

# Paradise Folk School

501c3 Nonprofit Fund Business Plan V1 | Public Review Main Plan

**Founder & Steward:** Frenchie

**Revision date:** May 31, 2026

**Revision basis:** First fund-specific business plan under the approved Paradise Folk School Organizational Business Plan V8.

**Status:** Public-review planning draft pending final approval. Not formation, tax advice, charitable solicitation, tax-deductible receipt authority, program launch, partnership promise, spending authority, or website authorization.

**Source of truth:** Local DOCX first; PDF is a formatted review copy generated from the same structured content.

## Executive Summary

The 501c3 Nonprofit Fund is the first proposed fund-specific operating lane under the approved Paradise Folk School Organizational Business Plan V8. Its purpose is to hold and govern future charitable, educational, religious/congregation-school, mutual-aid, food-education, civic-education, safeguarding, community-learning, and public-benefit work after legal, accounting, formation, banking, charitable-solicitation, safeguarding, and governing approvals are complete.

This plan does not activate the fund. It creates the rules, boundaries, launch gates, and review checklist required before Paradise accepts money, spends money, launches programs, issues tax language, posts website donation language, or represents that the 501c3 lane is active.

- First priority: formation readiness, governance records, charitable-purpose clarity, conflict policy, safeguarding policy, bank/books setup, and public-language approval.
- First safe operating areas after approval: source documents, education, member learning, public-benefit planning, approved community education, low-risk administrative setup, legal/accounting work, and safeguarding infrastructure.
- Higher-risk areas: youth programs, public school partnerships, food handling, transportation, care referrals, scholarships, mutual aid, property/site work, and public events. These require stronger reserves, written review, and safeguarding gates.
- Never through this fund: candidate support, PAC activity, member payouts, investment promises, private benefit, dues split with BenefitAll, unapproved tax-deductible claims, or public claims that imply active partnerships before written approval.

## 1. Fund Identity And Legal Boundary

Field	V1 Rule
Fund name	501c3 Nonprofit Fund Business Plan
Legal lane	Future 501(c)(3) nonprofit / charitable organization lane, pending counsel/accounting confirmation and required filings.

Field	V1 Rule
Organizational relationship	Subordinate fund-specific plan under Paradise Folk School Organizational Business Plan V8.
Current status	Planning and review only. No funds accepted, spent, receipted, restricted, or publicly solicited through this lane until launch gates are met.
Public claim status	Do not claim tax-deductible status, active nonprofit status, school partnership, clinic, property site, fiscal sponsorship, or active program until exact language is approved.

The 501c3 Nonprofit Fund may become the first operating home for Paradise Folk School's exempt-purpose work. Until the legal structure is complete, public wording should describe support as pledges, planning interest, or future support pathways only if counsel and governance approve the wording.

Non-negotiable 501c3 boundary: No candidate activity, no private benefit/inurement, no member payout, no investment promise, no PAC spending, and no BenefitAll dues split may run through this fund.

## 2. Charitable Purpose And Program Scope

The fund's charitable and educational purpose is to support community learning, food education, civic education, mutual aid, safeguarding, public-benefit planning, and congregation-school or worship-adjacent education where legally appropriate. The fund must be organized and operated for exempt purposes, and the plan must avoid private benefit, inurement, candidate activity, and unsupported public claims.

Program Area	Allowed Planning Scope	Gate Before Public Launch
Education and member learning	Core document study, civic knowledge, garden education, public-benefit learning, volunteer education, and source-of-truth materials.	Approved curriculum language, public wording review, accessibility review where needed.
Covenant Tilth / mutual aid	Future public-benefit solidarity support, scholarships/books, repair/tool support, community meals, and emergency community needs.	Eligibility rules, conflict policy, restricted-gift handling, finance review, public aggregate reporting.
School garden and youth work	District-routed planning for after-school garden clubs, food education, and school/community learning.	District/school approval, safeguarding officer and backup, background screening, mandatory reporter training, guardian consent, insurance, tool/food safety.
Food access and community meals	Food education, partner kitchen planning, family meals, food truck feasibility, grocery feasibility, and local food pipeline planning.	Food permits, partner agreement, allergen/food safety rules, budget, insurance, and reserve review.

Program Area	Allowed Planning Scope	Gate Before Public Launch
Care referrals	Referral/support navigation only; no clinic, medical advice, therapy, housing placement, or job-placement promise unless licensed/partner structure is approved.	Written partner vetting, privacy review, nondiscrimination, no coercion, no conditioning support on membership/labor/political/religious participation.
Commons and property concepts	Planning for land care, tool libraries, kitchens, gardens, earthship concepts, land trust concepts, and public-benefit third spaces.	Site feasibility, land/property counsel, insurance, anti-displacement review, reserves, member/governing approval.

