

PFD Charitable Contributions Program (Pick. Click. Give.)

701 W. 8th Avenue, Suite 230 Anchorage, AK 99501

pdfinfo@forakergroup.org

1-888-785-GIFT (4438)



FREQUENTLY ASKED QUESTIONS FOR:

2011 Alaska Permanent Fund Dividend Charitable Contributions Program (Pick. Click. Give.)

Please review the questions and answers below concerning eligibility of Alaska nonprofits for the PFD Charitable Contributions Program. If you need clarification or more information, don't hesitate to get in touch by phone or email.

We are grateful to the Rasmuson Foundation for its leadership in getting House Bill 166 passed and for their very generous contributions to make this program possible in the first three years. We would also like to acknowledge the other generous contributors to the program including the Alaska Mental Health Trust Authority, ConocoPhillips and BP.

The PFD Charitable Contributions Program (Pick. Click. Give.)

What is the PFD Charitable Contributions Program?

The new law allows Alaskans filing for their PFD on-line to donate all or part of it to the campuses of the University of Alaska, community foundations, and eligible charitable and educational organizations. The legislation was passed in May 2008 as House Bill 166 with nearly unanimous approval in both the Alaska House and Senate. The law sunsets after three years.

What is the purpose of the program?

The program provides an easy and reliable vehicle for Alaskans to support eligible nonprofit organizations. The program goal is to increase individual charitable giving along with the number of donors to nonprofit organizations. The program provides an additional way for donors to support organizations they care about.

How does the program work?

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The program is available to Alaskans who file on-line for their PFD. The on-line application will have a list of eligible organizations, and people will be able to choose those to which they want to contribute. Individuals will be able to direct from \$25 to the full dividend to eligible nonprofits.

Where can I learn more about this new law?

You can get the full text of the statute by visiting:

http://www.legis.state.ak.us/basis/get_bill_text.asp?hsid=HB0166Z&session=25

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Program administration

While the Alaska Department of Revenue has the ultimate responsibility for implementing the law, several other organizations will assist. The following organizations have been contracted by the Rasmuson Foundation to provide administration, outreach and communication to both nonprofits and the public.

- United Way of Anchorage (www.liveunitedanchorage.org) will qualify eligible organizations under the provisions of the law and will disburse the donations to the organizations chosen by the donor. United Way is set up and is, in fact, already doing similar work by administering five public sector workplace-giving campaigns in Alaska.
- The Foraker Group (www.forakergroup.org) is managing outreach and communication with the Alaska nonprofit community, including support via phone, Internet, mail, email and training. Foraker is well connected to the nonprofit community and has the systems to implement a statewide communication program. The application and supporting information will be available on the program website – www.pickclickgive.org -- during this three-year program. Foraker will also help evaluate the effectiveness of the program.
- The Alaska Giving Coalition will mount a statewide education effort encouraging Alaskans to give through the PFD Charitable Contributions Program. The Coalition has been researching and developing its marketing strategies for the past three years with the goal of raising the level of awareness about the power of giving.

Information on the application process

Where do I get an application?

The application can be found and downloaded from the Pick. Click. Give. website – www.pickclickgive.org. Please note, you must submit the application and all supporting documents in hard copy through the mail. No electronic versions will be accepted.

Do I have to file by mail?

Yes, your completed application, together with the supporting documents, must be mailed to: PFD Charitable Contributions Program, 701 W. 8th Avenue, Suite 230 Anchorage, AK 99501.

When is the deadline to apply for this year's PFD application?

Your application must be postmarked no later than June 15, 2010.

Is there an application fee?

The law allows the Department of Revenue to collect a fee from each applicant. Each application must be accompanied by a \$50 nonrefundable fee paid by check or money order payable to the State of Alaska.

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Information for qualifying as an eligible nonprofit

How do I know if my organization is eligible to be included in the PFD Charitable Contributions Program?

