

501(c)(3)

The **work2future Foundation** is envisioned as a not-for-profit corporation formed under the California Nonprofit Corporation Act and exempt for its charitable purpose under section 501(c)(3) of the Internal Revenue Code.

Purpose: The corporation is organized, and at all times hereafter will be operated, exclusively for the benefit of work2future's activities on behalf of job seekers, small businesses and others in its mandated constituency. The corporation shall promote, assist in the seeking of and receive gifts, property and funds to support the activities of work2future and, as such, shall function as an auxiliary of work2future.

Need: Funders, while amenable to supporting programs and services that benefit our community, can be hesitant or unable to give directly to Local Workforce Investment Boards that operate as government agencies. LWIBs such as NOVA, Merced and others have formed their own 501(c)(3) auxiliaries and have successfully provided themselves a mechanism for non-governmental donations/grants and other income that and 2) allow donors to direct their funding towards a very specific purpose.

Rationale:

- Broaden the potential of the clients we serve by providing the ability to use non-WIA funds for innovative and creative programming.
- Strategically align the work2future Board's mandated priorities and work plan.
- Allow work2future to pursue grants from private foundations by identifying those foundations whose funding preferences are compatible with work2future's mission.
- Private donors will be able to claim contributions as charitable contributions on federal income tax returns.

Operations: The work2future Foundation will have the following structure and procedures for administration of the Corporation:

- A Board consisting of the work2future Executive Committee
- Contributions to the Foundation will be tracked and distributed to the designated program or service by the work2future staff (City of San Jose)
- The Foundation serves as a pass-through for funding, and the recipient (work2future) is responsible for any fund-raising, grant writing, and reporting functions.
- Foundation activities will include responding to grants that cannot be applied for by work2future directly to support innovative programming, special projects and programs not fundable by WIA.

Goals: The goal of the start-up process is to establish the Foundation as a functioning entity with a governing body, including Articles of Incorporation and By-laws, and a Memorandum of Understanding delineating the relationship between work2future (City of San Jose) and the Foundation.

Start-up Costs: There are no start-up costs for which work2future, in particular, or the City, in general, is liable. Donations will be used to hire an attorney to file Tax Exempt Status application, purchase standard liability coverage for staff and directors of the Foundation,

Progress: Articles of Incorporation and the By-laws have been drafted need to be reviewed by an attorney, and the applications for incorporation and tax exemption submitted.