

Member Query on April 13, 2018 to Corporate Listserve

One of your corporate colleagues is asking for some help. They have a corporate policy that they don't support religious organizations in their grantmaking, but this has caused some problems in unique circumstances especially with disaster recovery. They do want to work with those programs (a church serves as the program's fiscal sponsor) who support efforts for hunger, homelessness, substance abuse recovery, racial equity, etc. as long as they do not discriminate and do no limit it to their own congregations.

In many urban and rural areas, the program that is delivering the much-needed program is often based within a church when there are no other fiscal sponsors, or the nonprofit is so new that they don't have their own tax status.

Do any of you have policy samples to work around this religious organization hurdle as long as there is no discrimination or funding the actual church's worship?

We will fund religious institutions as long as the purpose is for non-religious activities.

Our matching gifts site is a bit more clear.

[Our] Matching Gifts Program is subject to IRS rules and regulations which include the following:

- We do not match charitable gifts to private foundations, family or donor advised funds, or gifts to political or fraternal organizations.
- We do not match charitable gifts that provide benefits directly to employees or their families, such as trips, tours, internships, tuition, event tickets, parking privileges, club dues, products and services, or discounts on products or services.
- We will allow matching gifts for athletic programs with a youth development component that have an impact on grades K-12 or the in-country equivalent.
- We match pledges after they are paid by the employee. Future pledges are not matched through the program. Payment of pledge must meet criteria of the program. If an organization's program changes and is no longer eligible under the Matching Gifts Program criteria, payment will not be made.

Beyond these requirements, as a corporate foundation, our program is subject to additional restrictions which limit our support of gifts to the following:

- Donations must be individual contributions provided by the participant and not a collection of donations from other parties.
- We do not match charitable gifts that result in advertisements or other promotions of an individual employee's business activities.
- We do not provide general funding to any organization whose purpose is to promote or to discourage the observance or proselytization of religious beliefs. However, we will support such organization's funding of homeless shelters, soup kitchens or other social service needs. The organization may be asked to provide proof of the community project receiving funding.

- In order to be consistent and in recognition of our significant corporate support of United Way, gifts to United Way are not matched, except in relation to bank-approved disaster relief efforts.
- Gifts made through our annual employee giving campaign are not eligible for matching gifts.

We do not provide funding to any organization that discriminates based on race, religion, color, sex, sexual orientation, gender identity, age, national origin, ancestry, citizenship, veteran, or disability status.

Frankly, I'm not sure why the policy exists -- I'm surprised it is not considered a form of discrimination. They should not be looking for a work-around but simply eliminate their policy. Charitable donations support the mission of an organization -- if the mission aligns with the organization's giving objectives, it should not be an issue if the mission is administered by a religious or secular group. The Salvation Army, YMCA, YWCA and numerous other organizations have their founding rooted in faith principles.

In some communities the only food pantries and health care centers are run by faith-based groups. Even our government acknowledges and permits support of faith-based charities who provide social services to a community.

Just a thought...

We follow a policy that is similar to the one used by our local food pantry, Second Harvest Food Bank, when determining which organizations they will provide food for. If the church requires an individual to sit through a service in order to be fed (or treated) or if the church will only serve individuals of their faith, then we won't support the program. Beyond that, we look for signs of an intent to proselytize above providing services. Is there a real need or are they duplicating the work of nondenominational groups?

For mission trips, there needs to be a clear medical purpose with qualified medical personnel attending. Generally, the average church won't meet our standards for this. Also, I would be leery of a church that was serving as a fiscal sponsor. I wouldn't trust that a church would have the expertise to oversee the work and governance of a nonprofit.

With disaster response, we always go with the top groups: Red Cross, Direct Relief, or MAP (even though MAP is Christian-based). Especially with overseas disasters, the group needs to be large and experienced enough to know the country they are working in.

It is definitely more work for us to vet but we allow religious organizations provided they do not proselytize and they do not discriminate (eg a soup kitchen or shelter that anyone would be able to partake in.)

A common policy is to earmark funds specific to the program which is specified clearly in the donation

letter, i.e. soup kitchen, literacy, etc program.

[We are] clear that it cannot provide support to religious congregations or organizations that use a third-party fiscal sponsor's Tax ID number/exempt status. However, as a foundation that supports the communities a community-oriented bank serves, we on occasion receive requests for programs or projects that are under the umbrella of a church.

Working with [our] auditors, financial requirements for a religious institution that is not required to file a Form 990, it must submit the organization's financials and IRS determination letter with the application.

Each request is of course judged on its own merit.

We allow matching gifts to religious organizations who offer social services regardless of religious affiliation or participation. Our guidelines are stated as follows:

The right of religious organizations to maintain their identity is respected, however only their ongoing and independently run programs that benefit the broader community are eligible to receive a matching gift from [us]. Programs that operate under the sponsorship of a religious organization that are open to and used by a cross-section of the community and are non-religious may be eligible, if there is no requirement to participate in religious activities. For example, programs that provide needed social services to the community at large on a non-discriminatory basis (e.g. a soup kitchen, a homeless shelter, etc.) may be eligible.

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