In order to be eligible for the program, each Alaska 501(c)(3) organization must certify that it meets certain requirements established in the law. The law states:

Except for each campus of the University of Alaska, the department may include an educational organization, community foundation, or charitable organization on the contribution list for a current dividend year only if the organization:

- *before June 15 of the qualifying year, files an application for inclusion on the list for that dividend year on the form required by the department;*
- *is exempt from taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code) as an educational or a charitable organization on the date of application;*
- *was qualified for tax exempt status under 26 U.S.C. 501(c)(3) (Internal Revenue Code) as an educational or a charitable organization during the two calendar years that immediately precede the year the application is filed;*
- *has a current Internal Revenue Service Form 990 on file with the United States Department of the Treasury, Internal Revenue Service, or, if the Internal Revenue Service has granted a filing extension for the current year, has on file that form for the immediately preceding year;*
- *is directed by a voluntary board of directors or local advisory board whose members are residents of the state;*
- *provided in the state aid or services during the two calendar years that immediately precede the year the application is filed;*
- *receives at least \$100,000 or five percent of its total annual receipts, whichever is less, from contributions;*
- *has completed and provided to the department a financial audit with an unqualified opinion conducted by an independent certified public accountant for the fiscal year to which the Internal Revenue Service Form 990 required under (4) of this subsection applies; this paragraph applies only to an organization with a total annual budget that exceeds \$250,000 during the fiscal year to which the Internal Revenue Service Form 990 required under (4) of this subsection applies;*
- *does not make grants or contributions to an organization that is exempt from taxation under 26 U.S.C. 501(c)(4) or (6);*
- *has a certificate of compliance from the Division of Corporations, Business, and Professional Licensing in the Department of Commerce, Community and Economic Development; and*
- *is registered, if required, under AS45.68.010 as a charitable organization eligible to solicit contributions of money.*

What documentation will I need to support the criteria listed above?

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Any applying organization must also provide the following specific documentation:

- A completed application form
- Copy of IRS Form 990 (one of three versions required by the IRS depending on size) for the previous fiscal or calendar year
- IRS 501(c)(3) tax exempt letter of notification
- Audited financial statement (most recent, published, audited financial statements complete with auditor's opinion letter if your organization's annual budget exceeds \$250,000)
- Copy of the organization's Articles of Incorporation
- Copy of the organization's Bylaws
- List of organization's board members including the board members' addresses
- A 2009 certificate of compliance from the Division of Corporations, Business, and Professional Licensing in the Department of Commerce, Community and Economic Development

Are there other eligibility requirements?

Yes, other than a community foundation or the University of Alaska, the Department of Revenue may not include a charitable organization on the contribution list for a dividend year unless the purpose of the organization is to provide programs for:

- Youth development
- Workforce development
- Arts and culture
- Primary, vocational and higher education
- Health and dental care
- Recreational facilities
- Child abuse and neglect
- Economic development
- Food assistance
- Libraries
- Public broadcasting
- Recycling of waste
- Animal rescue
- Zoos
- Aid and services to:
 - the elderly
 - low income individuals
 - individuals in emergency situations
 - victims of crime
 - disabled individuals
 - individuals with mental illness

Does my organization have to be registered under AS 45.68.010 to qualify?

Alaska law AS 45.68.010(a) requires charitable organizations to be registered with the Alaska Department of Law in order to solicit contributions of money or other property unless the organization falls into several exemptions listed in the law. The 2011 Permanent Fund Dividend Charitable Contributions application contains a new section that requires an organization to state if it has registered as a charitable organization eligible to solicit contributions of money? The full text of the law can be found in Alaska Statutes 45.68.010 - .900. The form to register can be found at <http://www.law.state.ak.us/department/civil/consumer/cpindex.html>. The site also describes the fee and the deadline for registration. Failure to register, if an organization is required to be registered, could result in legal action by the Alaska Department of Law. Please contact the Department of Law, Consumer Protection Section, for additional information.

Why can't I find the specific work of my organization's mission listed in the categories?

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Your organization must provide a program or programs on the list set out in the law, as described above. Your organization must actually provide (not just fund) programs, aid, or services. Please evaluate the list carefully and determine if your organization provides a program(s) that fits into any of these categories.

Why do certain programs seem to be excluded from the list of eligible organizations?

While the law lists program areas that are quite broad, it does not encompass all Alaska nonprofits. The law sunsets in three years and at that time the legislature can decide if it should continue and/or be adjusted. Even as currently written, the law provides an unprecedented opportunity to help increase individual giving in Alaska.

What if my organization is so small in budget size that we are not required to file a Form 990 with the IRS, can we still qualify for the PFD Charitable Contributions Program?

All charitable organizations are now required by the IRS to file one of three versions of the 990 depending on size; Form 990, Form 990EZ, or Form 990N (e-postcard). The appropriate version of the 990 needs to accompany the application

What would qualify as a charitable contribution under the law?

Most individual charitable giving, corporate support, and foundation support would qualify as charitable contributions. United Way support would also be considered a charitable contribution.

