



Route to
— Center and
Property Staff
— Center
Volunteers
— Residents

Be Your Own Sherlock Holmes: Clues for Finding Funding

Finding funding sources is like being Sherlock Holmes on a detective mission. Search in the wrong place and you will come up empty-handed. But if you search in the right place, you can turn up virtual gold.

Here are some clues to help make your search for funding a success.

A Place to Start

The Internet and e-mail have made the search for funding easier. To start, here are some of the best funding resources on the Internet:

- Neighborhood Networks website:
<http://www.NeighborhoodNetworks.org>
Look for funding articles on the home page or go to *Other Resources* and select topics to see funding sources and other information.
- Nonprofit Resource Center:
<http://www.not-for-profit.org/grant.htm>
- The Foundation Center:
<http://www.fdncenter.org/grantmaker/index.html>
- The Society of Research Administrators' Grantsweb:
<http://sra.rams.com/cws/sra/private.htm>
- Foundations On-Line:
<http://www.foundations.org/grantmakers.html>
- The Grantsmanship Center:
<http://www.tgci.com>
- Grant Guides Plus, Inc.:
<http://www.grantseeker.com/internet.htm>
- The Chronicle of Philanthropy:
<http://www.philanthropy.com>
- Frequently Asked Questions and Nonprofit Search Engine:
<http://www.nonprofits.org/>
- Nonprofit Online News ListServ:
<http://www.gilbert.org/news/>
Sign up and receive weekly funding news e-mails.

Tip: Enter keywords like “philanthropy,” “grants,” “fundraising” or “nonprofits” into a search engine and more sources will turn up.

An option is to contact local businesses and corporations, another good source for contributions. Become involved with the area chamber of commerce or other business organizations to learn about corporate funding opportunities. You should also contact the Neighborhood Networks Information Center toll-free at 888-312-2743 for more funding research information and to obtain copies of the Neighborhood Networks Funding Guide and the Funding Educational Programs at Neighborhood Networks Centers guide.

Pass the NNewsline!

To get the most out of *NNewsline*, pass it on. *NNewsline* is brimming with nuts-and-bolts information. There should be something for you if you are:

- Neighborhood Networks center and property staff
- Neighborhood Networks center volunteer
- Resident
- HUD Neighborhood Networks staff

Written expressly for Neighborhood Networks centers and HUD Neighborhood Networks Coordinators, *NNewsline* focuses on issues affecting the daily operation of your center. It is published every other month and each issue has a different focus. This issue's focus is fundraising. Past issues have featured topics like technology, income generation, education, health care and social services. Read *NNewsline* cover to cover and you will find it is truly a “must read.”

To order additional copies of *NNewsline*, call the **Neighborhood Networks Information Center toll-free at 888-312-2743.**



Internet Resources for Neighborhood Networks Centers

IN GENERAL: One good place to begin an Internet resource search is the Nonprofit Resource Center at <http://www.not-for-profit.org/> This site catalogues many different resources and has links to resource sites.

Another good general resource site is the Nonprofit Resources Catalogue at <http://www.clark.net/pub/pwalker/>

FUNDRAISING: One place to look for fundraising ideas on the Internet is a site aptly named "How Can We Use the Internet for Fundraising?" at <http://www.nonprofit-info.org/misc/981027em.html/>

VOLUNTEERS: Centers can benefit from sites online where they can post volunteer opportunities. To register for volunteers, visit websites <http://www.energizeinc.com/links/link2.html/> and <http://www.idealists.org/>

IN-KIND DONATIONS: Many sites online can link centers with potential donors. One excellent site is Gifts In Kind International at <http://www.giftsinkind.org/>

Another site specializing in computer donations is Share the Technology at <http://www.libertynet.org/share/>

For more Internet resources for Neighborhood Networks centers, visit the **Neighborhood Networks website at** www.NeighborhoodNetworks.org

Funding Resources Take Many Forms

Neighborhood Networks centers can solve shortfalls in funding, equipment and staff by taking advantage of the many different resources available to nonprofit organizations.

Here are some suggestions for resources available to Neighborhood Networks centers and how to tap them.

Monetary Contributions

One obvious resource is monetary contributions that can be solicited from the corporate sector, businesses and individuals.

Potentially fruitful sources are community residents or individuals with ties to the community. For example, centers can check the alumni and donor lists at area colleges and universities for potential donors.

