



APPROACH	CONCERNS	BENEFITS
<p><b>Get a fiscal sponsor</b> (a 501(c)(3) non-profit that agrees to receive your money for you and then cut checks for what you are paying for)</p>	<p>A fiscal sponsor is just a contractual relationship with a 501(c)(3), so every fiscal sponsor relationship is different. Some can be good, but some can be:</p> <ul style="list-style-type: none"><li>- Slow to let you spend your money or reimburse you;</li><li>- Expensive, taking 5-10% of your funds;</li><li>- Hard to work with, requiring a lot of paperwork to request checks or refusing to fund certain things;</li><li>- Demanding, asking you to get insurance or to collect more information from people you'd give money to than you want;</li><li>- Messy, so that you don't trust if they are tracking money carefully and you feel like you have to keep your own books to make sure they don't take money you raised.</li></ul> <p>If you have to do all of this compliance work to have a fiscal sponsor, you may be living with all the downsides work of being a 501(c)(3) without the upside of democratically making decisions about the project as a group (constrained by laws you'll follow and laws you may choose to break, not by a fiscal sponsor's demands).</p>	<p>All donations are tax-deductible so some people might be more excited to donate.</p> <p>No one in your group will get a tax bill.</p>
<p><b>Become a 501(c)(3)</b></p>	<p>Kind of an elaborate application, though there is a 1023 "EZ" form that, if you qualify to use it, you may be able to do on your own. You might be able to find a law school clinic or volunteer lawyer to help you, though there's no requirement to be a lawyer and it's just a lot of paperwork. Might be accessible if you have some detail-oriented people in your group.</p> <p>Have to share some amount of information, including a few people's names, with the IRS (this part is fairly low risk— the IRS generally isn't sharing names and addresses with ICE), but some of that information is public, so a motivated racist/fascist/etc. group could get their hands on what you submit via FOIA.</p> <p>Annual compliance requirements, though they are very minimal if your annual gross receipts are less than \$50,000. Otherwise, a tax form.</p> <p>501(c)(3)s are not allowed to promote candidates for office or political parties, and there are limitations on how much lobbying you can do in favor of or against pending legislation.</p>	<p>You directly handle the money without the red tape of a fiscal sponsor.</p> <p>No tax bill.</p> <p>Donations are tax deductible.</p>