

# Mission Statement (and Evolving Mission Issues)



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# Nonprofit Terms

- Vision Statement
  - Aspirational
  - Compare where the organization is to a future version
  - Imagine transformational change
- Values Statement
  - Explains organization's principles and ethos
  - Provides a model of how the organization will behave
- Mission Statement
  - Call to action
  - Short, sharp, forceful
  - Slight generality
  - Marketing statement that explains what the organization does and why it exists
  - *Example: The mission of the Jones Family Foundation is to identify, initiate and support endeavors that positively impact the quality of life in the Red Wing area of Minnesota.*
  - Having a mission statement is associated with good governance
- Purpose



# What is a Purpose?

- The dictionary defines a purpose as “[t]he reason for which something exists or is done, made, used, etc. An intended or desired result; end; aim; goal.” See: <http://dictionary.reference.com/browse/purpose>.
- In Nonprofitland, a purpose is a technical statement that “marries” together your inspiration, mission, goals, and activities with the definition(s) found within an IRS tax-exempt classification.



## Why the Purpose Statement Matters

- The purpose statement is important because it defines the scope of activities for a nonprofit – it describes what the organization will (and won't) do during its lifetime. A nonprofit should be accomplishing what its purpose says, and avoiding activities outside of its stated purpose. The purpose statement will be part of the Articles of Incorporation and Bylaws.
- The purpose statement is how funders, beneficiaries, other nonprofits, and government entities will understand what your organization does and how it fits into the rest of the nonprofit ecosystem (or if it doesn't).



## Why the Purpose Statement Matters

- The purpose statement, in large part, is how government agencies determine whether an organization qualifies for various types of nonprofit “benefits.”
- The IRS will examine the purpose to decide whether the entity will be granted federal income tax exemption.
- Beyond the IRS definitions, the state may have specific requirements in order to qualify for exemptions/benefits:
  - State income tax exemption
  - State sales and use tax exemption
  - Property tax exemption
  - Charitable gaming license(s)

So, refer to your state’s laws, rules, and regulations to determine whether additional specific language is needed.



# Why the Purpose Statement Matters

- The purpose statement is also the tool that helps the government determine whether a nonprofit is subject to Unrelated Business Income Tax (UBIT).
- Tax-exempt organizations are exempt from paying income tax only to the extent that the income earned is *substantially related* to the exempt purposes. Unrelated business income, also called UBI or UBIT, is taxed at the normal corporate tax rate.
- Unrelated business income is defined as the income from a trade or business regularly carried on by an exempt organization and not substantially related to the performance by the organization of its exempt purpose or function, except that the organization uses the profits derived from this activity. To be “substantially related,” the relationship must be causal. The activities that generate the income must contribute importantly to the accomplishment of the organization’s exempt purposes to be substantially related. And, too much UBIT could jeopardize an organization’s 501(c) status.



# Drafting the Purpose: Permitted Purposes

- Required Statement of Purpose for 501(c)(3)s:
  - *The organization is organized exclusively for charitable, religious, educational, and scientific purposes under Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.*
  - As mentioned in this webcast, deviation from this language is futile.
  - However, organizations may choose to add specific purposes to the Articles of Organizations and Bylaws.



# Drafting the Purpose: Permitted Purposes

- A great purpose is a technical writing. It's not a mission statement.
- The purpose marries together the mission (which describes the programming and inspiration in flowery, marketing language) with the government's definition(s) based on the appropriate 501(c) classification and/or the appropriate "exempt purpose" category or categories (i.e., charitable, religious, educational, scientific, literary, testing for public safety, fostering national or international amateur sports competition, and preventing cruelty to children or animals).
- Use the government's "definitional words" to fit the nonprofit's purpose into established "exempt purpose" categories.





# Drafting the Purpose: Permitted Purposes

- NOTE: The IRS has “definitional” guidance on just about every classification and category.  
<http://www.irs.gov/publications/p557/>
- Don't forget to look at your state statutes!!



## **Drafting the Purpose: Permitted Purposes**

### *Charitable Purposes:*

The term *charitable* is used in its generally accepted legal sense and includes: relief of the poor, the distressed, or the underprivileged; advancement of religion; advancement of education or science; erecting or maintaining public buildings, monuments, or works; lessening the burdens of government; lessening neighborhood tensions; eliminating prejudice and discrimination; defending human and civil rights secured by law; and combating community deterioration and juvenile delinquency.



