



OPERATING PROJECTS AT THE NEW HORIZONS FOUNDATION

The New Horizons Foundation is a not-for-profit, tax-exempt, public charity organized and operated under the law of Colorado for the purpose of helping donors accomplish their charitable objectives in religious, educational, scientific, benevolent, and health related activities.

The New Horizons Foundation offers donor advised funds, operating projects and endowments. The Foundation also works with charitable trusts, supporting organizations, private foundations and other charitable entities.

Operating Projects are those projects that have been established to carry out specific charitable purposes that fit within the organization's charitable objectives.

Operating Project Requirements:

Approval: Operating Projects must be approved in advance by the Foundation's Executive Team for operation with an application, approved budget, proposed activities and an appointed project manager.

Annual Requirements: Operating Project managers must submit a budget and proposed set of anticipated activities for the year. At the end of the year, project managers must also submit a brief report on the project's activities during the year with an accounting of how the funds were used. The Foundation will provide project managers with a spreadsheet listing distributions from the Foundation as reported to help prepare this report.

Disbursements to an Operating Project:

Ministry Expenses: Invoices can be paid directly for necessary project expenses. Distributions can also be made directly to other nonprofit corporations providing services to an operating project.

Expense Reimbursement: Expense reimbursements can be made payable to individuals who incur costs while assisting the operating project to achieve its charitable purpose. To receive an expense reimbursement project managers will need to provide:

Receipts for costs incurred in support of the purpose of the Operating Project. If possible, original receipts are requested; scanned and faxed receipts will be accepted if originals are not available.

Salary, Benefits and Living Expenses: The New Horizons Foundation is not set up to have employees other than the Foundation's office staff. If someone in an Operating Project is to receive a salary, benefits or living expenses for their services, there must be a Grant made to an employing entity or payment of an invoice for services. An individual cannot receive a distribution for salary, living expenses or benefits from the Foundation nor can these expenses be paid on behalf of the individual by the Foundation. To receive a grant for salary, benefits and living expenses, become an independent contractor through the Charitable Associates Network or a Non-Profit Corporation can be established to receive distributions for these purposes. The Non-Profit Corporation then becomes the employing entity for the individuals and should file the necessary federal and state paperwork to report their earnings. The New Horizons is able to make a grant to a Non-Profit Corporation or Charitable Trust for charitable activities, even if that entity is not tax-exempt, so long as the entity's purposes fall within the purposes of the Foundation. The Charitable Associates Network (CAN) has been established to provide contract laborers to charitable organizations and charitable projects in the United States and around the world.

Non-Profit Entities:

Establishing a Non-Profit Corporation: A Non-Profit Corporation is a corporation that is filed with the state in which the project manager resides. A Non-Profit Corporation is not tax-exempt unless it files a 1023 application with the IRS and is approved as a tax exempt organization. **A Non-Profit Corporation that is not tax exempt must file an annual tax return using IRS Form 1120 which is a regular corporation income tax return.** This tax return is due on March 15. Individuals setting up a Non-Profit corporation that will not be tax exempt should obtain the services of a knowledgeable accountant for tax advisement. Several of the Operating Projects at the Foundation utilize *Clergy Advantage* out of Loveland, Colorado, www.clergysupport.com, because they provide a valuable tax planning service for anyone employed by a charity or ministry. They can provide tax services over the phone and they have clients in all 50 states. The goal is to only receive in grants what the corporation is spending in expenses. If there is no profit left in the corporation at the end of the year, there will not be any tax due. After registering the corporation with the state, the corporation will need to get an Employer Identification Number (EIN) from the IRS which can be done online at www.irs.gov. The New Horizons Foundation will need a copy of the corporation's Certificate of Good Standing from the state and its EIN authorization from the IRS in order to make grants to the entity.

Guidelines for Non-Profit Corporation:

- Must have a Federal (EIN)
- Articles and Bylaws
- Board Members – number is established by state law
- Annual Federal Tax Filings, Federal and State (Form 1120)
- Employee Tax reporting
- Annual Registration State Agency

Workforce International

A Colorado Not-For-Profit Corporation

www.workforceinternational.org

The Workforce International (WI) has been established to provide contract laborers to charitable organizations and charitable projects in the United States and around the world. Operating Projects and charities can contract with WI to supply contract laborers with a variety of different talents and experiences who are available to provide the agreed upon services that are needed by the charities. Network laborers are not employees of the charity or of WI but are independent contractors. As independent contractors, the contractors are responsible for their own Worker's Compensation Insurance and other fringe benefits and agree to hold WI and contracting charities harmless for any accident or injury incurred during performance of the work as described in the Agreement. Independent Contractors shall furnish the equipment and materials necessary to perform the duties required and the contractor takes full responsibility for any and all employees, associates or volunteers that he or she uses to accomplish the work. Each contractor will sign an Independent Contractor Services Agreement that covers the description of the work to be done, the agreed upon compensation, the terms of the relationship and the charity or charitable project for which the work will be performed. Further information is available upon request.

Associate Ministers Partnership

Joy to the World Foundation 501c3

www.associateministerspartnership.org

The Associate Ministers Partnership (AMP) is designed to provide a valuable opportunity for people who would like to be involved in doing independent ministry or working for an approved charitable project. It can also give these individuals the ability to begin developing a fundraising base for an independent full-time ministry that they might want to pursue in the future.

The Associate Ministers Partnership (AMP) is a program under The Joy To The World Foundation and will provide paid work experiences for approved charitable activities or charitable projects to individuals who meet the requirements of the program. AMP is based on the Biblical principle of 1 Corinthians 9:14, "the Lord has directed that those who preach the gospel should receive their living from the gospel." AMP provides a means whereby ordained ministers may receive financial support for their work in recognized ministry. The AMP committee must approve the proposal of the ministry for which the independent contractor will be involved.