



Alpha Kappa Alpha Sorority, Incorporated®

Chapter Foundation

Frequently Asked Questions
(FAQs)



Introduction

Overview

This **Frequently Asked Questions (FAQ) booklet** is a companion to the **Chapter Foundation Guidelines**, as prepared by the International Foundation Committee. It provides clear answers to common questions and practical guidance for chapters and foundations in implementing these guidelines.

The FAQs are organized into the following categories:

1. **Assessments, Dues, and Member Fees**
2. **Collaboration Between Chapter & Foundation**
3. **Educational Advancement Foundation (EAF)**
4. **Financial Management, Bank Accounts & Fundraising**
5. **Governance & Elections**
6. **Legal, Structural & IRS Compliance**
7. **Scholarships & Awards**
8. **Other**

For complete details and official policies, please refer to the Chapter Foundation Guidelines.

Table of Contents

Assessments, Dues, and Member Fees 6

- 1: How should foundation dues be collected and managed, and can the chapter handle these payments on behalf of the foundation? 6
- 2: What are the rules for chapters and foundations regarding assessments, whether for events open to the public or for a single foundation assessment covering both operations and fundraising, and who is responsible for collecting them?..... 6

Collaboration Between Chapter & Foundation 6

- 3: Can a chapter’s affiliated foundation host and run community programs? 6
- 4: Are there sample MOUs that can be shared from other successful chapters with Foundations? 6
- 5: What strategies can improve collaboration and participation between the foundation and the chapter? 7
- 6: May chapters promote foundation events through our chapter's social media, website, and email lists? 7
- 7: Can the foundation’s report be included as part of the chapter meeting agenda? If so, how should it be positioned on the agenda to keep members informed and address actionable items? 7
- 8: Who should have the Foundation's Guide? 7
- 9: If an event is a joint foundation and chapter activity, does the flyer need to follow any branding guidelines? ... 7
- 10: If the chapter has two or more fundraising events a year, do we need an MOU for each event or one general MOU?..... 8
- 11: Can a foundation fully or partially fund chapter programs that do not align with its stated mission, and if so, how? 8

Educational Advancement Foundation (EAF) 8

- 12: If our chapter has an EAF Endowment, what is the proper way to raise funds from non-members to support it? 8
- 13: If our chapter already has an EAF-endowed scholarship account, do we still need to establish a separate foundation, or can we continue fundraising through the EAF account? 8

Financial Management, Bank Accounts & Fundraising..... 9

- 14: What are the rules for chapters and foundations when purchasing property, and can the foundation require chapter members to cover related expenses like mortgage and utilities? 9
- 15: Should program budgets for initiatives that benefit the public be managed by the chapter or foundation? 9
- 16: Should chapters maintain separate fundraising budgets and accounts in addition to operating budgets, and what types of bank accounts are appropriate for managing public funds, member assessments, and other income? 10
- 17: Can a foundation and chapter co-host a fundraiser where soror contributions go to the chapter and public contributions go to the foundation? 10
- 18: Can a foundation support a chapter's retreat, leadership trainings, and other chapter member focused events?..... 10
- 19: What expenses can be paid by the foundation? 11
- 20: How will chapters fund other programs without conducting fundraising efforts? 11
- 21: Can the Foundation donate to the EAF on behalf of the chapter to help meet our EAF goal?..... 11
- 22: What financial technologies and platforms are permissible for foundations?..... 11

23: Provide foundation budgeting guidance.	12
24: What is the process for requesting foundation funds to support chapter programs, including whether the foundation can require the chapter's program budget, and how funding decisions and oversight are handled?	12
25: Do foundations need separate bank accounts for member income, non-member income, and donations, or do 'separate accounts' mean separate recordkeeping rather than separate bank accounts?	13
26: What is considered a fundraiser?	13
27: For in-kind donations, must the foundation record the donor's name, donation amount or value, and a description of what was donated?	13

Governance & Elections 14

28: How should chapter bylaws address foundation business such as voting, board matters, and assessments payable to the foundation, and what is the process for updating bylaws if a 2/3 vote cannot be achieved?	14
29: What are the rules and best practices for foundation board composition and governance, including who can serve, eligibility for office, removal processes, board responsibilities, and requirements for directors to be foundation members?	14
30: Which three chapter officers are required to serve on the board of the affiliated foundation?	14
31: Do Foundations need to adjust their bylaws or approved budgets to reflect the required changes?	14
32: What are the term limits for the foundation's Board of Directors and Officers?	15
33: What is the governance responsibility of the Board of Directors and the Foundation Members?	15
34: Should the foundation and chapter amend its bylaws to reflect the new guidance?	15
35: If the foundation has never had an audit since its establishment, what should we do as a chapter?	15
35A: If the foundation has never had an audit since its establishment, what should we do as a chapter?	15
36: If a foundation will not follow the new guidelines, what steps can the chapter take to ensure it still collaborates on fundraising for scholarships and program support?	16
37: When should the foundation's Annual Meeting occur? Who is invited and what should be covered?	16

Legal, Structural & IRS Compliance 16

38: Are there any rules for fundraisers via raffles? Should foundations fall on gaming commission rules?	16
39: Since many of our fundraising activities for 2025 have already been planned, can we extend the effective date for the required changes?	16
40: Are foundation dues and assessments paid to the chapter tax-deductible?.....	16
41: Can the foundation financially support the chapter's activities and budget?.....	16
42: Can a chapter include a public benefit component in an internal event in order to use the foundation's tax-exempt status?	17
43: If a chapter has already paid UBTI tax on certain funds and placed them in a separate account, is it still required to transfer those funds to the foundation	17
44: What is UBTI and who is responsible for paying it?	17
45: Is there a compliance check-list available for foundations to aid members?.....	17
46: What are the consequences if a foundation has not filed IRS Form 990 for several years?	17
47: Should a chapter establish another foundation to comply with the guidelines?.....	17
48: If a chapter does not want to establish a foundation, how can it fund its programs and raise funds?	17
49: Please provide guidance on the appropriate insurance coverage a foundation should have.	18
50: Is it permissible for the 501(c)(3) to contribute to a nonprofit where a member sits on its board?	18
51: When the foundation and chapter collaborate to award grants to charitable organizations, are we limited to only granting to non-profit organizations?.....	18