# Drafting the Purpose: Permitted Purposes

## Charitable Purposes:

- Relief of the poor, distressed and underprivileged
  - Perceived as a core charitable purpose under Section 501(c)(3)
  - Examples include:
    - ✓ Operation of a day-care center for the parents of low-income working parents;
    - ✓ Organization that provides financial counseling and budgeting services for low-income persons;
    - ✓ Services providing support and health care for the elderly. The IRS has ruled busing services for the elderly as exempt, along with organizations that provide accessible housing and nursing homes operated for the charitable purpose of serving the elderly;
    - ✓ Low-income housing falls into this category along with several others



# Drafting the Purpose: Permitted Purposes

## Charitable Purposes:

- Advancement of education
  - “Educational purposes” is a section 501(c)(3) core purpose, but the Service also treats it as charitable when provided on the basis of need
  - Note that the method for selecting scholarship grants should normally be approved in advance
- Erection or maintenance of public buildings, monuments, and works
  - IRS has approved exemption for recreational facilities that serve the whole community
  - Favorable rulings on public parks that serve the community; parks or recreational centers that meet the needs of a narrow community are normally not exempt



# Drafting the Purpose: Permitted Purposes

## Charitable Purposes:

- Lessening the burdens of government
  - Purpose of lessening the burdens of government must be explicit and intentional, not incidental
  - Examples include operating a public bus system in an area without public transportation, operating a volunteer fire company, and operating a prison.
- Defense of civil and human rights
  - Includes organizations that pay for the legal expenses of those asserting their civil rights
  - Includes well-known organizations like the Anti-Defamation League or the Southern Poverty Law Center



# Drafting the Purpose: Permitted Purposes

## Charitable Purposes:

- Promotion of civil welfare/lessening neighborhood tensions/combating community deterioration and juvenile delinquency
  - Focus on urban development
  - Provision of low-income housing is an important activity in this area
  - Recent attention to addressing “food deserts” through community-owned grocery stores and community gardens or cooperative markets
  - Conversion of blighted areas into commercial or public use
  - Low-interest loans to businesses in depressed areas
  - Organizations that fight environmental deterioration are also considered as promoting the civil welfare



# Drafting the Purpose: Permitted Purposes

## Charitable Purposes:

- Hospitals, health care providers, clinics, and nursing homes are highly regulated area
  - Annual reporting focuses on how these entities serve the public interest
- Public interest law firms
  - Includes organizations that bring suits in the broad public interest
  - Charitable organizations also include legal aid societies
  - In either case fees may be charged based on costs and ability to pay



# Drafting the Purpose: Permitted Purposes

## Religious Purposes:

- *Religious Organizations.* To determine whether an organization meets the religious purposes test, the IRS maintains two basic guidelines:
  - That the particular religious beliefs of the organization are truly and sincerely held.
  - That the practices and rituals associated with the organization's religious belief or creed are not illegal or contrary to clearly defined public policy.
- Religious organizations include churches, conventions and associations of churches, integrated auxiliaries of churches, nondenominational ministries, interdenominational and ecumenical organizations, and other entities whose principal purpose is the study or advancement of religion.





# Drafting the Purpose: Permitted Purposes

## Religious Purposes:

- “Churches” enjoy public charity status and are excused from annual reporting. IRS lists 14 criteria to identify when an organization is a church, including: a distinct legal existence; a recognized creed and form of worship; a definite and distinct ecclesiastical hierarchy; a distinct religious history; a formal code of doctrine and/or discipline; a congregation; a membership not associated with any other church or denomination; schools for the religious instruction of the young; an established place of worship; regular religious services; an organization of ordained ministers; schools for the preparation of its ministers; and literature of its own. Additionally, court precedents have emphasized *the associational test*, which defines a church as an organization whose members meet regularly for organized worship. Found. of Human Understanding v. United States, 614 F.3d 1383, 1387-88 (Fed. Cir. 2010).
- Careful attention to avoiding private inurement; some religious organizations have essentially been support funds for their leaders



# Drafting the Purpose: Permitted Purposes

## Educational Purposes:

- The term *educational* relates to:
  - The instruction or training of individuals for the purpose of improving or developing their capabilities, or
  - The instruction of the public on subjects useful to individuals and beneficial to the community.
- *Qualifying organizations.* The following types of organizations may qualify as educational:
  - An organization, such as a primary or secondary school, a college, or a professional or trade school, that has a regularly scheduled curriculum, a regular faculty, and a regularly enrolled student body in attendance at a place where the educational activities are regularly carried on,
  - An organization whose activities consist of conducting public discussion groups, forums, panels, lectures, or other similar programs,
  - An organization that presents a course of instruction by correspondence or through the use of television or radio,
  - A museum, zoo, planetarium, symphony orchestra, or other similar organization,
  - A nonprofit children's day-care center, and
  - A credit counseling organization.



