

MICHIGAN COMMUNITY FOUNDATION ACT (EXCERPT)
Act 38 of 2017

***** 123.903.new THIS NEW SECTION IS EFFECTIVE AUGUST 21, 2017 *****

123.903.new Definitions.

Sec. 3. As used in this act:

(a) "Community foundation" means an organization that meets all of the following requirements:

(i) Has been in existence for at least 10 years.

(ii) Has assets of at least \$5,000,000.00.

(iii) Qualifies for exemption from federal income taxation under section 501(c)(3) of the internal revenue code, 26 USC 501(c)(3).

(iv) Supports a broad range of charitable activities within the specific geographic area of this state that it serves, such as a municipality.

(v) Maintains an ongoing program to attract new endowment funds by seeking gifts and bequests from a wide range of potential donors in the geographic area served.

(vi) Is publicly supported, as defined by 26 CFR 1.170A-9(f).

(vii) Meets the requirements for treatment as a single entity under 26 CFR 1.170A-9(f)(11).

(viii) Is not an organization described in section 509(a)(3) of the internal revenue code, 26 USC 509(a)(3).

(ix) Has an independent governing body representing the general public's interest and that is not appointed by a single outside entity.

(x) Maintains continually at least 1 part-time or full-time employee.

(xi) Is subject to an annual independent financial audit.

(xii) For a community foundation that is incorporated or established after January 9, 2001, operates in a county of this state that was not served by a community foundation when the community foundation was incorporated or established or operates as a geographic component of an existing community foundation.

(b) "Component fund" means a component part of a community trust as described in 26 CFR 1.170A-9.

(c) "Condition, limitation, or requirement" does not include a material restriction or condition that violates 26 CFR 1.170A-9 or that restricts a community foundation's inherent power of modification described in 26 CFR 1.170A-9.

(d) "Gift" does not include state school aid or another grant from state or federal sources.

(e) "Intangible personal property" means incorporeal personal property including, but not limited to, cash, proceeds of the sale of real or personal property, deposits in banks or other financial institutions, negotiable instruments, mortgages, debts, receivables, shares of stock, bonds, notes, credits, evidences of an interest in property, evidences of debt, and choses in action generally. Intangible personal property does not include state school aid or another grant from state or federal resources.

(f) "Municipality" means a city, village, township, county, or a subdivision or instrumentality of any of these entities.

(g) "Public library" means a board of education, library commission, or other public corporation empowered to maintain a public library.

(h) "School board" and "intermediate school board" mean those terms as defined in the revised school code, 1976 PA 451, MCL 380.1 to 380.1852.

History: 2017, Act 38, Eff. Aug. 21, 2017.