

## **GERMANY**

**The SPARK! grant will be given to non-profit charitable organizations such as the following:**

### **German Definition:**

- The corporation must pursue non-profitable, charitable or religious purposes.
- The purpose must be pursued exclusively, selflessly and directly.
- All conditions for tax-exemptions must be apparent from the statutes. The statute must also specify how the purpose will be achieved.
- The statutes must also include a provision that the assets of the corporation upon dissolution or loss of the tax -privileged purposes is used in the future for tax-privileged purposes (so-called seizure clause).
- The actual management must comply with the statutes.

### **German Requirement:**

According to § 52 section 2 of the AO the following goals are to be recognized as being charitable (incomplete list). The promotion of the following:

- Science and research
- Education und upbringing
- Art and culture
- International understanding
- Preservation and conservation of historical monuments
- Nature conservation and landscape management
- Local culture/heritage and history
- Traditional customs ( including the carnival)
- Animal welfare
- Development cooperation

### **German Taxation Office Legal Meaning:**

When establishing a tax-exempt corporation it is recommended to consult the tax office early to align the statutes/articles of incorporation. After the founding the issuance of a provisional certificate of tax relief may be requested from the tax office. However, the provisional certificate only confirms that the statutory requirements of a tax relief do apply. Whether the actual management is consistent with the charitable objectives of the statute, is the subject of the final exemption decision which must be requested within 18 months after issuance of the preliminary decision at the tax office. Thereafter, the tax office checks every three years whether the charitable principles are adhered to and then issues a Notice of Exemption (application order for § 59 Tax Code). This then for a maximum of five years permits to issue donation receipts (receipts for donations).

### **Some Specific Examples Include:**

- Charitable hospitals
- Religious charities
- Self-help groups
- Sport clubs
- Aid organizations
- Social institution for children and young people

**We Are unable to Approve Requests for Individuals or Projects that:**

- Pose a potential conflict of interest for DDI
- Are not aligned with DDI corporate values
- May involve DDI in controversial issues
- Pose safety or security risks for employees (e.g. clean-up work at disaster site, construction or remodeling work not under the supervision of a trained professional); or any type of volunteer activity not under the supervision of an eligible charity or school
- Are related to fundraising, such as walking or running in a fundraising race
- Consist of fundraisers for individuals rather than registered charities
- Benefit charities with the sole purpose of providing support to a named individual or a named family
- Influence legislation or involve electing candidates to public office
- Involve volunteer activities of programs offered by clubs, membership associations or fraternities/sororities
- Are non-profit state universities or health care/ hospital systems