# Drafting the Purpose: Permitted Purposes

## Educational Purposes:

- An organization is a *school* if it meets the following criteria:
  - Presents formal instruction as its primary function,
  - Has a regularly scheduled curriculum,
  - Has a regular faculty of qualified teachers,
  - Has a regularly enrolled student body, and
  - Has a place where educational activities are regularly carried on.

The term *school* includes primary, secondary, preparatory, high schools, colleges, and universities. It does not include organizations engaged in both educational and non-educational activities, unless the latter are merely incidental to the educational activities.

- Athletic organizations are considered educational when they carry out interscholastic competitions, conduct tournaments, and prescribe eligibility
- Alumni organizations are considered educational when they support and are controlled by the relevant school
- Organizational documents for private school include statement of nondiscrimination on the basis of race, color, or national or ethnic origin



# Drafting the Purpose: Permitted Purposes

## Scientific Purposes:

- The term *scientific* includes the carrying on of scientific research in the public interest. Scientific research will be considered to be in the public interest if the results of the research (including any patents, copyrights, processes, or formulas) are made available to the public on a nondiscriminatory basis; if the research is performed for the United States or a state, county, or municipal government; or if the research is carried on for one of the following purposes:
  - Aiding in the scientific education of college or university students.
  - Obtaining scientific information that is published in a treatise, thesis, trade publication, or in any other form that is available to the interested public.
  - Discovering a cure for a disease.
  - Aiding a community or geographical area by attracting new industry to the community or area, or by encouraging the development or retention of an industry in the community or area.
- Scientific research, for exemption purposes, does not include activities of a type ordinarily incidental to commercial or industrial operations such as the ordinary inspection or testing of materials or products, or the designing or constructing of equipment, buildings, etc.



## **Drafting the Purpose: Permitted Purposes**

### *Literary Purposes:*

The term *literary* relates to the support, study, and/or proliferation of reading, writing, and/or literature. If your organization will be established to operate a book store or engage in publishing activities of any nature (printing, publication, or distribution of your own material or of materials printed or published by others and distributed by you), you must describe the type of literature involved as well as show that your organization's work will be carried on in the public interest and will benefit the community.



# Drafting the Purpose: Permitted Purposes

## *Testing for Public Safety Purposes:*

The term *testing for public safety* includes the testing of consumer products, such as electrical products, to determine whether they are safe for use by the general public.



# Drafting the Purpose: Permitted Purposes

## *Amateur Athletic Organization Purposes:*

- The term *amateur athletic organization* relates to:
  - an organization that fosters national or international amateur sports competition generally, but only if none of its activities involve providing athletic facilities or equipment.
  - An organization that DOES provide athletic facilities and equipment, but only if the entity is organized and operated:
    - exclusively to foster national or international amateur sports competition, and
    - primarily to conduct national or international competition in sports, or to support and develop amateur athletes for that competition.
- The organization's membership can be local or regional in nature.



# Drafting the Purpose: Permitted Purposes

## *Preventing Cruelty to Children or Animals Purposes:*

The term *preventing cruelty to children or animals* includes the following types of activities: preventing children from working in hazardous trades or occupations; promoting high standards of care for laboratory animals; and providing funds to pet owners to have their pets spayed or neutered to prevent overbreeding.





# Drafting the Purpose - Example

## 501(c)(3) Public Charity Example

### Purpose Statement #1: Pharmacy Helpers

#### **A. Founder's mission, goals, and planned activities:**

When we sat down with Pharmacy Helpers, the founders told us they wanted to assist people with medication affordability. We were informed that there is a gap in medication affordability between individuals who are Medicaid eligible and individuals who can afford the cost of medications (either through medical insurance or otherwise). In addition, we were informed that another similar organization is already functioning in a different geographic location that we could use as a model. This third-party organization has pharmaceuticals donated in-kind from drug companies, collects monetary donations, and receives in-kind donations of volunteer time in order to operate their charity.