52: When collaborating, can the chapter use the foundations' tax-exempt status?	18
Scholarships & Awards	18
53: Can the chapter and the foundation partner on all programs and have the foundation cover the overall cost of the programs?	18
54: Can the chapter partner with the Foundation to jointly host the chapter retreat or chapter anniversary?	19
55: Could you provide more information on how to handle scholarships for cotillions?	19
56: Do foundations have to submit flyers for approval for all fundraising activities?	19
57: Can chapters and foundations collaborate on Cotillions and what is the guidance on conducting a compliant debutante program?	19
58: If the foundation holds a raffle, can members buy tickets and be eligible to win?	20
59: Can the foundation award scholarships to direct relatives of its members (including Board of Directors)? ..	20
60: Our chapter hosts an annual fundraiser to support scholarships and programs. If our foundation is not established by the end of the year, should we reconsider holding this event, or will there be an extension granted for establishing the foundation?	21
61: What should our chapter know about and what direction can you provide or share for ensuring that the Basileus, Anti-Basileus, and Tamiouchos are added as board members? Can this take place during the next election in November 2025?	21
62: What should our chapter know about the debutante process, which is private to members or available through member referral, which is considered to be taking public funds?	21
Other	22
63: Can Foundation members wear a pearl (not AKA) pin to a Foundation event?	22
64: Do expenditures of the foundation that are above \$100,000 require approval of the Supreme Basileus? Page 24, Section 2: The sentence in this section includes a foundation that differs from the Bylaws.	22
65: Our Foundation bylaws establish a membership fee, but payment is currently optional. We plan to include the fee in chapter dues beginning in 2026, similar to how EAF is handled. Since the new Foundation Guidelines are effective in 2025, should we continue following our existing Foundation bylaws, including how voting rights are applied?	22
66: Will you share any supplemental documents (i.e., meeting minutes/notes) to help shape our discussion with our leaders?	22
67: Will chapters with Foundations receive follow-up training, and can our chapter request a virtual webinar to address our unique situation?	23
68: Can our chapter Foundation members wear a pearl (not AKA) pin to a Foundation event?	23
69: For the <i>Application to Form a Chapter Foundation (Appendix B)</i> , should chapters submit the application before filing IRS Form 1023 for 501(c)(3) status, or can the two processes occur simultaneously?	23
70: Will additional workshops be held on this subject after the Leadership Conference once all members have had a chance to obtain the Foundation Guide?	23
71: Is there an approval process for chapters that would like to host a Founders' Day event?	23
Small Chapters / Undergraduate / Interest Groups	24
72: Are there opportunities for small chapters to collaborate when establishing foundations?	24
73: How can a newly chartered chapter fundraise without a foundation?	24
74: Who is responsible for the funds needed to start a foundation?	24
75: Can a graduate chapter's affiliated foundation work closely with the sponsored undergraduate chapter? ..	24
76: When is this guidance effective?	24

Assessments, Dues, and Member Fees

[Click here to navigate back to the Table of Contents.](#)

1: How should foundation dues be collected and managed, and can the chapter handle these payments on behalf of the foundation?

Yes, the chapter can collect membership donations to contribute to the Foundation. Chapters can vote through the budgeting process to assess itself and provide per chapter member dues and/or assessment to the foundation as a contribution. The chapter treasurer is responsible for issuing a single contribution payment to the foundation, and in return, the Foundation provides the chapter with a donor acknowledgement form. Financial obligations, such as membership dues and assessments, and other voluntary donations, must be clearly documented.

2: What are the rules for chapters and foundations regarding assessments, whether for events open to the public or for a single foundation assessment covering both operations and fundraising, and who is responsible for collecting them?

Foundations cannot assess members of the chapter. However, chapters can assess themselves and provide per chapter member dues and/or assessment to the foundation as a contribution. Membership fees collected by a foundation may be tax-deductible as long as no substantial benefits are provided in exchange for the fees. In addition, Foundations may assess dues to cover operating expenses, scholarships, or other charitable activities, and if so, members are in essence making a tax-deductible donation. Chapter assessments collected are not tax-deductible because they are considered payments for the benefits of membership in a social club.

Collaboration Between Chapter & Foundation

[Click here to navigate back to the Table of Contents.](#)

3: Can a chapter's affiliated foundation host and run community programs?

Yes, a foundation can host charitable programs that align with serving the community and supporting Alpha Kappa Alpha's mission.

4: Are there sample MOUs that can be shared from other successful chapters with Foundations?

Please refer to the Chapter Foundation Guidelines, Chapter 7, for a detailed explanation of the purpose of an MOU. Additionally, consult Appendix A for a sample MOU.

5: What strategies can improve collaboration and participation between the foundation and the chapter?

To foster a successful partnership between the Foundation and Chapter, their goals must align in serving the community and supporting the Sorority's mission. Therefore, clear roles and responsibilities must be documented (bylaws, MOU), regular communications must be implemented (joint meetings, collaborative planning), ensuring financial transparency and accountability, and lastly, ensuring key chapter officers (Basileus, Anti-Basileus & Tamiouchos) serve on the foundation's board.

