The College Athlete Network Foundation

Comprehensive Purpose, Operations, and Compliance Statement

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The College Athlete Network Foundation ("the Foundation") is a nonprofit charitable corporation established to facilitate the transfer of donations from individuals, corporations, and other organizations to qualified collegiate athletic programs. This document outlines our mission, operational model, governance policies, and compliance framework to ensure that the Foundation operates in full alignment with Section 501(c)(3) requirements under the Internal Revenue Code.

1. Mission Statement

Our mission is to strengthen and sustain collegiate athletics by serving as a trusted conduit between donors and collegiate sports programs. We ensure that contributions are processed efficiently, that administrative costs are kept minimal, and that the maximum possible funds reach the intended programs. Through transparency, efficiency, and donor trust, we aim to expand the resources available to student-athletes nationwide.

2. Why We Exist

Collegiate athletics provide life-changing opportunities for student-athletes, cultivating leadership, teamwork, discipline, and academic success. However, many programs face persistent budget shortfalls, inconsistent funding, and increasing financial pressures. While donors—especially alumni and parents—are eager to contribute, they often encounter barriers such as unclear giving channels, high administrative overhead, and limited transparency in how funds are used.

Across the country, many alumni-led groups, such as "Varsity Clubs" or "Friends of …" have established their own 501(c)(3) organizations to support individual teams. While these groups are well-intentioned, they are frequently run by volunteers with limited experience in nonprofit administration. As a result, the cost of incorporation, annual filings, accounting, and compliance can consume a disproportionate share of donations and compliance with the Tax Code is questionable. For example, a single-team support group may incur over $5,000 in annual operating costs; if that group raises $20,000 in a year, 25% of donations are lost to overhead rather than reaching the athletes.

With many such groups operating independently within the same institution, there is no economy of scale, multiplication of administrative efforts, and limited assurance of Tax Code compliance.

The College Athlete Network Foundation solves this problem by serving as a centralized, professionally managed intermediary. We pool administrative functions—payment processing, accounting, legal compliance, and reporting—across multiple programs, reducing costs dramatically. This efficiency ensures that the maximum possible portion of every donation reaches its intended destination. Centralized oversight also delivers consistent transparency, standardized reporting, and donor confidence, allowing supporters to focus on their passion for athletics while we ensure the behind-the-scenes work is done correctly, efficiently, and in full compliance with 501(c)(3) requirements.

3. How We Operate

Our operations follow a simple and transparent process:

1. Donation Intake – We receive contributions

through secure payment methods using trusted 3rd party credit card processors (specifically, Paypal & Stripe) as well as ACH transfer.

2. Fee Deduction – We deduct only actual and necessary expenses (such as payment processing, accounting, and corporate fees).

3. Distribution – Remaining funds are disbursed directly to donor-specified programs at a frequency of not less than once monthly.

4. Documentation – All transactions are documented; all donors receive confirmation of distribution and recipients receive confirmation of the donors, amounts, transaction IDs, and date of donation.

5. Reporting – The Company employs a 3rd party accountant to ensure independent analysis, and we publish detailed annual financial reports to our fund recipients for transparency.

4. Our Commitment

- No profit motive — We operate solely for charitable purposes.
- Transparency — All financial flows are documented and available for review.
- Efficiency — Overhead is minimized.
- Impact — Funds reach athletes and programs where they are needed most.

5. IRS 501(c)(3) Compliance Requirements

To maintain tax-exempt status under Section 501(c)(3), the Foundation adheres to the following principles:

- Organizational Test – Our Articles of Incorporation limit our purposes to charitable activities.
- Operational Test – The Company engages primarily in activities that accomplish our exempt purposes.
- Private Inurement – No earnings benefit private individuals beyond reasonable compensation.
- Lobbying Restrictions – Lobbying activities are limited and insubstantial.
- Political Activities – The Company does not engage in political campaigns or endorse candidates in any way.
- Public Benefit – Our work benefits the public by supporting student-athletes and collegiate programs.

6. Governance and Board Responsibilities

The Foundation is overseen by a Board of Directors, which provides strategic guidance and ensures compliance with all applicable laws. Responsibilities include:

- Approving budgets and financial statements.
- Ensuring adherence to mission and exempt purposes.
- Overseeing the Executive Director and staff.

- Maintaining conflict of interest policies
- Ensuring accurate recordkeeping and timely filings with the IRS and state agencies.

7. Financial Management and Transparency

We maintain meticulous records of all donations, expenses, and disbursements. Key practices include:

- Segregated accounts for restricted donations.
- Annual independent financial review or audit.
- Public disclosure of IRS Form 990.
- Clear donor receipts identifying the charitable portion of each contribution.
- Compliance with state charitable solicitation requirements.

8. Donor Relations and Stewardship

We believe strong donor relationships are critical to our mission. We commit to:

- Providing prompt acknowledgment of all gifts.
- Honoring donor intent in fund distribution.
- Offering regular updates on program impact.
- Maintaining donor privacy in accordance with all applicable laws.

9. Operational Best Practices

The Foundation actively follows the nonprofit sector's "best practices", including:

- Regular policy reviews and updates.
- Staff and board training on compliance and ethics.
- Internal controls to safeguard funds.
- Use of technology to streamline operations and reporting.
- Periodic program evaluations to ensure mission alignment.

10. Dissolution Clause

Upon dissolution, assets will be distributed exclusively for charitable purposes to another 501(c)(3) organization or to a governmental entity for a public purpose, as determined by the Board of Directors.

11. Conclusion

The College Athlete Network Foundation exists to connect generosity with opportunity. By adhering to strict compliance standards, maintaining transparency, and prioritizing donor trust, we ensure that our work makes a tangible difference in the lives of student-athletes and the vitality of collegiate athletic programs.

IRS Compliance Statement for 501(c)(3) Determination

The Foundation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. Specifically:

- No part of the net earnings shall inure to the benefit of, or be distributable to, its members, trustees, officers, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein.
- No substantial part of the activities of the organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the organization shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.
- Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or shall be distributed to the federal government, or to a state or local government, for a public purpose.