#### **B. 501(c)(3) exempt purpose definition(s) that most nearly match(es):**

- Educational (see above for definition)
- Charitable (see above for definition)



# Drafting the Purpose - Example

## 501(c)(3) Public Charity Example

### Purpose Statement #1: Pharmacy Helpers

#### **C. Purpose statement developed:**

Pharmacy Helpers shall not be operated for profit, but rather shall be organized and operated exclusively for charitable, religious, educational, and scientific purposes as specified in Section 501(c)(3) of the Internal Revenue Code, or a corresponding section of a future federal tax code.

The specific purpose of Pharmacy Helpers is educational and charitable:

- Educational: To instruct the community and raise awareness about providing affordable prescription medications to the community's uninsured and underinsured. This includes, but is not limited to: 1.) Helping address the gap between individual insurance coverage and a patient's actual ability to pay for medications, as well as the community's overall accessibility to prescriptions; 2.) Treating patients' needs for medications through an educational, one-on-one consultative method; 3.) Promoting better health through screenings, awareness, monitoring, and referrals to other affordable health professionals as necessary; and 4.) Teaching about chronic disease prevention in reducing the need for prescription medications.
- Charitable: To lessen the burdens of government and relieve the poor, distressed, and underprivileged by providing access to critical prescription medications and on-going care for serious health care conditions.



# Drafting the Purpose - Example

## 501(c)(3) Public Charity Example

### Purpose Statement #1: Temple Church

**A. Founder's mission, goals, and planned activities:** When we sat down with Temple Church, the founders told us they wanted to form a Hmong Buddhist Temple. They provided us with the following information

- *Mission:* This organization shall undertake collective actions with local/national/international organizations to spread Buddha's teaching, and educate communities worldwide about Hmong Buddhism.
- *Objectives:*
  1. To observe and promote the mutual understanding between Hmong and their surrounding communities through religious and charitable services and/or education;
  2. To denounce any form of violent problem-solving methods;
  3. To encourage, advocate, and provide religious means of conflict resolution among Hmong, and between Hmong and others,
  4. To promote and empower Hmong individuals, professionals, and intellectuals, through religious and/or charitable means, to be constructive members of the domestic and/or international institutions for socio-economic progress, self-sufficiency, better opportunity and prosperity.



# Drafting the Purpose - Example

## 501(c)(3) Public Charity Example

### Purpose Statement #1: Temple Church

**B. 501(c)(3) exempt purpose definition(s) that most nearly match(es):**

- Religious (see above for definition)
- Charitable (see above for definition)

**C. Purpose statement developed:**

Temple Church shall not be operated for profit, but rather shall be organized and operated exclusively for charitable, religious, educational, and scientific purposes as specified in Section 501(c)(3) of the Internal Revenue Code, or a corresponding section of a future federal tax code.

The specific purpose of Temple Church is educational and charitable:

- **Religious:** To organize, develop, promote and carry out the functions of a Hmong Buddhist Temple, where congregants spread Buddha's teachings both domestically and abroad, and seek inner peace. Corporation's religious beliefs are truly and sincerely held within the Hmong tradition of Buddhism, its practices and rituals are legal and in conformance with clearly defined public policy, and it has a regular body of congregants gathering for religious worship, education, community support, ceremonies, Hmong Buddhist festivities, and culture.
- **Charitable:** To advance religion; to lessen neighborhood tensions; to combat community deterioration and improve the livelihood and wellbeing of communities; and to lessen the burdens of government.



# Drafting the Purpose - Example

## 501(c)(3) Public Charity Example

### Purpose Statement #1: Cultures Alive

- A. Founder's mission, goals, and planned activities:** When we sat down with Cultures Alive, the founders told us they wanted to form an organization that would do the following:
- increase understanding of different cultures and thereby to promote better communication among different societies and greater tolerance of cultural differences
  - educate the public about human cultures and societies of the world
  - support research and education that promotes cultural awareness and understanding of anthropology, archaeology and world history
  - promote scientific research of world cultures past and present
  - make cultural scientific information available to the public
  - support and conduct non-partisan research, education, and informational activities to increase public awareness of cultural differences and similarities around the world
  - create educational materials that increase cultural awareness
  - provide charitable support where that support will increase cultural awareness and cross cultural understanding.
- B. 501(c)(3) exempt purpose definition(s) that most nearly match(es):**
- Educational (see above for definition)
  - Charitable (see above for definition)



# Drafting the Purpose - Example

## 501(c)(3) Public Charity Example

### Purpose Statement #1: Cultures Alive

#### **C. Purpose statement developed:**

Cultures Alive shall not be operated for profit, but rather shall be organized and operated exclusively for charitable, religious, educational, and scientific purposes as specified in Section 501(c)(3) of the Internal Revenue Code, or a corresponding section of a future federal tax code.