6: May chapters promote foundation events through our chapter's social media, website, and email lists?

Yes, a chapter can promote its affiliated foundation provided the promotion is directly related to its own charitable purpose and does not become a "substantial part" of the promoting organization's activities.

7: Can the foundation's report be included as part of the chapter meeting agenda? If so, how should it be positioned on the agenda to keep members informed and address actionable items?

The chapter and foundation are independent entities that require legal separation but have an overlap in membership that serves both entities. Therefore, decisions should be made independently in their respective business meetings. However, it is encouraged for the foundation board and chapter executive committee to host joint meetings at least annually. In addition, if a foundation report is shared at a chapter meeting, it is recommended that this topic be conducted either before or after the meeting. In the event a foundation report is shared during the chapter meeting, to keep entities separate, the chapter meeting will need to recess.

8: Who should have the Foundation's Guide?

The Chapter Foundation Guidelines is a comprehensive resource tool that should be shared with everyone who has a desire to understand chapter foundations better.

9: If an event is a joint foundation and chapter activity, does the flyer need to follow any branding guidelines?

If the event is a joint foundation and chapter activity, it is recommended that the flyer follow Alpha Kappa Alpha's Branding Matter Guidelines. Therefore, if the flyer uses Alpha Kappa Alpha's shield and/or trademark emblems, it will need to be reviewed by the corporate office.

10: If the chapter has two or more fundraising events a year, do we need an MOU for each event or one general MOU?

The Memorandum of Understanding (MOU) is meant to outline the overall relationship between the chapter (§501(c)(7)) and its foundation (§501(c)(3)). The sample MOU template in the Guidelines specifically allows the chapter and foundation to define whether the agreement applies to an event, a program, or a group of programs.

11: Can a foundation fully or partially fund chapter programs that do not align with its stated mission, and if so, how?

No.

Educational Advancement Foundation (EAF)

[Click here to navigate back to the Table of Contents.](#)

12: If our chapter has an EAF Endowment, what is the proper way to raise funds from non-members to support it?

There are a variety of ways to raise money to support EAF. All EAF Chapter Captains, Scholarship Chairmen, and anyone interested in learning how to support EAF are encouraged to attend the EAF workshops during the regional conferences. The workshops will provide the opportunity for the attendees to hear best practices from around the region and other chapters that have large endowments with EAF and reach Platinum status each year. Further, there is an EAF liaison in each area: the EAF Regional Coordinator is a great resource to help chapters with fundraising ideas for EAF.

13: If our chapter already has an EAF-endowed scholarship account, do we still need to establish a separate foundation, or can we continue fundraising through the EAF account?

Yes, a chapter should still establish a foundation provided it meets the criteria, as the EAF is the educational funding arm of Alpha Kappa Alpha. All private and public funds donated to the EAF are earmarked for educational purposes. At the same time, a chapter's affiliated foundation is not restricted and is allowed to raise funds and support charitable activities like scholarships, education programs, and community service projects.

Financial Management, Bank Accounts & Fundraising

[Click here to navigate back to the Table of Contents.](#)

14: What are the rules for chapters and foundations when purchasing property, and can the foundation require chapter members to cover related expenses like mortgage and utilities?

Chapters and foundations may both own property, but the rules governing ownership and expenses differ. A foundation organized under §501(c)(3) may purchase and hold property; however, such property must be used exclusively for charitable purposes such as education, scholarships, or community service. A chapter organized under §501(c)(7) may also purchase or invest in property for its fraternal or social purposes, but contributions toward chapter-owned property are not tax-deductible. Importantly, a foundation cannot assess or require chapter members to cover expenses related to property ownership, such as mortgage payments, utilities, or renovations. Instead, a chapter may vote through its own budget process to contribute funds to the foundation, to support the operations of the foundation property.

15: Should program budgets for initiatives that benefit the public be managed by the chapter or foundation?

Program budgets for initiatives that benefit the public should be managed by the foundation (§501(c)(3)), not the chapter. The IRS is clear that charitable, educational, and community-oriented activities fall within the foundation's exempt purposes, and therefore revenue and expenses for those initiatives must be recorded and reported on the foundation's books. This includes scholarships, community service projects, and public-facing programs. The chapter (§501(c)(7)) is limited to activities that primarily benefit members and their social or fraternal purposes. If a public program budget is managed by the chapter instead of the foundation, it risks being treated as unrelated to the chapter's tax-exempt purpose, which could create compliance issues and expose the chapter to unrelated business income tax. In practice: Chapters and foundations should collaborate on planning, but the foundation should hold, manage, and report all program budgets that benefit the public. The chapter may provide support such as volunteers, publicity, or even voting to contribute funds to the foundation but the financial stewardship must sit with the foundation to maintain IRS compliance and donor confidence.

16: Should chapters maintain separate fundraising budgets and accounts in addition to operating budgets, and what types of bank accounts are appropriate for managing public funds, member assessments, and other income?

Chapters may maintain a fundraising account, but only for activities that are strictly chapter-based and member-focused. Events such as chapter anniversaries, Founders' Day celebrations, or other member-focused events that may generate net income should remain on the chapter side, as these are consistent with the purposes of a §501(c)(7) organization. In such cases, chapters may hold a fundraising account to manage these activities, but those funds must be clearly distinguished from public charitable contributions. Public fundraising for scholarships, community service, or other initiatives that benefit the broader public must always be conducted through the foundation (§501(c)(3)) and deposited into foundation accounts. This distinction ensures that chapter fundraising for member-centered events remains compliant, while public/charitable fundraising is properly managed by the foundation.

