

CRITERIA FOR SPENDING FUNDS BY COUNCIL 3175, Knights of Columbus

BACKGROUND. The Knights of Columbus (KofC) is a fraternal organization with religious, charitable, and social goals. Fr. Michael J. McGivney, protector of the poor and defender of the widow and orphan, founded the Knights of Columbus during the latter part of the 19th century. As a statement that the Catholic faith and loyalty to one's country are in harmony, the organization took as its patron Christopher Columbus. The Internal Revenue Service (IRS) recognizes the KofC as a fraternal benefit society under Section 501(c)(8) of the Internal Revenue Code (Title 26, United States Code), pursuant to which it is exempt from federal taxation in the United States. Under the May 9, 2017 tax letter from the Internal Revenue Service, donors to the KofC can deduct contributions or gifts made if the contributions or gifts are exclusively used for IRC 501(c)(3) purposes.

Note:

1. When Council 3175 receives donations, the funds are always deposited in our "Charities" checking account. The account is only used to provide donations to organizations that are recognized by the IRS as 501(c)(3), i.e., charitable organizations legally eligible to receive donations that may be deducted by the donor on his/her tax return.
2. For other funds that the Council receives/generates that are deposited into the "Operations" checking account, the Council may spend them in any way that supports the operations or mission of the Council. Specifically, this includes valid administrative costs and donations to charitable and religious organizations.

Criteria for designating charities for support will include the following:

1. 501(c)(3) organizations
 - a. The charity is a recognized 501(c)(3) organization by the IRS. (This validates the charity as a legitimate entity with proper and regular operations.) Occasionally, the case may arise where an organization does not have an approved IRS tax letter. In such cases, the Council will closely exam the need and, if valid, will fund the designated organization from the Operations account.
 - b. Funds given to any organization will always have a specific, designated purpose. i.e., no grants for general spending are made/given.
 - c. In the overall designation of funds, the Council will ensure inclusion of KofC Required Programs in the categories of (1) Faith, (2) Family, (3) Community, and (4) Life. Not all funding is included, but enough is to ensure that KofC Required Program participation is met.
2. Non-501(c)(3) organizations—to include other charitable funding:
 - a. Brothers in need (e.g., medical issues, unemployment, home repair/update—wheelchair ramp)
 - b. Natural disasters
 - c. War displacement
 - d. Other humanitarian needs

Priority for support needs to be reviewed. One "strawman" is the following:

- 30% of funds to parish and diocese for specified needs.
- 30% to St Mary's School for specified needs to include scholarship(s)
- 30% to charities (primarily local but to include hurricane and war victims, as examples)
- 10% reserve for unplanned needs