

# Creative Asset Protection Strategies, Inc.

Tax-Advantaged Insurance Solutions & Financial Strategies  
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## Community Supporting Organizations

### What are the common and allowable expenses of a Community Supporting Organization (CSO)?

- (1) **Program support:** Funds paid out to the organization(s) supported, or costs expended in support of the activities of the supported organization, or for programs and activities that are specifically connected to the stated purposes of the CSO.
- (2) **Rent and occupancy costs:** To house the offices and activities of the CSO or to provide facilities for the use of the supported organization or for use in support of the mission of the supported organization.
- (3) **Retreats and seminars related to the charitable purposes for which it was organized:** In order to effectively manage the work of the CSO and to effectively support the activities of the supported organization, certain directors or trustees may require additional education and training and may find it beneficial to the CSO and the supported organization to participate in retreats and seminars held by the larger community of organizations with a similar purpose.
- (4) **Telephone expense:** As required by the CSO to fulfill its mission.
- (5) **Travel expense:** Related to the activities and purposes of the CSO.
- (6) **Donations to charities other than the supported charity.** Donations should be to organizations with purposes similar to the purposes of the supported organization.
- (7) **Legal and accounting fees:** Incurred in fulfillment of its mission.
- (8) **Equipment rentals and repairs:** Incurred in fulfillment of its mission.
- (9) **Property and Equipment:** For use by the CSO in the fulfillment of its purpose, or for the use of the supported organization, or for use in activities in support of the mission of the supported organization.
- (10) **Fund raising:** Costs to raise funds for the CSO or for the supported organization.
- (11) **Media and production expenses:** Incurred to promote the activities and mission of the supported organization including public education and activities related to the mission of the supported organization.
- (12) **Insurance premiums:** Life insurance on major donors and key trust officers, property and liability insurance on the assets of the CSO, D&O insurance for the Trustees.
- (13) **Printing and postage:** Incurred in fulfillment of its mission.
- (14) **Miscellaneous expenses:** Incurred in fulfillment of its mission.
- (15) **Salaries & wages:** Compensation paid to trust officers and employees engaged in conducting the purposes for which the CSO was formed or employees which are provided to the supported organization to assist in its activities.
- (16) **Grants and Allocations:** May only be made to the supported organization(s) who may then make grants to organizations or individuals according to their charter and tax status.
- (17) **Publications:** The cost of publications related to the mission of the CSO, including the production and other costs incurred in creating and publishing the materials; or costs incurred to purchase the rights to use or costs incurred to license materials for use by the CSO or the supported organization.
- (18) **Honorariums:** To individuals promoting the activities of the CSO.
- (19) **License fees and taxes:** Incurred in fulfillment of its mission.
- (20) **Director or trustee fees and related costs:** Reasonable, as related to the work and skill required.

(Note: Interested parties that are active participants in recognized religious organizations and perform ministerial services for, or on behalf of such organizations should carefully read IRS Publication 517 and Publication 1828 (Rev. 7-2002). Under certain conditions, the CSO may qualify as an integrated auxiliary of the supported organization and therefore could provide a tax-free housing allowance to the donor or to selected individuals that were ordained as ministers of the supported local body and employed by the CSO to advance the mission of the supported local religious body.)