17: Can a foundation and chapter co-host a fundraiser where soror contributions go to the chapter and public contributions go to the foundation?

If the event is a charitable fundraiser (for scholarships, community programs, or other activities benefiting the public), all funds, whether from sorors or the public, must go through the foundation (§501(c)(3)). This ensures that the fundraiser is properly managed as a charitable activity, donors receive the correct tax treatment, and the foundation maintains clear accountability.

If the event is a chapter-focused activity (such as an anniversary, Founders' Day celebration, or social event), then contributions and proceeds may be handled by the chapter (§501(c)(7)). In these cases, the event is not considered a charitable fundraiser, and no tax-deductible receipts should be issued. The correct handling depends on the type of event. Charitable/public fundraisers must be routed entirely through the foundation, while member-centered events remain the responsibility of the chapter.

18: Can a foundation support a chapter's retreat, leadership trainings, and other chapter member focused events?

No. A foundation (§501(c)(3)) cannot provide financial support for activities that primarily benefit chapter members, such as retreats, chapter leadership trainings, or other member-centered events. Foundations must restrict their resources to charitable and educational purposes that benefit the public, such as scholarships, community service projects, or public educational programming. Chapter-focused events fall under the scope of the chapter (§501(c)(7)) and must be funded by chapter dues, assessments, or other member resources. Using foundation funds for internal sorority functions would be considered private benefit and could jeopardize the foundation's tax-exempt status.

19: What expenses can be paid by the foundation?

A foundation (§501(c)(3)) may only pay for expenses that directly advance its charitable and educational purposes and provide a benefit to the public. Allowable expenses include scholarships and awards, community service projects, public educational programs, and the costs of charitable fundraising events such as scholarship galas or cotillions, provided the net proceeds support the foundation's mission. Foundations may also fund grantmaking to other qualified charitable organizations, as well as necessary administrative and compliance costs such as accounting, audits, insurance, legal fees, and required filings. What a foundation cannot do is cover expenses that primarily benefit chapter members, such as retreats, leadership trainings, Founders' Day celebrations, social events, or general operating expenses of the chapter. Those costs must be paid by the chapter (§501(c)(7)) using dues, assessments, or other member funds.

20: How will chapters fund other programs without conducting fundraising efforts?

Chapters (§501(c)(7)) are designed to fund their member-focused programs and activities primarily through dues and assessments, rather than through public fundraising. While chapters may hold small internal activities to generate revenue from members, public fundraising that benefits charitable programs must be conducted through the foundation (§501(c)(3)). This means that if a chapter wishes to support initiatives such as programs, retreats, sisterhood events, or leadership development programs, the costs should be covered by member dues, assessments, or fees voted on and approved by the membership.

21: Can the Foundation donate to the EAF on behalf of the chapter to help meet our EAF goal?

No. A foundation (§501(c)(3)) cannot donate to the Educational Advancement Foundation (EAF) on behalf of a chapter to help meet the chapter's EAF goal. The foundation's charitable funds must be used to further its own exempt purposes and programs as outlined in its organizing documents. Donating to EAF on behalf of the chapter would be considered a pass-through transaction, benefiting the chapter rather than carrying out the foundation's direct charitable mission, and could place the foundation at risk of noncompliance. If a chapter wishes to meet its EAF obligation, the contribution should come directly from the chapter (§501(c)(7)) or from individual sorors who choose to give personally. The foundation may only contribute to EAF if it is doing so as part of its own independent charitable programming not to satisfy a chapter goal.

22: What financial technologies and platforms are permissible for foundations?

Foundations may use financial technologies and platforms that support transparency, accountability, and compliance with IRS requirements.

23: Provide foundation budgeting guidance.

The best practice for aligning the budget between the foundation and the chapter is to clearly separate activities based on purpose: the chapter (§501(c)(7)) budgets for member-focused operations, dues, and assessments, while the foundation (§501(c)(3)) budgets for charitable and public-facing programs. This alignment prevents overlap, ensures compliance with IRS rules, and protects both entities' tax-exempt statuses. Since chapters cannot raise funds from the public, a chapter's "fundraising budget" should consist only of member-based activities—such as assessments, ticket sales for member events, or other internal initiatives that support sorority operations and sisterhood events. Public fundraising for scholarships and community programs belongs exclusively to the foundation. For chapters that have not yet established a foundation, budgets should be built conservatively for 2026 with a clear distinction between what the chapter can fund internally (member dues, assessments, and social/fraternal programs) and what will shift to the foundation once it is approved. Finally, for handling expenses that arise between foundation board meetings and are not included in the approved budget, it is recommended to establish a board-approved spending policy. This policy may delegate limited authority to officers (such as the foundation president and treasurer) to approve necessary, unbudgeted expenses up to a defined threshold, with all expenditures reported and ratified at the next board meeting. This approach balances financial accountability with the flexibility to keep operations running smoothly.

24: What is the process for requesting foundation funds to support chapter programs, including whether the foundation can require the chapter's program budget, and how funding decisions and oversight are handled?

The process for requesting foundation funds to support chapter programs begins with the chapter submitting a formal funding request to the foundation. This typically includes a description of the program, how it serves a charitable or educational purpose that benefits the public, and a proposed budget for the specific initiative. Note this request can be a part of a Memorandum of Understanding (MOU). Once submitted, the request is reviewed by the foundation board or its designated grants/programs committee, and funding decisions are made in accordance with the foundation's bylaws, policies, and available resources. Expenses that the foundation approves must be paid directly by the foundation to the vendor. No funds should be remitted to the chapter from the foundation. Oversight is maintained through written agreements, reporting requirements, and financial accountability measures that document how the funds are spent and the outcomes achieved. In this way, the foundation ensures its funds are used exclusively for charitable purposes while providing transparency and accountability to donors, the IRS, and the community.