What does not qualify as a charitable contribution under the law?

Government grants or earned revenue would not constitute charitable contributions.

How will my organization be listed on the on-line PFD application?

Qualified organizations will be listed on the on-line PFD application on a comprehensive list of all qualified organizations. PFD applicants can also search for qualified organizations by geographic region. The regions are the same as those used by the Alaska Court System's judicial districts. (You can find those regions defined at <http://www.courts.alaska.gov/venuemap.pdf>.) If you do not specify otherwise, your organization will be listed in the region that corresponds to the physical address of your headquarters or main office. If you want your organization to be listed in an additional region, you may check the appropriate box or boxes in the application and provide one physical address in each region where your organization provides a qualifying program. It is not necessary to provide every address within a region of operation. No post office box addresses will be accepted. As per the law, organizations will continue to be listed in random order on the state PFD application website.

The application requires my organization to “certify or to self-certify.” What does this mean?

The application includes a number of questions that establish eligibility under the terms of the law. By signing the application, your organization's Board Chair and CEO/ED certify that the information being supplied is true and correct.

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Is a community foundation eligible?

Maybe. Although community foundations do not have to fall within the program areas specified in the law, they must meet the other eligibility criteria to be part of the PFD Charitable Contributions Program.

Who determines if my organization is eligible to be included in the program?

The law sets out the precise criteria for eligibility. The criteria must be demonstrated through self-certification and the submission of ALL required documents. Ultimately the Department of Revenue determines eligibility. The United Way of Anchorage will process the applications and adhere to the review and independent appeal processes established by the Department of Revenue.

If my organization applies this year, does that mean I have to re-apply next year?

Yes, each qualifying year stands on its own. The process is fresh every year and just because an organization is listed this year that does not mean it will automatically make the list next year.

Information for nonprofits that are not eligible under the law

What organizations are not eligible to participate in the PFD Charitable Contributions Program?

According to the law, an organization is not eligible if it is an affiliate of another group, or if it makes grants or contributions to a 501c(4) or 501c(6) organization.

The law says that an organization cannot be an “affiliate” and be eligible. What does that mean?

An affiliate is an organization that is under the control of a group whose main function is influencing elections—in other words a group whose focus is political activity. Specifically, the Alaska Statute referenced [AS 15.13.400(8)(B)] in the new PFD law addresses organizations (which in state law are called “groups”) which are primarily political, and are under the control of candidates for office or those working to elect people to public office.

What happens if my organization does not meet the eligibility criteria this year? Can we apply next year if we fix whatever was missing?

Yes, each qualifying year stands on its own. If an organization didn't qualify this year, it can apply next year. However, there is no guarantee that a subsequent application will lead to a decision of eligibility.

What recourse do I have if my organization is deemed ineligible by the Department of Revenue?

The law allows any organization to appeal if it is deemed ineligible. These appeals will follow the process described in the state's Administrative Procedures Act (APA).

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If my organization is not on the list, can a person still make a donation through the program?

No, donations cannot be made through the PFD Charitable Contributions Program to organizations that are not on the list. However, that does not stop PFD filers from giving financial support through other vehicles.

Information on distribution of donations:

How will I be notified if an individual designates money to my organization?

Because of PFD confidentiality rules, an individual must specifically authorize the Department of Revenue to release information about the donor. You will receive information about any donor who designates money to your organization and authorizes the release of his/her information at the time of disbursement. We encourage organizations to treat their PFD donors in the same way as others who give – through appropriate recognition and stewardship.

How do I receive the money when an individual designates my organization as a recipient?

Payments will be made through the Department of Revenue and distributed by the United Way of Anchorage.

When will I receive the donations?

Donations will be transmitted to designated organizations in the late fall of 2011.

How will my constituents know if our organization is on the PFD Charitable Contributions list?

Make use of your normal donor communication strategies – personal contact, direct mail, newsletters – to inform your constituents that your organization will be part of the PFD Charitable Contributions Program (Pick. Click. Give). A statewide media campaign, through the Alaska Giving Coalition, will be launched again this year encouraging Alaskans to use as the program to make new gifts or as a way to supplement their giving.

Will I receive the full amount of the designation or is there a fee?

Other than the application fee, the Rasmuson Foundation has taken the lead, with some other additional contributions, to provide funding for all costs associated with the program for the first three years.

HAVE MORE QUESTIONS? PLEASE CONTACT US AT:

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OR

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