 - b. If organizations understand this rule, they will learn to wait to move forward on a project until the community Giving committee grants them the \$\$.
10. Combined Federal Campaign (CFC): Most Clubs will stipulate that requests for funds from organizations that received funds from the Combined Federal Campaign (CFC) will be reviewed carefully by the Community Giving/Welfare Committee. More favorable consideration will be given to smaller (possibly local) organizations that do not receive funds from CFC.
- a. The CFC is a huge fundraising campaign for Federal Employees to donate directly from their paychecks. Nonprofits included in this campaign are usually larger nonprofits that operate on a much bigger scale (United Way or American Red Cross, etc.) – This statement says the Committee wants to give money to orgs that are not big enough to get through the CFC process and therefore do not have the means to raise money this way – meaning that they probably could use your support since they are not getting CFC money.
 - b. This is good practice if your goal is to support your local community. However, remember that many of these large organizations may have local chapters that will keep your Grant to use within the local community.
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Be sure to decide in advance and stipulate any restrictions your club would like to impose on the Grant funding. **If you have a local USO branch that needs a new TV and has no other means to receive the funds, then the committee could give them the funds to meet the needs of the local chapter.

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