25: Do foundations need separate bank accounts for member income, non-member income, and donations, or do 'separate accounts' mean separate recordkeeping rather than separate bank accounts?

Foundations do not need to maintain multiple bank accounts for different types of income, such as member contributions, non-member income, and donations, unless they choose to do so for administrative ease. The IRS requirement is for separate recordkeeping, not necessarily separate bank accounts.

26: What is considered a fundraiser?

A fundraiser is any event, activity, or campaign created to generate revenue beyond regular dues or assessments, whether the support comes from sorors, guests, or the public. Examples include galas, scholarship luncheons, raffles, walks, fashion shows, cotillions, or the sale of goods and services where proceeds exceed the direct costs of participation. The defining feature of a fundraiser is that it produces net income intended to support programs, scholarships, or other charitable purposes. For chapters (§501(c)(7)), this typically refers to internal activities where members are assessed or where members and their guests pay fees to underwrite chapter-focused events. For foundations (§501(c)(3)), fundraising involves soliciting contributions or participation from the public to advance charitable programs, scholarships, and community service initiatives. It is important to note that if a chapter's activity is open to the public and generates net proceeds, the resulting income is considered unrelated business taxable income (UBTI) and must be treated accordingly.

27: For in-kind donations, must the foundation record the donor's name, donation amount or value, and a description of what was donated?

Yes. For in-kind donations, the foundation is required to maintain complete and accurate records that include the donor's name, a description of the donated item or service, and, if applicable, its fair market value. The foundation's acknowledgment to the donor, however, should only state the donor's name, the date, and a description of the donation; it should not assign a dollar value. Donors are responsible for determining and documenting the value of their contribution for tax purposes, but the foundation must keep internal records that include the estimated fair market value for accounting and reporting purposes. This recordkeeping ensures transparency, supports accurate financial statements, and complies with IRS requirements for charitable organizations.

Governance & Elections

[Click here to navigate back to the Table of Contents.](#)

28: How should chapter bylaws address foundation business such as voting, board matters, and assessments payable to the foundation, and what is the process for updating bylaws if a 2/3 vote cannot be achieved?

Foundations should have bylaws that are separate from the chapter. Foundations cannot assess chapter members. Assessments should be a part of the chapter's budget. After collection, the Tamiouchos should write a check to the foundation for the total funds collected. Chapters are required to follow procedures in all sorority governing documents. The Chapter Foundation Guidelines is a governing document.

29: What are the rules and best practices for foundation board composition and governance, including who can serve, eligibility for office, removal processes, board responsibilities, and requirements for directors to be foundation members?

The foundation is an affiliate of the chapter, and as such, all chapter members are also members of the foundation. To ensure proper alignment of programming initiatives, the chapter's Basileus, Anti-Basileus (Program Chair), and Tamiouchos must serve as members of the foundation's board of directors. While officers of the chapter and the foundation are not required to be the same, these three officers are required to hold board positions within the foundation. General members who are not members of the chapter are not eligible to be members of the foundation. The foundation's bylaws should clearly address officer eligibility requirements, including the process for removing an officer when necessary. The board of directors is responsible for reviewing financial statements, approving charitable activities, and ensuring compliance with all federal and state laws. Board directors must be members of the foundation, and in addition to the three required chapter officers, the foundation's bylaws should stipulate if other positions are also required to serve on the board of directors.

30: Which three chapter officers are required to serve on the board of the affiliated foundation?

Basileus, Anti-Basileus (Programs) and the Tamiouchos

31: Do Foundations need to adjust their bylaws or approved budgets to reflect the required changes?

Chapters should prepare budgets for 2026 in keeping with the new foundation guidelines. Chapter or foundation bylaws that conflict with the Foundation Guidelines should be amended by December 31, 2025.

32: What are the term limits for the foundation's Board of Directors and Officers?

Term limits for the foundation's officers and board members should be clearly stated in the foundation's bylaws. These bylaws must be formally approved by the foundation's membership to ensure accountability, transparency, and alignment with good governance practices.

33: What is the governance responsibility of the Board of Directors and the Foundation Members?

The board of directors is responsible for reviewing financial statements, approving charitable activities, and ensuring compliance with federal and state laws. Foundation members are expected to attend meetings, which are open to all members, and they play an important role in governance by electing officers and directors, approving the annual budget, and voting on proposed amendments to the bylaws.

34: Should the foundation and chapter amend its bylaws to reflect the new guidance?

Chapter or foundation bylaws that conflict with the Foundation Guidelines should be amended by December 31, 2025.

35: If the foundation has never had an audit since its establishment, what should we do as a chapter?

The foundation is not in compliance with the financial requirements for a foundation. Regular audits and financial reviews help ensure that foundation funds are used appropriately and that the organization remains compliant with IRS rules and Alpha Kappa Alpha internal guidelines. This issue needs to be addressed immediately.

35A: If the foundation has never had an audit since its establishment, what should we do as a chapter?

Foundation officers and directors should typically be elected by the foundation's membership, not appointed solely by the board. This ensures accountability and member participation in governance. The bylaws should clearly state the process, outlining how officers and directors are nominated, elected, and, if necessary, removed. While the board is responsible for overseeing day-to-day operations, financial management, and compliance, the membership provides the authority by electing leadership, approving the budget, and voting on bylaw amendments.

36: If a foundation will not follow the new guidelines, what steps can the chapter take to ensure it still collaborates on fundraising for scholarships and program support?

