

Louisville Youth Philanthropy Council

Class #4: Saturday, October 19, 2019

Metro United Way - 334 E Broadway, Louisville, KY 40202

11:00am – 01:30pm

NOTES:

New Students –

- **Guest speaker:** Christine Koenig, Director, Deming, Malone, Livesay and Orstropp (DMLO)
 - The LYPC functions like a private foundation, granting funds to non-profit organizations
 - Why don't non-profits pay tax? Because the government recognizes their public service as a replacement of public service that THEY would have to provide – therefore, non-profits are incentivized by not paying taxes . . . as long as they act in the public's interest.
 - The IRS Code labeled '501(c)3' defines how non-profit organizations are treated from a federal tax perspective
 - Private Foundations vs. Public Charities: Public charities fall under a subsection of the IRS code known as '509'. In order for the LYPC to grant money to a non-profit, it must meet the criteria for a 509 (publicly-funded) organization.
 1. 509 public charities file a tax return called a 'Form 990'. This form lists all of their revenue, expenses, and salaries of staff.
 2. Private foundations generally get their money from one person. Because of this, they are NOT public charities, and they must pay a small amount of tax (1-2% of their assets each year).
 3. The IRS considers all non-profits 'Private Foundations', unless they can pass the public support test – meaning that at least 1/3 of their revenue each year comes from different individual sources.
 4. Private foundations file a tax return called a 'Form 990-PF'. This form also lists all revenue, expenses, salaries, and grants that are made during the year.
 5. Private foundations are required to distribute 5% of their average assets each year.
 6. All non-profit organizations have publicly-available IRS documentation. Tax forms can be found at: www.guidestar.org, or on the IRS website: <https://www.irs.gov/charities-non-profits/tax-exempt-organization-search>
 - What can get a Foundation in trouble (leading to fines, or having their non-profit status revoked)?
 1. Not giving to organizations that are in good status with the IRS
 2. Not giving the required amount each year
 3. Paying employees an unjust amount in salary

Legacy Students –

- Guest speaker: Aaron Miller, Director of Programs for the Leadership Louisville Center
 - Leadership Louisville is funded not through grants but through tuition for programs offered, corporate sponsorships (like Norton Healthcare and LG&E), and luncheons
 - There are a variety of programs offered:
 1. Leadership Louisville course – 60 seats; focused on connecting high-potential leaders in the Louisville area. Selection committee considers professional level, service and diversity (particularly racial and zip code)
 2. ENCORE Louisville – a group of senior Louisville leaders who work on projects that partner with non-profits
 3. IGNITE Louisville – a group of young professionals who ‘adopt’ non-profit organizations as a hands-on project to help them grow leadership skills
 4. BINGHAM Fellows – intense, hands-on project on a specific topic each year. This year it is ‘Homelessness and Education’ (there are over 6,000 homeless students in JCPS)
 5. FOCUS Louisville – a 3-day session for anyone interested in getting to know Louisville better
 - Aaron described one of the issues he sees as well-meaning people starting a new non-profit organization without first checking to see who else is doing that work. The result is often a splintering of funding and inefficiencies in the provision of services.
 - Aaron also responded to a question about operating vs. programmatic funding. His opinion was that if you trust the organization you are planning to invest in, you should trust them to use the money you are granting in the way that THEY know best – meaning, his advice was to fund operations rather than restrict the grant to a specific budget line item.

Each team had its first prospective grantee interview after lunch:

Team EduCare– Family Scholar House – Kellie Johnston Moore (Director of Mission Advancement), Andi Dahmer (AmeriCorps VISTA), Kristina Bryant (current FSH resident), Chloe Bryant (Kristina’s daughter)

- **Project funding request:** \$5,000 for any one of four programs:
 - **Apprenticeship Program** – providing certifications in trade jobs for young adults coming out of foster care. Funding goes towards emergency assistance, TARC passes, job interview clothing, food, certification materials. Program budget: \$206,000.

- **Building Confident Futures** – also for young adults coming out of foster care. Program provides jobs and financial opportunities, financial planning, career coaching with a goal of financial independence.
- **A Chance to Thrive** – for children who have experienced trauma. Program focuses on healthy living, nutrition, art therapy and bullying prevention, with a goal to stop the cycle of abuse.
- **Career Academy** – for young children. Program provides information about career and college opportunities to promote a college-going culture early in life, and to help children develop goal-setting skills.
- FSH statistics: 502 college degrees have been earned by residents; 82% graduate to stable employment; 55 residents have bought their own homes (after starting out homeless).
- Pros: fits the mission; covers all age ranges and is family-oriented; not state or federally funded; not just a band-aid fix (breaks the cycle)
- Cons: grant goes towards operational costs; large budget; difficult to track success

Team KeepLouCool – Louisville Grows – Ms. Melanie Brown, Volunteer Coordinator (AmeriCorps VISTA member)

Project funding request: \$5,000 would support either of two options:

(1) 'Urban Forestry' project. This is a project that provides and plants trees on residential property in 21 neighborhoods in the Louisville area that are within the 'urban heat island'. \$5,000 would purchase 20 trees, 12-15' tall (2" diameter) for people's yards. Louisville Grows would oversee the planting and monitor the survival of these trees.

(2) 'Public Tree Giveaway'. This project would purchase 250 trees, 5-7' tall. In this option, there are more trees but no control over correct planting or survival rate.

- Louisville Grows plants 1,000 trees per year . . . but, we lose 50,000 trees per year in the Louisville area due to disease, storms and age.
- The Urban Forestry plantings are unique, and they track and monitor the health of the trees after they are planted. To date, 97% of these trees have survived.
- People who get trees planted in their yards are called 'treecipients'.
- The neighborhoods come to Louisville Grows, rather than Louisville Grows reaching out to them. The connections are made through Metro Council representatives, or through neighborhood associations (Louisville Grows attends many neighborhood association meetings).
- Trees provided by Louisville Grows are grown in nurseries in Tennessee, in order to save money on the purchase price of the trees.

Next class: November 9th, 2019 (Metro United Way) – 11am