Mechanisms for Making Financial Contributions to the Faculty Women’s Club

From time to time individuals express an interest in making financial contributions to the Faculty Women’s Club. Currently the Faculty Women’s Club is classified by the Internal Revenue Service as a 501 (c) 7 nonprofit “social” organization. As such it is limited in its ability to generate revenues or gifts beyond $35,000 per year. Furthermore, its current bylaws make it quite independent of the University, even though its membership is selected from the spouses or women members of the faculty of the University.

The following are possible mechanisms for making contributions to the organization:

For small gifts ($1,000 or less), the best approach is to make these contributions directly to the Faculty Women’s Club since they fall within the limits set by the FWC’s nonprofit status.

For larger gifts ($1,000 or more), the best approach may be to make these contributions to the University of Michigan, for the purpose of assisting the Faculty Women’s Club in its efforts to serve the University.

Major gifts of $10,000 or more can be used to establish an individual endowment account, the distribution from which could be used for the benefit of the FWC. For example, a gift of $100,000 might be used to establish the Mary and John Smith Endowment Account with the stipulation that the income distribution from this fund (typically $4,500 per year) would go into an account, administered by the Secretary of the University, to cover in part the charges associated with Faculty Women’s Club activities (e.g., room rental, catering, etc.)

A series of smaller gifts could be used to establish a more general endowment account, for example, named the University of Michigan Faculty Women’s Club Endowment Fund. Again, while it would be necessary for an officer of the University to technically control the income from this endowment, a stipulation could be made that this be done with the advice of the Faculty Women’s Club Executive Board for particular FWC activities that serve the University (e.g., hosting international visitors, gardening, student support).

Perhaps of most lasting value would be major bequests, naming the University of Michigan as the beneficiary, with the stipulation that the bequest be used to establish an endowment fund to benefit the activities of the Faculty Women’s Club, in perpetuity. For example, a one million dollar bequest would establish a fund that would yield $45,000 of income a year for FWC activities (and growing somewhat faster than inflation over time). Clearly such bequests could have an extraordinary impact on the Faculty Women’s Club and its capacity to serve the University.