

# Paradise Folk School

501c4 Social-Welfare Fund Business Plan V1 | Public Review Main Plan

**Founder & Steward:** Frenchie

**Revision date:** May 31, 2026

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

**Status:** Internal planning draft pending future approval. Not formation, tax advice, solicitation, tax-deductible contribution language, PAC launch, candidate endorsement, spending authority, program launch, partnership promise, or website authorization.

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

## Executive Summary

The 501c4 Social-Welfare Fund is a future-only fund-specific lane under the approved Paradise Folk School Organizational Business Plan V8. Its purpose is to plan a separate social-welfare structure for issue education, nonpartisan civic education, public-policy education, legislative advocacy, and field ministry work where lawful and counsel-approved.

This plan does not activate a 501(c)(4), authorize lobbying, solicit contributions, launch campaign activity, create a PAC, endorse candidates, coordinate with campaigns, or change public website language. It creates the rules, boundaries, formation gates, public-language limits, and review checklist required before any future social-welfare lane can operate.

- First priority: define social-welfare purpose, formation path, Form 8976 notice readiness, books/bank separation, public disclaimer language, and firewall from the 501c3 Nonprofit Fund.
- First safe planning scope: issue education, public-policy research, nonpartisan voter education, legislative education, community organizing education, and civic infrastructure planning.
- Not active in this V1: candidate endorsements, candidate opposition, campaign spending, independent expenditures, coordinated communications, PAC activity, or public fundraising.
- Hard boundary: no 501c3 charitable funds, donor/member lists, youth/school resources, restricted gifts, charitable pages, or tax-deductible language may support the 501c4 lane.

## 1. Fund Identity And Legal Boundary

Field	V1 Rule
Fund name	501c4 Social-Welfare Fund Business Plan
Legal lane	Future 501(c)(4) social-welfare lane, pending formation, IRS notice, counsel/accounting review, bank/books setup, and governing approval.
Organizational relationship	Separate fund-specific plan under Paradise Folk School Organizational Business Plan V8. It does not replace the 501c3, PAC, or BenefitAll plans.

Field	V1 Rule
Current status	Planning only. No funds accepted, spent, solicited, receipted, transferred, or publicly requested through this lane.
Public claim status	Do not claim active 501(c)(4) status, social-welfare exemption, contribution deductibility, lobbying authority, candidate activity, PAC activity, or public campaign authority before exact wording is approved.

The 501c4 lane must remain separate from the 501c3 lane. It may not borrow charitable assets, staff time, school/youth resources, restricted gifts, donor/member records, dashboards, websites, or public wording in a way that creates commingling, subsidy, candidate-risk, or public confusion.

## 2. Social-Welfare Purpose And Activity Scope

The future 501c4 lane is for social-welfare and civic infrastructure work, not charitable programs, school programs, clinical/care services, BenefitAll enterprise activity, or PAC operations. Under IRS baseline guidance, a social-welfare organization may use lobbying as a means of furthering exempt purposes, while political campaign activity must not become its primary activity. Paradise will use a stricter V1 rule: no candidate support or electoral spending is approved in this plan.

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Activity Area	Allowed Planning Scope	Gate Before Public Use
Issue education	Public-policy education, civic education, issue explainers, public-benefit research, and nonpartisan community education.	Source review, public wording approval, data/source citation, no candidate framing.
Legislative advocacy	Future lobbying or legislative advocacy about issues germane to Paradise's social-welfare purpose.	Separate formation, counsel review, tracking system, public disclaimer, dues/proxy-tax review if applicable.
Nonpartisan voter education	General civic education, voter registration education, voting rights education, and nonpartisan process information.	Nonpartisan review, no candidate preference, no party preference, no school/youth misuse.
Field ministry / organizing	Community listening, issue-based field reports, public-policy needs mapping, and civic infrastructure planning.	Privacy review, safety review, public-summary limits, no raw field notes public.
Electoral/candidate activity	Not approved in V1. If ever considered, it requires separate counsel, FEC/IRS review, governing approval, reporting controls, and likely PAC separation.	No activity until separate written approval. PAC lane remains the expected candidate-spending lane.

## 3. Allowed Uses And Banned Uses

Allowed After Approval	Banned Or Not Allowed Through 501c4 V1
Formation costs, EIN/filing support, Form 8976 notice work, bylaws, issue-policy drafting, legal/accounting review, bookkeeping setup, and public disclaimer drafting.	501c3 charitable funds, tax-deductible contribution language, restricted charitable gifts, school/youth resources, or charitable donor/member lists.
Approved issue education, public-policy education, nonpartisan civic education, legislative education, and social-welfare research.	Candidate endorsement, candidate opposition, express advocacy, independent expenditures, coordinated communications, PAC contributions, or campaign spending under this V1.
Approved public summaries and social-welfare dashboard categories after review.	Raw field notes, member/donor data, youth/safeguarding records, private partner notes, legal notes, payroll/vendor detail, or draft formulas.
Future lobbying only after formation, counsel/accounting review, tracking method, and public disclaimer approval.	BenefitAll revenue activity, member payouts, investment promises, cooperative ownership claims, or business activity as the primary purpose.

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

Control Area	Minimum Requirement Before Activation
Formation	Confirm entity formation path, organizing documents, governing authority, conflict policy, and separate social-welfare purpose.
IRS notice	Prepare Form 8976 notice process after formation if counsel confirms 501(c)(4) path. IRS guidance says notice is generally due within 60 days of formation.
Recognition option	Counsel/accounting decide whether to file Form 1024-A for recognition; this does not replace Form 8976 notice where required.
Solicitation disclaimer	Any future solicitation must use required non-deductibility language if applicable; no charitable deduction claim.
Banking	Separate 501c4 account, authorized signers, dual-control thresholds, and no 501c3/PAC/BenefitAll commingling.
Books	Chart of accounts by social-welfare purpose, lobbying/non-lobbying category, restricted status, approval ID, public-summary status, and reviewer role.
Records	Public summaries only after approval; raw records remain internal/restricted based on classification.

