



LUBBOCK
CHRISTIAN
UNIVERSITY

*the
Life
Changing
University*

POLICY AND
PROCEDURES
Number: 7.1.1

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Date: 3-1-2006

SUBJECT: Restrictions and Requirements to Maintain Non-Profit Status

Lubbock Christian University was founded as a non-profit corporation in accordance with Internal Revenue Code 501(c)(3) and, as a result, has established and must maintain certain practices that are required by law. The institution shall not:

1. Pay dividends or other corporate income to its trustees or officers or otherwise accrue distributable profits or permit the realization of private gain;
2. Take any action that would be inconsistent with the requirements for a tax exemption under Internal Revenue Code 501(c)(3) and related regulations, rulings, and procedures;
3. Take any action that would be inconsistent with the requirements for receiving tax deductible charitable contributions under Internal Revenue Code 170(c)(2) and related regulations, rulings, and procedures;
4. Engage in activities or use its assets in manners that are not in furtherance of one or more exempt purposes, as set forth above and defined by the Internal Revenue Code and related regulations, rulings, and procedures, except to an insubstantial degree;
5. Serve a private interest other than one that is clearly incidental to an overriding public interest;
6. Devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise, except as provided by the Internal Revenue Code and related regulations, rulings, and procedures;
7. Participate in or intervene in any political campaign on behalf of or in opposition to any candidate for public office. The prohibited activities include the publishing or distributing of statements in any other direct or indirect campaign activities;
8. Have objectives that characterize it as an "action organization" as defined by the Internal Revenue Code and related regulations, rulings, and procedures;
9. Distribute its assets on dissolution other than for one or more exempt purposes; on dissolution, the corporation's assets should be distributed to an organization exempt from taxes under Internal Revenue Code Section 501(c)(3) to be used to accomplish the general purpose for which the Corporation was organized;
10. Permit any part of the net earnings of the Corporation to inure to the benefit of any Trustee of the Corporation, employee of the Corporation, or any private individual; nor
11. Carry on an unrelated trade or business except as a secondary purpose related to the Corporation's primary, exempt, purposes.

Contact for Interpretation: President

This policy and procedure supersedes all previous policy and procedure statements on this subject.