### 3. Allowed Uses And Banned Uses

Allowed After Approval	Banned Or Not Allowed Through 501c3
Formation costs, EIN/filing support, bylaws, policy drafting, legal/accounting review, bookkeeping setup, insurance review, secure records, and approved public education.	Candidate endorsement, candidate opposition, PAC spending, political contribution, candidate coordination, or use of charitable resources for campaign activity.
Approved educational materials, volunteer training, member education, community education, garden learning, civic education, and safeguarding infrastructure.	Member payout, dividend, ownership share, investment return, profit-share, dues split with BenefitAll, cooperative ownership claim, or private benefit.
Restricted gifts only when the restriction can be legally honored and tracked in books.	Tax-deductible language, charitable receipt language, school partnership claim, fiscal sponsorship claim, clinic claim, property/site claim, or public program launch before approval.
Program spending after written launch checklist approval, reserve confirmation, and required safeguarding/legal/finance review.	Unreviewed cash aid, insider benefit, founder/family benefit without conflict review, unapproved vendor payments, or public release of sensitive records.

### 4. Formation, Banking, Books, And Records

The 501c3 fund cannot operate as a real financial lane until its legal and accounting spine exists. The operating record must show who approved each step, which entity or fund holds money, what restrictions apply, and what may appear publicly.

Control Area	Minimum Requirement Before Activation
Formation	Confirm nonprofit formation path, organizing documents, EIN, board/roles, bylaws, conflict policy, whistleblower/anti-retaliation policy, and required state/federal filings.
Tax language	No tax-deductible claim or receipt until counsel/accounting confirm status and exact public wording.
Charitable solicitation	Review Tennessee charitable-solicitation registration or exemption before any public contribution request from or within Tennessee.
Banking	Separate account for the nonprofit lane, with authorized signers, dual-control thresholds, reconciliation schedule, and no PAC/BenefitAll commingling.
Books	Chart of accounts mapped to fund purpose, restrictions, reserve status, approval ID, public-summary status, and reviewer role.
Dashboard	Public dashboard may show only approved aggregate summaries. No donor/member, payroll, vendor, rejected request, youth, safeguarding, incident, or raw ledger detail.

## 5. Fund Structure And Reserve Rules

Internal Fund / Reserve	Purpose	Activation Gate
Core Operations Fund	Administration, source documents, secure records, website source-of-truth work, bookkeeping setup, and basic tools.	Founder & Steward plus finance review until board controls exist.
Education Fund	Curriculum, civic education, garden learning, member education, books, scholarship materials, and public-benefit learning.	Program owner, budget, public wording, accessibility and safeguarding review if youth-facing.
Covenant Tilth Fund	Commons and solidarity support, repair/tool help, community meals, scholarships/books, garden/food support, and emergency community needs.	Council budget, eligibility rules, conflict policy, finance review, restriction tracking, public aggregate reporting.
Safeguarding Reserve	Background checks, training, incident system, officer/back-up coverage, safety supplies, youth/privacy controls.	Required before youth/school/care-adjacent launch.
Legal / Accounting Reserve	Formation, filings, counsel, bookkeeping, compliance review, solicitation wording, tax review.	Required before public claims, contribution intake, or entity activity.

Internal Fund / Reserve	Purpose	Activation Gate
Program Reserve	Low-risk programs need at least approved startup budget; youth, school, care, transportation, food inventory, recurring meals, site/property, and Commons work need stronger reserve review.	Reserve rule adopted by finance/governance before spending.

## 6. Governance And Approval Flow

The fund should use role-based approvals while Paradise is below its member election threshold. Frenchie remains Founder & Steward for continuity during startup, but that role is not ownership. Formal authority must move into adopted governance records as the organization matures.

Decision Type	Required Review
Low-risk administrative setup	Founder & Steward, finance reviewer, record keeper.
Public language or website wording	Narrative/source-of-truth review, legal/accounting review where needed, Governing Body review.
Contribution intake or donation page	Formation status, charitable-solicitation review, tax wording approval, banking/books readiness, privacy review.
Restricted gift or grant	Restriction review, legal/accounting review, ability-to-honor test, refund/redirect rule, public-summary status.
Youth/school/care/food/transportation program	Program owner, Safeguarding Officer and backup, finance, legal/accounting/insurance as needed, Governing Body.
Related-party contract or insider compensation	Conflict disclosure, market-rate support, disinterested review, written approval, public-summary classification.

## 7. Safeguarding, Privacy, And Data Rules

Any person with reasonable cause to suspect child abuse, neglect, child sexual abuse, vulnerable-adult abuse, neglect, exploitation, or imminent harm must immediately report to the required civil authority. Child concerns go to Tennessee DCS or local law enforcement; emergencies go to 911. Internal review, mediation, vote, or spiritual process never replaces or delays external reporting.