Centers can also appeal to local businesses. One example: A center in Waterbury, CT collected more than \$3,500 in small donations from technology-oriented and socially conscious corporations.

Additionally, centers can also raise funds by sponsoring a special event, such as an auction or a bake sale. Small fundraisers are not only a good way to make some money, but they are a wonderful way to involve others in the community and let more people know about Neighborhood Networks.

Volunteers

Volunteers enable Neighborhood Networks centers to conduct more training and offer more courses to their users. Volunteers can also provide needed staffing for administrative duties and center programs, among other tasks.

There are many ways to recruit volunteers. A center can post volunteer opportunities online on any of a dozen volunteerism websites (see related story). Centers looking for volunteers can also try to post their openings with local schools, particularly colleges and universities. College students will likely have the training to conduct many courses

Did You Know?

The new Neighborhood Networks information packet contains a full range of materials to introduce Neighborhood Networks to potential funders. Use them to make a good impression with your funders! Order packets by calling the **Neighborhood Networks Information Center toll-free at 888-312-2743.**

offered at centers. In some cases, they can earn college credit.

In-Kind Donations

Finally, centers can profit from in-kind donations, also known as gifts-in-kind. These are non-cash donations that can take the form of equipment, supplies, services and facilities. Increasingly, websites dealing with gifts-in-kind can be found on the Internet (see related story). They provide information for potential donors and recipients. Many businesses and corporations provide in-kind contributions.

For more information on soliciting and using new resources, contact the **Neighborhood Networks Information center toll-free at 888-312-2743.**

HUD Neighborhood Networks *NNewsline*

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How Neighborhood Networks Centers Can Obtain 501(c)(3) Status

By Lisa A. Gioia, CPA

Lisa A. Gioia is a certified public accountant with more than 18 years' professional experience providing financial services to organizations. Ms. Gioia presented a workshop on How and Why to Become a 501(c)(3) Nonprofit Organization at the 1999 Neighborhood Networks Conference in Kansas City.

Neighborhood Networks centers have earned a well deserved reputation nationwide for being entrepreneurial. Getting designated by the federal government as a 501(c)(3) nonprofit organization is yet another way centers can maximize their resources.

With 501(c)(3) status, your center will generally be exempt from federal income and unemployment taxes. Additionally, your center may generally receive tax-deductible contributions and qualify for grants and reduced postal rates.

The application process to become a 501(c)(3) organization is not difficult, but certain specific steps must be completed.

What forms are required?

To apply for 501(c)(3) status, Neighborhood Networks centers must generally fill out the following forms and submit them to the Internal Revenue Service (IRS):

- Form 8718 — User Fee for Exempt Organization Determination Letter Request
- Form 1023 — Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code (IRC)
- Form 872-C — Consent Fixing Period of Limitation Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code

These forms are available for free by calling the IRS at 1-800-829-3676. Also available at no charge is IRS Publication 557, Tax-Exempt Status for Your Organization. Publication 557 and the instructions to Form 1023 include information that can help you in applying for 501(c)(3) status.

When applying for 501(c)(3) status, it can be extremely useful to review applications of groups similar to yours. By law, nonprofit organizations must allow public inspection of their 501(c)(3) applications.

What is the cost to file?

Fees range from \$150 to \$500 depending on your center's annual gross receipts. Form 8718 (User Fee for Exempt Organization Determination Letter Request) must be filed along with your Form 1023 to apply for 501(c)(3) status. The IRS will not process the application until the user fee is paid.

What are the prerequisites to filing?

Your organization should be legally established under the applicable laws of your state. The secretary of state's office in your state can provide information on required organizational documents, such as articles of incorporation and bylaws, which must conform to your state's statutory requirements.

What is the filing deadline?

If you want 501(c)(3) tax-exempt status to apply from the beginning of your center's formation, you will generally need to file Form 1023 within 15 months from the end of the month in which your center was legally organized. If that date has already

Continued on page 4

501(c)(3) Website Resource

For information to assist with the process of receiving tax-exempt status, go to the Internal Revenue Service (IRS) website at <http://www.irs.ustreas.gov>

This site has a wealth of background information about tax-exempt status, such as the exemption process and the various types of organizations that may apply for the status. This site also provides the annual reporting and filing requirements, applications and forms, as well as relevant IRS publications.

501(c)(3) Information

For information to assist with receiving tax-exempt status, visit the IRS website at <http://www.irs.ustreas.gov> or call the IRS toll-free at 1-800-829-3676.