The specific purpose of Cultures Alive is educational and charitable:

- **Educational:** To instruct the public about anthropology, archaeology, and world history, in order to raise awareness about human cultures and societies of the world. This includes, but is not limited to: teaching the community about world cultures past and present to support cross-cultural understanding, promoting better communication among different societies and greater tolerance of cultural differences, and creating educational materials and forums that increase cultural awareness.
- **Charitable:** To advance education and science by financially supporting research of world cultures past and present; to eliminate prejudice and discrimination by promoting cultural tolerance; to lessen the burdens of government; to combat community deterioration.



# Drafting the Purpose - Steps

- Start with the required statement of purpose for 501(c)(3)s
- Then, begin developing the specific purpose statement:
  - Write down the mission, goals, and activities envisioned for the organization. Questions to ask:
    - What is our cause
    - What do we do
    - Where do we want to work
    - What do we want to change, preserve, or accomplish
    - How will we measure success
  - Find the specific exempt purpose (or purposes) that most closely match with the organization’s objectives. Is it charitable, religious, educational, scientific, literary, testing for public safety, amateur athletic organization, or organization that prevents cruelty to children or animals?
  - Find the definition(s) – above – associated with that(those) specific exempt purpose(s).
  - Using the examples above as a guide, write your organization’s purpose statement. The objective is to use your “mission, goals, and activities” to explain to the person reading your purpose statement how the entity either meets (or will meet) the exempt purpose definition(s).
- If you don’t like your first draft, try again! Use vivid language



# Drafting the Purpose: Impermissible Purposes

- The terms “philanthropic” and “benevolent” are not specific enough to be considered “charitable” within the meaning of section 501(c)(3)
- Unlimited lobbying activities are impermissible
  - “No substantial part” of the activities of a section 501(c)(3) organization may include “carrying on propaganda, or otherwise attempting, to influence legislation”
  - Direct lobbying is contacting legislators; indirect or grassroots lobbying is asking the public to contact legislators
  - Public charities may make a 501(h) election, which provides limits inside of which lobbying will not be considered substantial
  - The expenditure limits are generous, especially if lobbying is done online





# Drafting the Purpose: Impermissible Purposes

- Unlimited lobbying activities are impermissible (cont.)
  - All section 501(c)(3) organizations are prohibited from intervening in political campaigns
  - “Intervention” means showing bias in favor of a candidate or taking action that advantages a candidate
    - Covers all offices, including local and nonpartisan offices
    - Making campaign contributions or use of organization’s resources
    - No endorsements of a specific candidate, except . . .



# Drafting the Purpose: Impermissible Purposes

- Unlimited lobbying activities are impermissible (cont.)
  - Recent Executive Order purports to permit political campaign activity in houses of worship:

*“In particular, the Secretary of the Treasury shall ensure, to the extent permitted by law, that the Department of the Treasury does not take any adverse action against any individual, house of worship, or other religious organization on the basis that such individual or organization speaks or has spoken about moral or political issues from a religious perspective, where speech of similar character has, consistent with law, not ordinarily been treated as participation or intervention in a political campaign . . .”*

Executive Order does not change the Johnson Amendment, as laws can be changed only by Congress. And, executive orders can be recanted and changed at any time. See blog article:

<https://legalforgood.com/start-conducting-political-campaign-activity/>



# Drafting the Purpose: Impermissible Purposes

- Unlimited lobbying activities are impermissible (cont.)
  - Other considerations:
    - Excise taxes and risk of revocation
    - No voter guides or campaign materials
    - No statements by others that could be attributed to the EO
    - Candidate forums acceptable if not narrowly tailored and no show of preference for one candidate
    - Education about issues is not political action if it meets the “full and fair exposition” test – the public receives enough information to make independent decisions
    - Issue advocacy can constitute political action if too closely related to an election or candidates in time or substance; see Rev. Rul. 2007-41