Chapters are required to follow the procedures outlined in all sorority governing documents, and the Chapter Foundation Guidelines are included among those governing documents. Foundations must collaborate with their affiliated chapters in accordance with the processes and expectations documented in these guidelines, ensuring consistency, compliance, and alignment across both entities.

37: When should the foundation's Annual Meeting occur? Who is invited and what should be covered?

The foundation's fiscal year follows the same calendar as the Sorority, running from January 1 through December 31. The foundation's Annual Meeting should be held in the fourth quarter of the year and must include officer and board member elections, approval of the annual budget, consideration of any proposed bylaw amendments, and other business of the foundation. All members of the foundation should be invited to attend and participate in this meeting.

Legal, Structural & IRS Compliance

[Click here to navigate back to the Table of Contents.](#)

38: Are there any rules for fundraisers via raffles? Should foundations fall on gaming commission rules?

Yes. Raffles and other gaming activities are considered highly regulated fundraisers. Foundations must comply with state and local gaming commission rules in the jurisdiction where the raffle takes place, including licensing, reporting, and use of proceeds. Failure to comply can jeopardize the foundation's tax-exempt status.

39: Since many of our fundraising activities for 2025 have already been planned, can we extend the effective date for the required changes?

Please work with your Regional Director for any necessary deviation.

40: Are foundation dues and assessments paid to the chapter tax-deductible?

No. Payments made to the chapter (§501(c)(7)), such as dues or assessments (chapter or foundation), are not tax-deductible.

41: Can the foundation financially support the chapter's activities and budget?

No. The foundation may not support chapter operations, retreats, leadership trainings, or other member-focused activities. Foundation funds may only be used for charitable and educational purposes that benefit the public.

42: Can a chapter include a public benefit component in an internal event in order to use the foundation's tax-exempt status?

No. Adding a public benefit component to a primarily chapter-focused event does not make it a charitable fundraiser. If the primary purpose of the event is internal, it must remain on the chapter's books, and the foundation's tax-exempt status cannot be applied.

43: If a chapter has already paid UBTI tax on certain funds and placed them in a separate account, is it still required to transfer those funds to the foundation?

It is not required to transfer funds that have already been adjudicated and taxed through UBTI. This is a decision for the chapter membership to make.

44: What is UBTI and who is responsible for paying it?

Unrelated Business Taxable Income (UBTI) is income from activities that are not substantially related to an organization's tax-exempt purpose. For chapters (§501(c)(7)), UBTI arises when events open to the public generate net proceeds. The chapter is responsible for reporting and paying UBTI to Corporate Office.

45: Is there a compliance check-list available for foundations to aid members?

Yes. A compliance checklist is included in the Chapter Foundation Guidelines. Foundations may also create customized checklists to monitor compliance with IRS rules, financial reporting, and governance requirements.

46: What are the consequences if a foundation has not filed IRS Form 990 for several years?

If a foundation fails to file Form 990 for **three consecutive years**, it will automatically lose its tax-exempt status. Reinstatement requires filing for recognition of exemption again with the IRS and may involve penalties and fees.

47: Should a chapter establish another foundation to comply with the guidelines?

No. The current foundation must comply with these guidelines.

48: If a chapter does not want to establish a foundation, how can it fund its programs and raise funds?

Chapters that choose not to establish a foundation may only fund programs through dues, assessments, and member-only activities. They cannot raise funds from the public or issue tax-deductible receipts.

49: Please provide guidance on the appropriate insurance coverage a foundation should have.

Foundations should carry general liability insurance, directors and officers (D&O) insurance, and, depending on activities, event insurance. Property insurance is needed if the foundation owns physical assets. Coverage should be reviewed annually to ensure adequate protection.

50: Is it permissible for the 501(c)(3) to contribute to a nonprofit where a member sits on its board?

Yes, but with caution. A foundation may grant to another qualified nonprofit even if a member sits on its board, provided the grant is made for a charitable purpose, the member does not personally benefit, and the transaction is properly documented to avoid conflicts of interest.

51: When the foundation and chapter collaborate to award grants to charitable organizations, are we limited to only granting to non-profit organizations?

When the foundation and chapter collaborate to award grants, the foundation's funds must generally be granted to qualified charitable organizations. Grants to individuals or non-charitable entities are only permitted under narrow circumstances that meet strict IRS requirements, such as scholarships with a documented selection process. Foundations cannot simply transfer charitable funds to the chapter or to entities that do not meet IRS qualifications.

52: When collaborating, can the chapter use the foundations' tax-exempt status?

The foundation's tax-exempt status may not be "borrowed" by the chapter for chapter-focused activities. The chapter must fund its own operations through member dues and assessments. The foundation may only be used when the collaboration is for charitable, public-facing programs aligned with its exempt purposes.

Scholarships & Awards

[Click here to navigate back to the Table of Contents.](#)

53: Can the chapter and the foundation partner on all programs and have the foundation cover the overall cost of the programs?

Yes. The chapter and foundation must clearly define their respective roles. The chapter develops and implements chapter programs. The foundation manages charitable programs that align with the sorority's mission such as scholarships, grants and community outreach. Fundraising activities to fund these programs should be led by the foundation.

54: Can the chapter partner with the Foundation to jointly host the chapter retreat or chapter anniversary?

The foundation manages charitable programs that align with the sorority's mission such as scholarships, grants and community outreach. A chapter retreat or chapter anniversary does not qualify as a charitable endeavor.

55: Could you provide more information on how to handle scholarships for cotillions?

