



City of Bloomington
HAND

Fundraising for Neighborhood Associations

Thursday, January 21, 2021, 7:00 p.m.

Today's topics

- Incorporation
- Non-profit status - 501(c)(3)
- Neighborhood Assistance Program (NAP)
- Economic Improvement Districts (EID)

First Steps

Setting up your organization to maximize fundraising opportunities.

Organize

- Call a meeting
- Determine officer titles and responsibilities
- Elect your board members
- Establish bylaws
 - Be sure to review instructions for nonprofit status application, as there are some specific requirements that must be included in your bylaws.
- Articulate your Statement of Purpose--carefully worded

Apply for a Federal Employer ID # (FEIN)

- This is like a social security number for your organization.
- Application for Employer Identification Number.
- IRS form SS-4.
 - <https://www.irs.gov/pub/irs-pdf/fss4.pdf>
- \$0 filing fee.

Incorporation

- Benefits:
 - Formalizes governance and responsibilities,
 - Limits individual homeowner liability,
 - Bank account in organization's name.
- Articles of Incorporation for a Nonprofit Corporation
- State form 4162 (R13/5-14)
- \$30 filing fee when filed online
- <https://www.in.gov/sos/business/2426.htm>

Nonprofit Status - 501(c)(3)

- Benefits
 - Government grants, programs eligible,
 - Income and sales tax exemption,
 - Incentivises donors to contribute.
- Neighborhood Associations should be eligible to apply using IRS form 1023-EZ
 - \$275 filing fee (versus \$600 filing fee for IRS form 1023)
 - Check eligibility to use this form at <https://www.irs.gov/pub/irs-pdf/i1023ez.pdf>

Next Steps

Utilize State of Indiana programs for nonprofit organizations to help raise funds for your neighborhood association.

Neighborhood Assistance Program (NAP)

- Organizations can use NAP to incentivise individuals and businesses to contribute.
 - Donors get a state income tax credit of 50% of their total contribution
 - Donors need not be located in your neighborhood.
 - How might neighborhood associations utilize NAP?
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- [NAP at a glance](#)
 - <https://www.in.gov/ihcda/4109.htm>

Economic Improvement District (EID)

- EIDs are public-private partnerships in which local property owners in a defined area elect to make a collective contribution to the maintenance and development of their property.
- Economic Improvement Projects can include:
 - Designing, landscaping, beautifying, constructing, or maintaining public areas, public improvements, or public ways.
- 60% of property owners and 60% of property valuation in the area must opt in.
- Benefits:
 - Raise matching funds for Neighborhood Improvement Grant funded project.
- <http://iga.in.gov/legislative/laws/2020/ic/titles/036#36-7-22>

Resources

IRS Video Series on Tax Exemption.

<https://www.stayexempt.irs.gov/home/resource-library/virtual-small-mid-size-tax-exempt-organization-workshop>

Starting and Maintaining a Nonprofit in Indiana.

<https://www.501c3.org/state-nonprofit-guide/how-to-start-a-nonprofit-in-indiana/>

NAP Application Help Slides <https://www.in.gov/ihcda/files/2020%20NAP%20Application%20Webinar.pdf>

NAP Application Help Video <https://www.youtube.com/watch?v=Tk8muQ62i0Q>

Learn how Woodruff Place neighborhood in Indianapolis uses EIDs to maintain parks.

<http://www.woodruffplace.org/about/eid/#:~:text=An%20EID%20is%20a%20financing,owners%20in%20the%20defined%20area>