

## Revenue Generating Activities

Charities are focusing more and more attention on revenue-generating activities, both as a means of carrying out their missions and as a means of generating revenue to support their missions. With the expansion of web-based strategies and global communications, charities, often working with commercial "partners," have been developing new and innovative income-generating strategies that must be evaluated and tested against established laws.

### AREAS OF FOCUS

- Related business income generated by an entity such as a museum, or symphony, or low-income housing provider, while furthering its exempt purpose.
- Corporate sponsorships and the IRS rules that pertain to them.
- Unrelated business income derived from activities that do not directly further a charitable purpose, but generate taxable money to support the client's mission.
- Vehicle donation programs and the regulations associated with them.
- Tax-exempt bonds issued by a municipality for the benefit of hospitals, schools and other public nonprofits.
- Raffles and gaming.
- Joint ventures between nonprofit and for-profit organizations, focusing on ensuring nonprofit clients maintain their tax-exempt status.
- Social enterprises, which use a corporate business model to achieve a charitable mission or solve a public problem such as global warming, disease, or poverty.
- Commercial co-venture arrangements.
- Compliance with state fundraising laws.

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