

Your civic league could be a vehicle for providing benefits in terms of self-education and practicing foundation techniques without endangering or implicating your own private foundation.

Funding the Civic League

Since contributions to a civic league are not tax-deductible, it is recommended that those interested in funding a civic league loan money to the league on a low-interest or interest-free basis. Another alternative would be to charge membership dues on an annual basis and begin funding in this method. If a small capital fund could be created, subsequent investments and operations might increase this fund through earnings and provide a broader base on which to operate.

Principles of Civic League Management

This topic is scheduled to be discussed in great depth at a later seminar which is being developed at the present time. However, the general principles of private foundation management will apply in most cases to those of a civic club. Remember, however, that a civic league or civic club is not limited by unrelated business income, unreasonable accumulation of income, or the prohibited transactions that will be discussed in your foundation management education. These statutory laws only apply to section 501(c)(3) organizations and not to section 501(c)(4) civic leagues.

Starting Procedures

Your attorney is more than capable of creating a non-profit corporation based on section 501(c)(4). He would also be able to supply you with the proper bylaws and minutes to begin your organization. The following language, however, could be used for the bylaws of a civic league or civic organization. This language should, however, be discussed with an attorney before it is used to enable all the participants to understand the language in depth. These bylaws should never, in any case, be used as the bylaws for a private foundation.

BYLAWS OF A CIVIC LEAGUE

1. Name: The name of this club is _____
incorporated under the State of _____ under the
_____ law on the _____ day of _____, 1967.
2. Objects: Objects of this club shall be to protect and promote the best interests of the citizens of the nation, the state and this area, hereinafter set forth: to promote and strive for the improvement and betterment of all public facilities and services; to promote and encourage a better community and civic spirit and to foster good will and friendship between and among all the residents of said area, to cooperate