



Alpha Fund Enrollment and Grant Guidelines

What is the Alpha Fund?

The birth and growth of Christian ministries is a result of the Holy Spirit working through faithful men and women who, by His motivating presence, are empowered to "work out their salvation" (Phil: 2:12). These works are the proof and the tangible evidence of God's love, grace and mercy, and become testaments on earth to the glory and power of Jesus Christ. Further, because these ministries bring good news to a broken world and are God's very own instruments of grace, the natural consequence from their existence is an improved quality of life for every citizen of our community.

These ministries provide practical and effective methods of ministering to widely diverse needs through the body of Christ. They help safeguard Biblical values in our community by both fostering the growth of our faith and by opposing the public and private practice of sin.

A common obstacle to the initiation and survival of such ministries is the development of funds. An impediment to fund development is the fact that, in their early days and years, such ministries have not yet obtained the federal government's approval to operate as a tax-exempt organization (that is, have not obtained 501(c)(3) status), thus eliminating their ability to offer a tax deduction when a gift is received. Even if a new entity has filed with the IRS for 501(c)(3) status, there is a delay of several months before the IRS Determination Letter is received. Many donors are reluctant to make gifts to these ministries until this status is clearly obtained.

The Alpha Fund was created by The Generosity Trust (TGT) to enable worthy new Chattanooga area Christian ministries and projects that have not yet received their IRS Determination Letter as a 501(c)(3) tax-exempt entity to raise start-up funds and grow to a point where they are self-sustaining and no longer require the assistance of the Fund. The Alpha Fund can receive gifts for qualified ministries, offer a tax deduction to the donor, and disburse to the new initiatives through the procedures outlined below. The Alpha Fund is a component fund of the TGT and is governed by a Committee appointed and approved by the TGT Board of Directors. The Committee meets periodically to make determinations of new ministry eligibility and to approve grants.

Eligibility for the Alpha Fund

Ministries eligible to receive grants from the Alpha Fund include start-up ministries/programs that have been incubated by other existing tax-exempt ministries or churches. To qualify for the Alpha Fund, one must **submit a two page letter of request**, with **sufficient supporting documentation**, to TGT's Alpha Fund Committee, indicating the initiatives or organization's desire to participate and that it has met all of the following criteria:

- be a Christian initiative, theologically and Biblically conservative in character;
- have a clear purpose or mission statement to meet a community need;
- have measurable program goals and strategies;
- have a timeline indicating the duration of the project and/or when the organization projects when it will receive its 501(c)(3) status;
- be governed by a well-defined board of directors, advisory board, steering committee, or accountability committee;
- have an identified executive director, project leader, or point person;
- have an established address; and
- has not been in existence for longer than three (3) years.

Essentially, we're looking for a 2 page letter telling us who you are, what you're called to do, how you're going to fund it, and what the anticipated results will be. We also want a 1-page budget (revenue and expense), and a list of the Board of Directors. This should come on organizational letterhead (if possible) or on information that contains sufficient return address, telephone and contact information. This should be mailed to:

The Generosity Trust
Attn: Alpha Fund Committee
736 Market Street, Suite 1402
Chattanooga, TN 37402

Upon submission of this letter of request and supporting information, the Alpha Fund Committee will meet to discuss the request submitted. The Alpha Fund Committee will then make its recommendation to the full Board of Directors. The ministry will be notified in writing of the decision of the Board of Directors.

After Your Ministry Qualifies for the Alpha Fund

Once a ministry qualifies for the Alpha Fund it may instruct its prospective donors to direct their gifts (cash and non-cash gifts such as marketable securities) to the Alpha Fund at TGT, designating in writing the ministry towards which the donor wishes their support directed. Donors should be informed by the ministry that a gift to the Alpha Fund constitutes a legal gift transaction and that TGT retains the right to use the gift as outlined in this document. Gifts will not be returned should the donor have a change of heart or the intended organization lose its eligibility under the Alpha Fund. As each gift is received, TGT will send a receipt to the donor and notify the eligible ministry. These

gifts are tax deductible in the year in which they are given to the full extent allowed by the IRS.

In order to access designated gifts, the qualified ministry must complete an application for release of funds and submit it to the Alpha Fund Committee. The Alpha Fund Committee will meet and make recommendations for disbursements based upon the applications received.

TGT will maintain separate accounting for each ministry and can provide verbal reports regarding the amount of money designated for their account. However, it is the responsibility of the eligible ministry to track its gift totals and make requests according to their needs. TGT will not advance grants larger than the amount which is designated for their account. However, TGT will make grants for amounts less than the total should the ministry not wish to take its full amount in any one month.

Administrative costs for the Alpha Fund are covered by TGT retaining any interest or other earnings accumulated on gifts maintained on fund balances.

Exiting the Program

There are four means of exiting the Alpha Fund Program:

1. **Withdrawal.** This must be done in writing to the Alpha Fund Committee. This opens a space for another eligible ministry.
2. **Ministry receives its 501(c)(3) Determination Letter.** The ministry is automatically removed from the Alpha Fund at the end of the month upon receipt of the Determination Letter.
3. **Ministry is terminated for failure to remain eligible or to comply with Fund procedures or requirements.** The Alpha Fund is a grant-making entity and as such retains the right to make disbursements to only those ministries which in the sole discretion of the Committee and the Board qualify and continue their eligibility. Failure to continue to meet the eligibility standards at any time during the ministry's enrollment with the Alpha Fund can result in the Alpha Fund retaining the designated gift(s) until there is compliance. The Alpha Fund will notify the ministry in question of its areas of noncompliance and give 30 days for correction at which point, if the ministry is still noncompliant, the Alpha Fund will notify the ministry in writing that termination will result in 15 days unless reasonable cause for the noncompliance is shown. Further, failure to comply will result in the gifts designated for that ministry being retained to the general Alpha Fund to be used at its sole discretion.
4. **Completes 36 months as an Alpha Fund Ministry.** The Alpha Fund automatically terminates the relationship between itself and a ministry after 36 months.