## 5. Firewall Rules

Firewall	Rule
501c3 firewall	No charitable funds, tax-deductible contributions, restricted gifts, school/youth resources, charitable donor/member lists, charitable website pages, or 501c3 staff time may subsidize the 501c4 lane.
PAC firewall	No candidate support, coordinated communication, PAC contribution, independent expenditure, donor-list sharing, or campaign strategy is approved in this plan.
BenefitAll firewall	No BenefitAll capital, dues split, member financial return, investment-like offer, data sale, enterprise revenue, property activity, or corporate-accountability service is activated by this plan.
Website firewall	Every public page, form, dashboard, CTA, and disclaimer must identify lane/status and avoid charitable/PAC/BenefitAll confusion.
Data firewall	No youth, safeguarding, health/access, incident, donor/member, whistleblower, raw partner, or student-record data may go into public pages, Google Docs copies, Discord, AI tools, or public dashboards.

## 6. Governance And Approval Flow

Decision Type	Required Review
Formation planning	Founder & Steward, legal/accounting, finance, Governing Body.
Public social-welfare issue language	Narrative/source-of-truth review, legal review, finance review if fundraising or member notices are involved.
Legislative advocacy	Counsel, finance tracking owner, public disclaimer owner, Governing Body.
Nonpartisan voter education	Nonpartisan review, legal review, data/privacy review, public-language approval.
Any candidate-adjacent question	Stop and route to campaign counsel/Governing Body; PAC lane review likely required.
Relationship or partner record	Contact type, lane, no-promise check, public wording, private notes location, follow-up owner.

## 7. Public Language Rules

Safe Public Wording	Avoid / Do Not Say
Paradise is planning a future social-welfare lane for issue education, civic education, public-policy education, and legislative advocacy where lawful.	Do not imply recognized or operating 501(c)(4) status, deductible contribution treatment, or approved public lobbying/campaign authority.
The 501c4 lane is separate from the nonprofit charitable lane and remains pending formation and counsel/accounting review.	Use charitable wording, school-program pages, 501c3 donor/member lists, or youth resources for 501c4 activity.
Future advocacy work will use approved public summaries and source-reviewed language.	Do not imply candidate endorsement, candidate opposition, election spending, campaign coordination, or current PAC operations.
Any future solicitation will use required non-deductibility disclosures if applicable.	Tax-deductible gift, charitable receipt, or donation page language unless approved for the correct lane.

## 8. Launch Readiness Checklist

Gate	Required Evidence	Status For V1
Formation	Entity path, organizing documents, EIN path, governing authority, social-welfare purpose, conflict policy.	Pending.
IRS notice	Form 8976 process and timeline after formation; Form 1024-A decision if counsel recommends.	Pending.
Bank/books	Separate account, signers, chart of accounts, lobbying/category tracking, reconciliation owner.	Pending.
Firewall controls	Written c3/c4/PAC/BenefitAll separation, public-language map, data-access map.	Pending.
Public language	Approved disclaimers, non-deductibility language where required, website status, source-of-truth record.	Pending.
Program/activity launch	Issue education or advocacy checklist, owner, budget, risk flags, public-summary status, governing approval.	Not approved by this plan.

## 9. Counsel And Accounting Questions

- What exact formation path and purpose language should be used for the social-welfare lane?
- When must Form 8976 be filed, and should Form 1024-A also be filed?
- What non-deductibility disclaimer must appear in any future solicitation or member-support request?
- How should lobbying, grassroots lobbying, member notices, dues allocation, and possible proxy-tax issues be tracked?
- What activities are safe issue education versus candidate intervention, express advocacy, independent expenditure, or coordinated communication?
- What records must remain private, and what may appear in public aggregate dashboards?
- What written firewall is required between 501c3, 501c4, PAC, and BenefitAll lanes?

## 10. Official Reference Map

Topic	Official Source
501(c)(4) social welfare baseline	IRS: <a href="https://www.irs.gov/charities-non-profits/other-non-profits/social-welfare-organizations">https://www.irs.gov/charities-non-profits/other-non-profits/social-welfare-organizations</a>
Form 8976 notice	IRS: <a href="https://www.irs.gov/charities-non-profits/electronically-submit-your-form-8976-notice-of-intent-to-operate-under-section-501c4">https://www.irs.gov/charities-non-profits/electronically-submit-your-form-8976-notice-of-intent-to-operate-under-section-501c4</a>
Form 1024-A recognition path	IRS: <a href="https://www.irs.gov/charities-non-profits/how-to-apply-for-tax-exemption-as-a-social-welfare-organization-or-other-nonprofit">https://www.irs.gov/charities-non-profits/how-to-apply-for-tax-exemption-as-a-social-welfare-organization-or-other-nonprofit</a>
Non-deductibility solicitation notice	IRS: <a href="https://www.irs.gov/charities-non-profits/solicitation-notice">https://www.irs.gov/charities-non-profits/solicitation-notice</a>
Independent expenditures and coordination	FEC: <a href="https://www.fec.gov/help-candidates-and-committees/making-independent-expenditures/">https://www.fec.gov/help-candidates-and-committees/making-independent-expenditures/</a>
Tennessee charitable/solicitation context	Tennessee Secretary of State: <a href="https://sos.tn.gov/charities">https://sos.tn.gov/charities</a>