New Guides Will Help Centers Identify Funding Opportunities



The *Neighborhood Networks Funding Guide* is now available and the *Funding Educational Programs at Neighborhood Networks Centers* guide will soon be available to centers.

The *Neighborhood Networks Funding Guide* lists more than 150 independent, community, corporate and federal funding resources that may be helpful to Neighborhood Networks centers in planning and implementing programs and services. The guide includes descriptions of resources, eligible activities, application guidelines and contact information.

The *Funding Educational Programs at Neighborhood Networks Centers* guide is a reference for Neighborhood Networks centers looking to raise funds needed to start, sustain or expand an educational program. The guide provides suggestions on organizational structure, fundraising strategies and tips on preparing an effective funding proposal.

To obtain copies of these guides, visit the Neighborhood Networks website at www.NeighborhoodNetworks.org or call the **Neighborhood Networks Information Center toll-free at 888-312-2743**.

passed, your center generally will not qualify for exempt status during the period before the date of its application.

What type of organizations can apply for 501(c)(3) status?

To qualify for 501(c)(3) status, your organization must be organized and operated for one of the following purposes: religious, educational, charitable, scientific, literary, testing for public safety, to foster national or international amateur sports competition, or for prevention of cruelty to children or animals. Your articles of incorporation must limit the organization's purpose to one or more of these purposes and must provide for the dedication and distribution of assets upon dissolution for one of these purposes. Your articles of incorporation must also indicate that no substantial part of your organization's activities will include the dissemination of propaganda, the influencing of legislation, or participation or intervention in a political campaign.

Conformed copies of your center's articles of incorporation and bylaws, both of which must first be approved by the appropriate state official, must be filed with Form 1023. A conformed copy includes a statement by an officer or director swearing that the documents are true and correct copies of the originals. IRS Publication 557 includes an example of articles of incorporation that meet IRS requirements.

Bylaws set out the rules and procedures for orderly operation and control of your organization, resolution of disputes and legal procedures for holding meetings, electing directors and officers, and handling other business. They should restate the most significant provisions applicable to the tax-exempt organization included in the articles of incorporation.

What information must be included on the application for 501(c)(3) status?

Your organization must provide a detailed narrative of activities in the Form

1023 application. The narrative must demonstrate that your activities meet one of the exempt purposes and qualify the organization for tax exemption. You should word this section carefully and fully to present a complete picture of your organization.

Form 1023 also requests information on your sources of financial support, fundraising programs, the governing board, related organizations, management agreements and lease agreements, membership benefits, fees for services and whether services are limited to specific individuals. Form 1023 also includes questions about lobbying and political activities.

Certain types of organizations must file additional schedules with Form 1023. All organizations must include either three years of historical or two years of projected statements of revenue and expenses and a current balance sheet.

What is Form 872-C?

Normally, organizations with a limited history receive an advance ruling from the IRS indicating they will be treated as publicly-supported organizations subject to review at the end of a five-year period. Form 872-C documents your organization's agreement to pay tax on investment income earned during the advance ruling period if public status is not achieved.

Who can help you with your application?

This information is provided as reference material only. By providing it, the author is not rendering legal, accounting or other professional services. If such assistance is required, the services of a competent professional should be sought. Several technical service providers help organizations complete Form 1023 applications. The author, for example, is a volunteer and contractor with the Center for Management Assistance (CMA). In the Kansas City, MO area, organizations can contact CMA for assistance at (816) 283-3000.



Federal Funding Resources for Neighborhood Networks Centers

Neighborhood Networks Center Obtains Federal Funding

The **Operation PEACE Reach Out Center** in

Atlanta knows the benefits of receiving federal funding. The center received two Welfare-to-Work grants from the U.S. Department of Labor (DOL) and a Drug Elimination grant from the U.S. Department of Housing and Urban Development (HUD).

With funds received from DOL, the center created a job training program that allows residents the opportunity to study for the GED and receive job training simultaneously. Participants who complete the program are given a job working at the property in which they live.

Funds received through the Drug Elimination grant were used to operate a summer youth academy. The academy provides structured recreational and educational activities for area youth Monday through Friday, from 9 a.m. to 4:30 p.m. Youth attending the academy were able to improve reading skills, visit museums and go camping in North Carolina.

For more information, contact Edna Moffett of the Operation PEACE Reach Out Center at 404-892-0026.

