

## 501(c)4 STATUS

### SECTION 4 - TAX STATUS OF NAACP UNITS

All Units have been designated as 501(c)(4) organizations, only the National Office is a 501(c)(3) organization

A 501 (c) (4) organization is a nonprofit corporation operated exclusively for the promotion of **social justice**. Exemption under this Section does not confer deductibility of contributions by donor to the corporation, but may enable it to avoid the restrictions of private foundation status, and the restrictions on lobbying and other political activity.

#### Definition of Social Justice

NAACP Units are strategically designed to operate exclusively as 501 (c) (4) entities for the promotion of social justice, primarily to further the common good and general welfare of the people of their communities, such as bringing about civic betterment and social improvement. In addition, a 501 (c) (4) must benefit a community as a whole. Thus, a corporation will not qualify under 501 (c) (4) if its activities benefit only its membership or a select group of individuals.

A 501 (c) (4) corporation may not, as its primary activity, conduct business with the general public in a commercial manner. Any earnings of such an organization must be devoted exclusively to charitable, educational or recreations and for our purposes, civil rights.

A 501 (c) (4) organization may engage in some social activities, some lobbying, and some political activity. NAACP units were specifically organized as 501 (c) (4) organizations so that they can (1) seek to increase registration and voting; (2) work for the enactment of municipal, state and federal legislations designed to improve the educational , political and economic status of minority groups; (3) seek the repeal of racially discriminatory legislation; (4) work to improve the administration of justice; (5) work to secure equal enforcement of the law; (6) keep the National Office informed of all proposed legislation which affects minority groups.

NAACP Units shall be non-partisan and shall not endorse candidates for public office.

**Contributions to 501(c)(4) organizations may not be deducted as charitable contributions by the donor.**

Units must not provide acknowledgment letters for contributions made directly to them.

## **SECTION 5: FUNDRAISING ACTIVITIES**

### **General Solicitation of donations**

- When soliciting donations, Unit are required to disclose through an express statement (in a conspicuous and easily recognizable format) that contributions and gifts are not deductible as charitable contributions for federal income tax purposes, however they are deductible as an ordinary business expenses.
- Solicitations by mail, leaflet, or advertisement in a newspaper, magazine or other print medium must meet the following IRS requirements:
  - ❖ Include the statement “Contributions or gifts to this NAACP Unit are not deductible as charitable contributions for Federal income tax purposes”;
  - ❖ The above statement must be in the same size type as the primary message stated in the body of the letter, leaflet or ad;
  - ❖ The statement is included on the message side of any card or tear off section that the contributor returns with the contribution; and
  - ❖ The statement is either the first sentence in a paragraph or itself constitutes a paragraph.
- Solicitations by telephone must meet the following IRS requirements:
  - ❖ Include the statement “Contributions or gifts to this NAACP Unit are not deductible as charitable contributions for Federal income tax purposes.”

- ❖ The statement must be made in close proximity to the request for contributions, during the same telephone call, by the telephone solicitor; and
- ❖ Any written confirmation or billing sent to a person pledging to contribute during the telephone solicitation complies with the requirements for print medium solicitations.