Fundraising and scholarship distributions must be handled by the foundation, while the execution of cotillion events should remain the responsibility of the chapter. Dependents of board members are not eligible to receive scholarships from foundation-managed funds when those funds are raised from the public, as this creates self-dealing and conflict-of-interest concerns under IRS rules. Scholarship models in which debutantes raise funds and then receive a percentage of the amount raised are strictly prohibited. In addition, the scholarship selection process must be open to students beyond those affiliated with Alpha Kappa Alpha, ensuring fairness and public benefit. To maintain integrity and impartiality, scholarship recipients should be chosen by an independent selection committee, preferably composed of individuals who are not members of the foundation. Furthermore, relatives of members of the foundation's board of directors are not eligible for scholarship consideration.

56: Do foundations have to submit flyers for approval for all fundraising activities?

Yes, if the flyer contains the chapter's name and/or sorority shield. Flyers and contracts must be reviewed by the corporate office in the event involves the chapter's name on the flyer or the contract.

57: Can chapters and foundations collaborate on Cotillions and what is the guidance on conducting a compliant debutante program?

Yes. Chapters and foundations may collaborate on a cotillion; however, responsibilities must be clearly divided. The foundation should manage all fundraising activities and scholarship distributions, while the chapter is responsible for executing the cotillion event itself. In keeping with IRS rules on self-dealing and conflicts of interest, scholarship models that allow debutantes to raise funds and receive a percentage of the amount raised are strictly prohibited. The scholarship selection process must also be open to students beyond those affiliated with Alpha Kappa Alpha to ensure fairness and public benefit. To maintain impartiality, the scholarship committee should be composed of an independent group, ideally individuals who are not members of the foundation. In addition, relatives of foundation board members are ineligible for scholarship consideration.

58: If the foundation holds a raffle, can members buy tickets and be eligible to win?

The chapter and foundation must first ensure they completely understand the gaming rules for their state and locale. Foundation members may purchase raffle tickets and be eligible to win, provided the raffle complies with all applicable state and local gaming commission laws. Care must be taken to avoid any appearance of self-dealing or preferential treatment. Members must participate under the same rules and conditions as the general public, without discounts, advantages, or guaranteed outcomes. The raffle must be operated as a bona fide fundraising activity of the foundation, with proceeds used solely for charitable purposes. Chapters and foundations should also confirm whether state law imposes restrictions on nonprofit raffles, as regulations vary widely and may limit member participation or require special licensing.

59: Can the foundation award scholarships to direct relatives of its members (including Board of Directors)?

The IRS strictly prohibits self-dealing and conflicts of interest in scholarship programs. Fundraising models in which debutantes raise money and receive a percentage of the funds raised are not allowed. Likewise, scholarship opportunities must not be limited to debutantes or Alpha Kappa Alpha affiliates; the application process must be open to the general public. To ensure fairness and transparency, the selection committee should be an independent group, ideally composed of individuals who are not members of the foundation. Relatives of board members are ineligible for scholarship consideration to avoid any appearance of favoritism. Under IRS rules, a §501(c)(3) foundation must operate exclusively for charitable purposes and cannot allow its assets to benefit private individuals. Scholarships awarded to insiders or their relatives, including board members, officers, or chapter members, would be considered private benefit or self-dealing. While public charities are not absolutely barred from awarding scholarships to relatives, they must be able to prove the decision was made without insider influence, that no preferential treatment occurred, and that the process was blind, impartial, and fully open to the public. The scholarship eligibility and selection should include the following language:

- **Public and Non-Discriminatory Process**
 - Scholarships shall be awarded on an objective and non-discriminatory basis. Applications must be open to the general public and not limited to members of the sorority, their families, or affiliates.
- **Blind Review**
 - All applications will be evaluated using a blind review process in which identifying information about the applicant (such as name, family connections, or membership affiliation) is removed prior to review by the selection committee.
- **Independent Selection Committee**
 - Scholarship recipients will be chosen by an independent selection committee appointed by the foundation. To preserve impartiality, the committee shall

consist of individuals who are not members of the foundation's board of directors or immediate relatives of any board member or officer.

- **Conflict of Interest**

- Relatives of foundation board members or officers may apply only under the blind and public application process described above. However, board members and officers must recuse themselves entirely from any deliberation, discussion, or vote regarding scholarship awards.

- **Documentation**

- The foundation shall maintain written records of the scholarship selection process, including eligibility criteria, applications, scoring, and final decisions, in order to demonstrate compliance with IRS requirements and the foundation's charitable mission.

60: Our chapter hosts an annual fundraiser to support scholarships and programs. If our foundation is not established by the end of the year, should we reconsider holding this event, or will there be an extension granted for establishing the foundation?

Chapters should aim to establish their foundation as soon as possible, preferably by December 31, 2025. If a foundation is not yet in place, the chapter may conduct the fundraiser; however, any funds received from the public will be subject to unrelated business income tax (UBTI). Under IRS rules, a §501(c)(7) chapter may receive no more than 35% of its gross receipts from non-member sources. Once the foundation is established, the fundraising component should be transitioned immediately to the foundation to ensure compliance and proper handling of public funds.

61: What should our chapter know about and what direction can you provide or share for ensuring that the Basileus, Anti-Basileus, and Tamiouchos are added as board members? Can this take place during the next election in November 2025?

The three designated seats on the foundation's board of directors are tied to the chapter officer positions, not the individuals currently holding those offices. Under the new guidelines, which are effective now, the Basileus, Anti-Basileus (Program Chair), and Tamiouchos are immediately eligible to serve as members of the foundation's board of directors.

62: What should our chapter know about the debutante process, which is private to members or available through member referral, which is considered to be taking public funds?

Refer to Question 59 for additional guidance.

Other

[Click here to navigate back to the Table of Contents.](#)

63: Can Foundation members wear a pearl (not AKA) pin to a Foundation event?