When searching for funding, remember to look to the federal government as a resource. Federal funds are available for a variety of products and services that are beneficial to Neighborhood Networks centers.

Following is a sample of federal funding sources:

The **U.S. Department of Education** has funding available through its **Community Technology Centers Program**. This program increases access to technology and promotes the use of technology in education within economically distressed urban and rural communities. Grants may be used to establish or expand community technology centers. For more information contact:

Mr. Ronald S. Pugsley
U.S. Department of Education
Office of Vocational and Adult
Education/Division of Adult Education
and Literacy
330 C Street, SW, Room 4428
Washington, DC 20202-7240
Phone: 202-205-8270
Fax: 202-205-8973
Website: www.ed.gov

The **U.S. Department of Commerce** offers matching grants through the **Telecommunications and Information Infrastructure Assistance Program (TIIAP)**. TIIAP is a merit-based grant for communities with projects that improve the quality of and/or access to education, health care, public safety and other community-based services. Centers could use the grants to purchase computers, software and other equipment for connection to networks. For additional information, contact:

Mr. Stephen Downs, Director
Telecommunications and Information
Infrastructure Assistance Program
Office of Telecommunications and
Information Administration
U.S. Department of Commerce

1401 Constitution Avenue, NW,
Room 4096
Washington, DC 20230
Phone: 202-482-2048
Fax: 202-482-2048
Website: www.ntia.doc.gov

The **U.S. Department of Health and Human Services** provides funding to communities through the **Job Opportunities for Low-Income Individuals Program**. This program gives nonprofit organizations the ability to create new jobs and business, and self-employment/microenterprise opportunities to benefit low-income people within a community. For additional information, contact:

Mr. Nolan Lewis
U.S. Department of Health and Human
Services
Administration for Children
and Families
Office of Community Services
370 L'Enfant Promenade, SW
Washington, DC 20447
Phone: 202-401-5282
Website: www.acf.dhhs.gov/programs/ocs/

For more information on federal funding resources, obtain copies of the *Neighborhood Networks Funding Guide* (now available) and the *Funding Educational Programs at Neighborhood Networks Centers* guide (available soon) by calling the **Neighborhood Networks Information Center toll-free at 888-312-2743**. Additional funding resources are identified in the *Catalog of Federal Domestic Assistance* and the *Federal Register*, both of which can be found in the local library or online at www.gsa.gov/fdac/ and www.access.gpo.gov/su_docs/aces/aces140.html

New Neighborhood Networks Centers

There are more than 540 Neighborhood Networks centers located in HUD-assisted and/or -insured housing nationwide. Among the newest centers to open are:

Havana Heights
Havana, FL
September 1999

Mission Plaza Computer Center
Los Angeles, CA
September 1999

Raymond Watkin Seniors
Computer Center
Saratoga, NY
September 1999

School House Commons
Buffalo, NY
September 1999

Archbishop McCarthy Residence
Opa Locka, FL
October 1999

Branch Creek Apartments
Athens, AL
October 1999

Cutler Manor
Goulds, FL
October 1999

Hilarita Tiburon Ecumenical
Association
Tiburon, CA
October 1999



Neighborhood Networks Guides Now Available!

Neighborhood Networks now has a series of guides offering centers practical information on issues like health care, transportation, child care and job training. To get your copy, visit the Neighborhood Networks website at www.NeighborhoodNetworks.org or call the **Neighborhood Networks Information Center toll-free at 888-312-2743.**

- The Child Care Challenge: Models for Child Care Services
- Engaging Education: Integrating Work, Technology and Learning for Adults
- Engaging Adults in Literacy Programs
- Growing a Garden and a Community
- Youth Education Programs for Neighborhood Networks Centers
- How Neighborhood Networks Centers Can Support Microenterprises
- How to Design and Deliver an Effective Employment Program
- How to Design and Deliver an Effective Job Readiness Training Program
- How to Design and Deliver an Effective Job Development and Placement Program
- Lessons Learned in Starting and Running a Neighborhood Networks Center
- Media Relations Guide for Neighborhood Networks Grand Openings
- Neighborhood Networks Funding Guide
- Neighborhood Networks Guide to Information, Training and Technical Assistance Providers
- No Car? No Problem! Innovative Transportation Solutions
- Neighborhood Networks Resource Guide (Second Edition)
- To Good Health! A Guide to Providing Health Care at Neighborhood Networks Centers

Visit our website at www.NeighborhoodNetworks.org

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