# Drafting the Purpose: Impermissible Purposes

- Any insubstantial activity conducted for private benefit can result in revocation
  - Private benefit results from activities that serve a private purpose over public mission
  - Examples from the Treasury Regulations include an EO organized to study history and immigration. However, they focus on the genealogy of a single family. It recruits members of that family and plans to public a history of the family. The purpose is private rather than public
  - See also gallery founded to exhibit work of promising artists. However, significant income occurs from selling artists' work on consignment basis, and artists receive 90% of the proceeds



# Drafting the Purpose: Impermissible Purposes

- Private inurement is impermissible, even in small amounts
  - Private inurement occurs when improper benefits flow to insiders
  - Traditionally sole remedy was revocation
  - Enactment of section 4958 introduced “intermediate sanctions” in which excise taxes are imposed rather than revoking exempt status
  - TE/GE 2017 Work Plan cites private inurement as the reason for the second largest group of EOs with revoked status
  - In considering whether to revoke exempt status for inurement, Service will consider the scope of properly exempt activities, the scope of the inurement, parties involved, and the implementation of safeguards



# Drafting the Purpose: Impermissible Purposes

- Private inurement is impermissible, even in small amounts (cont.)
  - Cases in which exempt status is revoked for inurement tend to be egregious
  - Example: PLR 201029032
    - Organization loaned between 84% and 91% of its assets back to the individual who contributed most of the assets.
    - Contribution, followed by tax deduction, followed by retrieval of assets under a loan
  - Example: PLR 201032048
    - An EO ran charitable raffles, but the president entered the raffles using false names and stole proceeds
    - President also used funds for personal expenses including mortgage payments

- **Mission Drift: What is it?**
  - Mission drift is the term given when a nonprofit either finds that it has moved away from its stated purpose (i.e., the organization gets off message from its own mission statement); or the nonprofit consciously moves into a new direction from its purpose.
  - Describes change in mission/purpose over time.
  - Mission drift can happen by accident or on purpose. Can result from natural evolution – development of an established program and expansion into related areas – or as a result of thoughtfulness – analyzing and identifying how the organization is most effective.



# Mission Drift

- Mission Drift: Why is it a problem?
  - Problematic when it results from inorganic causes – chasing the money, taking on too many causes.
  - If mission drift unintentionally occurs, it potentially can confuse what the organization exists to do and for whom and how the work is to be conducted.
  - Problematic when it is not discussed and ratified by the Board (discussions, research, studies, and considerations about the change), and the decision is not codified in the Articles of Incorporation and Bylaws.
  - Can result in loss of exempt status. TE/GE 2017 Work Plan shows “Not Operating for an Exempt Purpose” as the #1 reason for revocation, with 38 out of 61 organizations falling in that category.





# Mission Drift

- **Mission Drift: What to do?**
  - Reporting it:
    - Report new activities and programs on annual reporting form (Form 990)
    - Report concluded activities as well
    - EO may rely on its determination letter unless changes are “substantial”
    - Cannot be addressed by letter from TE/GE
    - Can be prospectively addressed in private letter ruling; IRS will not rule on closed transactions
  - Fixing it:
    - Amend/Restate Articles of Incorporation to include the new activity(ies)
    - If the new activity(ies) represent a substantial shift in purpose (from one major classification category to another – i.e., educational to literary, or charitable to religious/church), you will want to request a reclassification from the IRS. Send a new Form 1023 with the fee labeled “Request for Reclassification.”



# Mission Drift

- **Mission Drift: Other considerations – Restricted Funds**
  - Under UPMIFA, a restricted gift is created when funds are donated on the basis of a gift instrument with a restraint placed on those funds
    - A gift instrument can be any writing, even a check memo
    - Includes Articles and Bylaws, fundraising materials, agreement, or board minutes
  - UPMIFA puts premium on complying with donor intent
    - Litigation or dispute with donors is costly, can result in withdrawal of donation, and provides terrible publicity
  - **Modifying or removing impractical restrictions on funds:**
    - Cy pres actions most restrictive
    - UTC includes a version of cy pres
      - Doesn't require "general charitable intent"
    - UPMIFA
      - Release from obsolete, inappropriate restrictions
      - Release from investment restrictions
      - Release of small funds
      - Allows modifications of restrictions – doesn't have to be all or nothing
      - Requires a policy

# Thank you!!!



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