Yes. Membership in the Chapter's Foundation does not mitigate membership in the Sorority. Therefore, it is fine to wear Alpha Kappa Alpha recognized jewelry to an event sponsored by the Chapter's Foundation.

64: Do expenditures of the foundation that are above \$100,000 require approval of the Supreme Basileus? Page 24, Section 2: The sentence in this section includes a foundation that differs from the Bylaws.

Expenditures of the chapter are prohibited from executing contracts above the threshold of \$100,000 unless the chapter first obtains written permission from the Supreme Basileus. This provision ensures that significant financial commitments made by the chapter are approved by the sorority's highest authority, providing an additional layer of accountability and protection.

65: Our Foundation bylaws establish a membership fee, but payment is currently optional. We plan to include the fee in chapter dues beginning in 2026, similar to how EAF is handled. Since the new Foundation Guidelines are effective in 2025, should we continue following our existing Foundation bylaws, including how voting rights are applied?

Chapters and foundations are encouraged to comply with the new Foundation Guidelines by December 31, 2025. Existing bylaws of both entities should be followed until they are amended accordingly to comply with new guidance. A chapter can, through its normal budgeting process, assess itself and provide per chapter member dues to the foundation as a contribution.

66: Will you share any supplemental documents (i.e., meeting minutes/notes) to help shape our discussion with our leaders?

Yes, the Committee is planning to provide supplemental information as it is developed. Additionally, the appendices section of the new Alpha Kappa Alpha Sorority, Inc.® Chapter Foundation Guidelines, 2025 offers additional resources, templates, and references that chapters and foundations can use to ensure compliance and effective management. All members are encouraged to familiarize themselves with the new guidelines.

67: Will chapters with Foundations receive follow-up training, and can our chapter request a virtual webinar to address our unique situation?

Yes. It is suggested that you reach out to your Regional Director to inform of your chapter's training needs. This helps ensure transparency with her office. Once support of the Regional Director is granted, then you may reach out to a member of the Committee for further assistance.

68: Can our chapter Foundation members wear a pearl (not AKA) pin to a Foundation event?

Yes. Membership in the Chapter's Foundation does not mitigate membership in the Sorority. Therefore, it is fine to wear Alpha Kappa Alpha recognized jewelry or attire to an event sponsored by the Chapter's Foundation. There are no attire requirements or restrictions. But members must remember that in the Foundation meeting, the actions are related to the Foundation not the chapter and vice versa.

69: For the *Application to Form a Chapter Foundation (Appendix B)*, should chapters submit the application before filing IRS Form 1023 for 501(c)(3) status, or can the two processes occur simultaneously?

It is advised that chapters gain approval to form a foundation first before submitting an IRS Form 1023 application to the appropriate entity although due to timing constraints, the activities might overlap however, a chapter must gain approval from the Sorority before officially filing the IRS application for 501(c)(3) tax-exempt status.

70: Will additional workshops be held on this subject after the Leadership Conference once all members have had a chance to obtain the Foundation Guide?

Workshops on the new Foundation Guidelines will likely be ongoing through the current Soaring administration.

71: Is there an approval process for chapters that would like to host a Founders' Day event?

The Committee is seeking exemption for Founders Day and Chapter Anniversary activities planned and implemented by the chapter. The rationale for this decision is that such activities should be self-funded with limited to zero profit to the chapter. If, however, promotional materials for the event include Alpha Kappa Alpha trademarked emblems, Branding Matters approval must be secured.

Small Chapters / Undergraduate / Interest Groups

[Click here to navigate back to the Table of Contents.](#)

72: Are there opportunities for small chapters to collaborate when establishing foundations?

Yes. Chapters that do not have Foundations may partnership with a registered 501(c)(3) organization to serve as a fiscal agent to manage the fundraising dollars and provide administrative support. The Educational Advancement Foundation® offers such support through its Non-Profit Chapter Assistance Program (NCAP). NCAP requires a nominal 1% administrative fee to serve as a fiscal agent for chapter fundraising.

73: How can a newly chartered chapter fundraise without a foundation?

Certain chapters to include newly chartered chapters, small chapters, chapters in the International Region and undergraduate chapters are considered exempt to the new Foundation Guidelines and therefore, still allowed to fundraise through the chapter. Unrelated Business Tax Income (UBTI) rules will apply to the chapter accordingly.

74: Who is responsible for the funds needed to start a foundation?

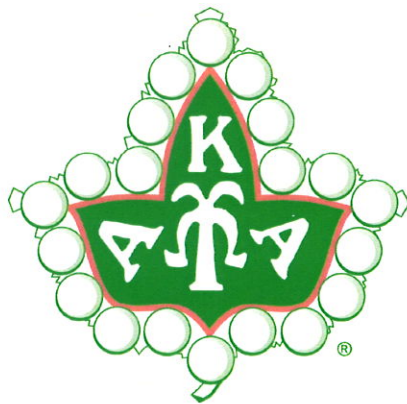
The cost to start a foundation can range from a few hundred dollars for a small, local nonprofit to several thousand dollars or more for larger entities with national or international reach. Careful planning and consultation can help ensure your foundation is launched successfully and is positioned for long-term success. It is important that the chapter budget for the establishment of a Foundation after carefully researching state and federal filing fees and any fees that may be associated with a legal or tax consultant.

75: Can a graduate chapter's affiliated foundation work closely with the sponsored undergraduate chapter?

Yes. A supervising graduate chapter is encouraged to serve as a fiscal agent for its undergraduate chapter to manage the fundraising dollars and provide administrative support.

76: When is this guidance effective?

December 31, 2025 is the desired goal for chapter compliance. Chapters are encouraged to begin working immediately, to comply with this guidance. The Committee is exploring other options for small, newly chartered and undergraduate chapters.





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