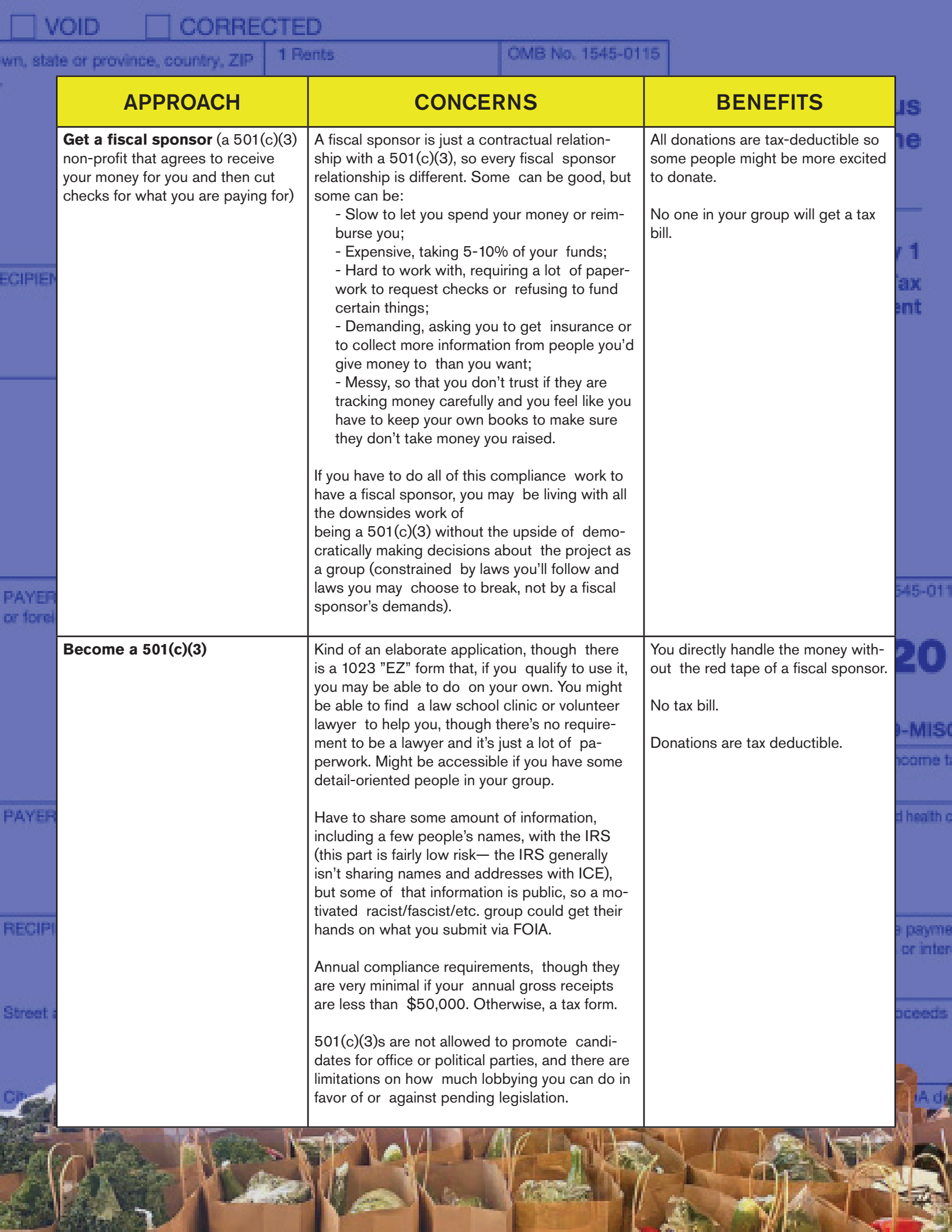


GUIDE TO OPTIONS FOR HANDLING MONEY IN MUTUAL AID GROUPS

APPROACH	CONCERNS	BENEFITS
Having one person in the group receive all the money into their bank account or Paypal or Venmo	<p>Tax liability for that one person.</p> <p>What if that person disappears from the group? Can other people access the funds?</p>	<p>Informal, quick, and doesn't take a lot of planning.</p> <p>Kind of under the radar in the sense that you have not registered as a group with the federal government like you would if you were becoming a 501(c)(3).</p>
Get a group bank account as an unincorporated association	Not always easy to do if you are unincorporated. Policy will vary from bank to bank and state to state, and may require a lot of the work of incorporation (such as bylaws or governance documents, or a "resolution" signed by members regarding how the account will operate).	Having more than one person have access to the money.
Incorporate an entity (either nonprofit or business or other, like a co-op, religious corporation, or benefit corporation) and get an EIN (Employer Identification Number)	<p>Default rules will likely be hierarchical and out of step with your beliefs unless you take the time and effort to work around default corporate rules.</p> <p>Still may owe tax (a nonprofit corporate entity is not the same as getting tax exemption (501(c)(3)) from the IRS).</p>	Having more than one person have access to the money.

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APPROACH	CONCERNS	BENEFITS
<p>Get a fiscal sponsor (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"> - Slow to let you spend your money or reimburse you; - Expensive, taking 5-10% of your funds; - Hard to work with, requiring a lot of paperwork to request checks or refusing to fund certain things; - Demanding, asking you to get insurance or to collect more information from people you'd give money to than you want; - 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. <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>Become a 501(c)(3)</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>

OTHER QUESTIONS TO CONSIDER

How will we make sure it isn't just one person who can see our accounts and access the money we raise? Because:

- Humans sometimes steal money even from groups they care about because of crisis, burnout, resentment, etc.
- If only one person has access and they become unavailable to the group, how will we access the money and keep distributing it as we intend to?

How can we make sure that if we are reimbursing people it happens in an organized and timely way?

To what extent are we asking people for receipts or photos as "proof" of how they used money? How do we balance: (1) the desire to support everyone in our community, (2) keeping documentation in a way that may help us for tax purposes, and (3) trying to avoid policing how people spend money like a bad charity or government program (at one extreme) while trying to avoid people misusing funds (at the other extreme).

Are we going to only reimburse people, or are we going to give people money ahead spending it? How does this speak to our values? How might our money practices create informal hierarchies in our group--where some people can participate more fully or feel more at the core of our activities because they have the cash to front expenses and wait to get reimbursed?

If we are dealing with a bank, how will we choose that bank? Are there some banks (credit unions?) that match our group's values more than others?

What if we raise more funds than we have capacity to distribute well? Are there other groups we can share it with who are doing similar or related work? How can we be transparent about this so no one accuses us of misusing the money?

What kind of culture do we want to have around money in this group? People bring a lot of emotional baggage around money from family cultures, jobs, general capitalism culture. Some people are penny-pinching and budgeting, some people are loose and generous but without attention to detail. What kinds of intentions do we want to set together about how to balance all these tendencies? How can we build individual self-awareness and group awareness about cultural and family baggage we might be carrying about money, and how differences between us might cause conflict?

What if our group ends? How would we tie up loose ends like closing the bank account if we have one, or dissolving the project legally if we've incorporated or become a 501(c)(3), or distributing the rest of the funds if any are left? How can we plan to dissolve in a good way before we get into conflict or burnout, so that we can rely on those agreements to be good to each other if/when we dissolve?

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