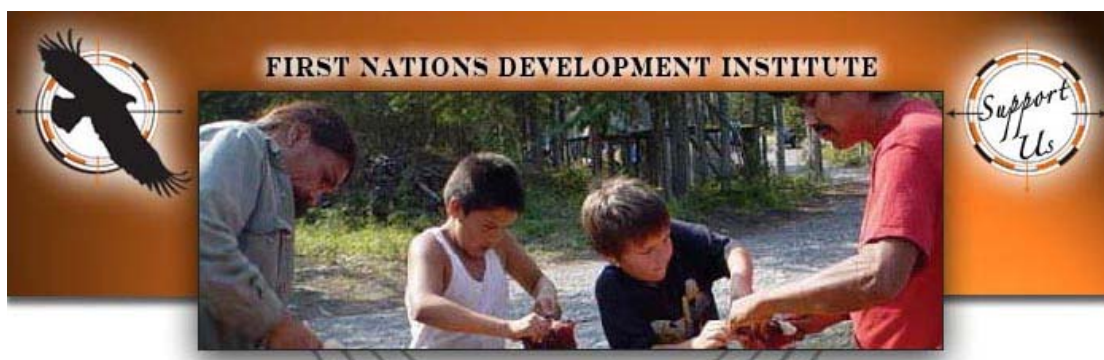


# First Nations Development Institute Announces Grant Program for §7871 Organizations



Released on: October 17, 2008, 5:20 am

Press Release Author: [First Nations Development Institute](#)

Industry: [Non Profit](#)

**Press Release Summary: First Nations Development Institute (First Nations) is encouraging §7871 organizations to apply to be a part of a new grant program and research initiative. Grants of \$5,000 to \$10,000 will be given to §7871 organizations selected to participate in the study**

**Press Release Body: First Nations Development Institute Announces Grant Program for §7871 Organizations**

**First Nations Development Institute (First Nations)** is encouraging §7871 organizations to apply to be a part of a new grant program and research initiative. Grants of \$5,000 to \$10,000 will be given to §7871 organizations selected to participate in the study.

Generally, private foundations and public charities fall under section 501(c)(3) of the Internal Revenue Code. For Tribal Governments, however, the Indian Tribal Governmental Tax Status Act of 1982 supported Indian nations in establishing, regulating and controlling philanthropic activities within their communities under the leadership of the Tribal Government. This act, codified as the Internal Revenue Code (IRC) §7871, allows tribes to create programs (including community development programs and grant making foundations) that can be controlled and regulated by the tribe but also can receive donations that are tax deductible for the donor (and meet the qualifying distribution test for mainstream foundations).

Establishing tax-exempt Tribal Governmental organizations under IRC §7871 allows Tribes to maintain a greater degree of sovereignty than they would under the more

ubiquitous 501(c)(3) designation. Even the United States Supreme Court has held that Indian nations possess a status higher than States. Thus, the more traditional 501(c)(3) designation unfairly subjects Indian nations (and their political subdivisions) to the oversight of States' Attorney General Offices, where jurisdiction over "expressly public and charitable purposes" is generally housed. First Nations will work with the selected §7871 organizations to gather data for a report targeted at educating and informing foundations, corporations with charitable giving programs, and the philanthropic community about §7871 organizations. Additionally, the report will provide critical information for tribes and tribal communities to assist them with developing new or supporting existing §7871 organizations.

*"§7871 organizations are largely misunderstood by mainstream funders and the general public," stated **Michael E. Roberts, President of First Nations Development Institute.** "This lack of understanding and acceptance greatly reduces the ability of tribes to raise critically needed funding." Roberts says the program was created to educate the philanthropic sector about §7871 organizations in an effort to ensure tribes creating 7871 organizations retain their rights and guard their sovereignty when trying to access funding and compete on the same level playing field as their mainstream nonprofit and philanthropic counterparts. "Additionally, this important study will also yield information to help support tribes that have existing §7871 organizations or those considering creating new §7871 organizations in an effort to expand philanthropy in tribal communities," says Roberts.*

*"We hope to learn more about §7871 organizations and the different forms they take," stated **Sarah Echohawk Vermillion, Vice President of First Nations Development Institute.** "The purpose of the research that comes out of this grant making program is to generate data about §7871 organizations, their institutional structures and programmatic areas, and to highlight benefits and methods of giving to §7871 organizations."*

Interested §7871 organizations should go to [www.firstnations.org](http://www.firstnations.org) to download instructions and complete a short application. The deadline for applying is 5:00 p.m. (MST) November 21, 2008.

**For more information about this project, contact Sarah Dewees, Director of Research / [sdewees@firstnations.org](mailto:sdewees@firstnations.org); or visit First Nations Development Institute's website at [www.firstnations.org](http://www.firstnations.org).**

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