

GUIDELINES FOR OFFERING HOUSING ASSISTANCE

Funds provided by or through the Delta Foundation can be used for charitable purposes by chapters of Delta Sigma Theta Sorority. The Internal Revenue Service has stated that relief of the poor and distressed constitutes a charitable purpose. Furthermore, the IRS has held in rulings that, under certain circumstances, providing housing for low income families who otherwise could not afford them can be characterized as relief of the poor and distressed, and thus a qualified charitable activity.

In order to ensure that housing assistance will qualify as a charitable activity, the following guidelines should be followed:

1. **Indefinite Class.** Charitable activity must be aimed at an indefinite class of persons. Employees of a particular employer, for example, do not constitute an indefinite class. Individuals living in a city, county or state would constitute an indefinite class.
2. **Publication.** Eligibility for the charitable program must be publicized. It cannot be made known only to a few persons.
3. **Low Income Recipients.** In order to determine whether an individual qualifies for housing assistance, the standards set by the Department of Housing and Urban Development to determine who is a low income individual should be followed. Those standards can be accessed at www.huduser.org.
4. **Other Assets.** The charity must determine whether a recipient has other assets which can be used to pay the housing fees. A retired person, for example, might have low income, but might have substantial assets. The charity should obtain a copy of the asset disclosure form delivered to the lender to determine whether other assets are available.
5. **Control of Disbursement.** The charity should control the disbursement of the funds directly to the lender/landlord to prevent accidental or intentional misdirection of charitable funds for other purposes.
6. **Records.** The charity must maintain sufficient records to prove to the IRS on audit that all beneficiaries of housing assistance were low-income individuals without other assets which could be used to pay the housing fees and that the funds were, in fact, used to make housing payments.
7. **No Conflict of Interest.** Each applicant for housing assistance must sign a conflict of interest statement as a part of your application process stating that the individual and his or her family members have no connection to the staff or leaders of the charity (The Delta Foundation) or any of the charity's affiliates (Delta).