

CHARITABLE DONATION, INCORPORATION & TAX GUIDANCE FOR

STUDENT GROUPS AT CREIGHTON UNIVERSITY

Are student groups at Creighton University considered part of the Creighton University corporation?

No, while most Creighton student groups are affiliated with Creighton, they are not directly a part of the Creighton corporation and therefore are not eligible to participate in Creighton's 501(c)(3) tax-exempt status.

Can the student group deposit funds into a Creighton University fund?

Some students groups use what are called agency funds. These funds are for those student groups that chose to use Creighton's accounting system to process their transactions. These funds are easily identified because the fund number starts with an 8. Having an agency fund **does not** entitle the student group to any of the benefits of Creighton's tax exempt status. Other student groups have established checking accounts at local banks such as Creighton Federal Credit Union.

Are the student groups able to use Creighton's federal tax ID number in business transactions, solicit donations or for setting up bank accounts?

No, because the student groups are not part of the University corporation, they may not use the University tax ID number for any business transactions, purchases, solicitations or in setting up bank accounts.

Can donors giving money or other gifts to student groups receive a charitable contribution acknowledgement from Creighton University

No, the University may only provide charitable gift acknowledgements to donors who make contributions directly to, and for the direct use of, Creighton University. Donors who make contributions to, or for the direct use of, student groups are not eligible to receive charitable gift acknowledgements from the University.

Can the student group solicit donations on behalf of Creighton University?

No, the University's fundraising priorities are established by the President and the Board of Directors. The Development division is responsible for the coordinated solicitation program to support those strategies.

Can donations to Creighton be directed from Creighton to the student group?

No, the organizations are separate entities; donations to Creighton must be used as the donor intended, to support Creighton programs.

Can a student group apply for its own tax ID number?

Yes, a student group can apply to become a separately incorporated charitable organization in order for donors to claim their gift as a charitable contribution deduction on their personal tax return. However, please note that the incorporation process and filing the required annual reports and tax returns is a lengthy process that generally requires hiring an outside attorney.

Are student groups exempt from paying sales tax?

No, student groups are not exempt from sales taxes and are required to pay the appropriate sales taxes on any purchases they make. Nebraska state sales tax law specifically states: "Affiliated or subsidiary organizations, including student organizations or parent-teacher-student organizations, although operating in support of or under the guidance of an exempt institution, may not use the exempt institution's certificate of (sales tax) exemption."