- No youth, safeguarding, health/access, incident, donor/member, whistleblower, raw partner, or student-record data may go into public documents, Google Docs copies, Discord, AI tools, website pages, or public dashboards. Sensitive records may be stored only in a separate controlled internal records system with role-based access, retention rules, audit history, and explicit human approval.
- Youth-facing work requires background screening/clearance, mandatory reporter training, two-adult/supervision rule, youth boundary rules, transportation/field safety rules, current Safeguarding Officer and backup, incident log, and external-reporting route.
- School-related work requires district/school approval, FERPA-aware consent/data handling, guardian consent where needed, accessibility review, insurance review, and approved public wording.

- Care-referral work must stay voluntary, noncoercive, nondiscriminatory, privacy-protected, and never conditioned on membership, labor, political activity, religious participation, or Paradise program work.

## 8. Public Language Rules

Safe Public Wording	Avoid / Do Not Say
Paradise Folk School is preparing a nonprofit public-benefit lane for education, mutual aid, food education, safeguarding, and community learning, pending legal and governing approval.	Do not imply recognized 501(c)(3) status, deductible-gift treatment, or active nonprofit-fund status unless counsel confirms exact status and wording.
Support pathways are pending formation, banking, books, charitable-solicitation review, and public-language approval.	Avoid immediate contribution requests, deductible-gift language, certain-program promises, benefit promises, member-return language, or investment-like language before approval.
Paradise is exploring district-routed conversations about food education and garden learning.	Named school partnership, school approval, student recruitment, campus access, or service site claim before written approval.
The fund may publish approved aggregate summaries after review.	Raw ledger, donor/member data, payroll, vendor detail, rejected requests, youth data, incident data, or safeguarding records.

## 9. Launch Readiness Checklist

Gate	Required Evidence	Status For V1
Legal formation	Formation documents, EIN path, bylaws, board/roles, conflict policy, counsel/accounting review.	Pending.
Tax and solicitation wording	Approved public language for status, receipts, pledge/support forms, and Tennessee charitable-solicitation registration or exemption path.	Pending.
Bank/books	Separate account, signers, chart of accounts, restriction fields, reserve categories, reconciliation owner.	Pending.
Safeguarding	Safeguarding Officer and backup, training, background checks, incident log, external reporting route.	Pending before youth/school/care-adjacent work.

Gate	Required Evidence	Status For V1
Program launch	Program Launch Checklist, budget, reserve, owner, partner vetting, insurance, data classification, public wording.	Not approved by this plan.
Website sync	Approved source-of-truth copy and review record before website changes.	Pending.
Governing review	Nietzsche/Dr. Maeve, Boyle/Elena, Bernoulli/Samira AI review plus human founder/covenant-member review.	Required before final use.

## 10. Counsel And Accounting Questions

- What exact formation path, organizing language, and exemption application path should Paradise use for the 501c3 lane?
- When, if ever, may public language say donations are tax-deductible, and what receipt/disclosure language must be used before and after recognition?
- Which Tennessee charitable-solicitation registration or exemption steps are required before any public contribution request?
- How should restricted gifts, pledges, refunds, redirected funds, and failed-to-launch projects be handled?
- Which activities risk unrelated business income, private benefit, inurement, or related-party conflict?
- What lobbying, voter education, issue education, or civic education language is safe for the 501c3 lane without drifting into campaign intervention?
- What insurance, background check, consent, privacy, food safety, transport, and school-district requirements must be satisfied before any youth/school/food/care-adjacent work?

## 11. Official Reference Map

Topic	Official Source
501(c)(3) exemption baseline	IRS: <a href="https://www.irs.gov/charities-non-profits/charitable-organizations/exemption-requirements-501c3-organizations">https://www.irs.gov/charities-non-profits/charitable-organizations/exemption-requirements-501c3-organizations</a>
Private benefit and inurement	IRS: <a href="https://www.irs.gov/charities-non-profits/charitable-organizations/inurement-private-benefit-charitable-organizations">https://www.irs.gov/charities-non-profits/charitable-organizations/inurement-private-benefit-charitable-organizations</a>
Political campaign intervention	IRS: <a href="https://www.irs.gov/charities-non-profits/charitable-organizations/political-campaign-intervention-by-501c3-tax-exempt-organizations-educating-exempt-organizations">https://www.irs.gov/charities-non-profits/charitable-organizations/political-campaign-intervention-by-501c3-tax-exempt-organizations-educating-exempt-organizations</a>
Unrelated business income	IRS: <a href="https://www.irs.gov/charities-non-profits/unrelated-business-income-tax">https://www.irs.gov/charities-non-profits/unrelated-business-income-tax</a>
Tennessee charitable registration	Tennessee Secretary of State: <a href="https://sos.tn.gov/charities">https://sos.tn.gov/charities</a>

<b>Topic</b>	<b>Official Source</b>
Tennessee child abuse reporting	Tennessee DCS: <a href="https://www.tn.gov/dcs/program-areas/child-safety/reporting/child-abuse.html">https://www.tn.gov/dcs/program-areas/child-safety/reporting/child-abuse.html</a>