



DISSOLUTION OF MONTGOMERY COUNTY (MD) DELTA ALUMNAE FOUNDATION, INCORPORATED (MCDAF) FREQUENTLY ASKED QUESTIONS (FAQs)

1. **Q:** What does it mean for MCDAF (the Foundation) to dissolve?

A: Dissolution of the Foundation means that the organization will no longer exist. Its only activity will be to settle all affairs, pay any debts, and distribute any remaining assets in accordance with the organization's Bylaws. MCDAF also must file documentation required by the State of MD and the IRS to complete the dissolution process.

2. **Q:** When is the dissolution effective?

A: April 1, 2020

3. **Q:** Who decided to dissolve the Foundation and why?

A: This was a difficult decision made by the Board of Directors. The Board carefully considered a number of factors; the most significant factors involved external events that impacted the Foundation's on-going purpose and mission.

4. **Q:** Has the Foundation run out of money?

A: No, the Foundation is solvent and has the funds available to pay all outstanding obligations, including the remaining commitment to the \$25,000 Endowed Scholarship at Montgomery College.

5. **Q:** What happens to the assets of the Foundation?

A: Remaining assets of the Foundation must first be used to pay any debts and liabilities. If assets remain after paying its debts, the Foundation will distribute them to another 501(c)(3) organization in accordance with the Bylaws of the organization.



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6. **Q:** Will the Foundation still accept donations until April 1, 2020?

A: No, the Foundation is in the process of dissolving, therefore, donations will not be accepted.

7. **Q:** Can the Foundation transfer its tax-exempt status to another 501(c)(3) organization?

A: No, the Foundation cannot transfer its tax-exempt status, but will transfer any remaining assets to another 501(c)(3) organization in Montgomery County, MD.

8. **Q:** How long will the Foundation continue to transact business?

A: The Foundation is no longer transacting business activities except those necessary to wind down its operations by April 1, 2020.

9. **Q:** What happens to the funds that have been raised for scholarships and the grant program?

A: The MCDAF Endowed Scholarship at Montgomery College will be paid in full. Funds raised for the Community-Based Grant Program will be distributed to another 501(c)(3) organization in Montgomery County, MD.

10. **Q:** Will MCDAF award community grant funds in 2020?

A: No, MCDAF can no longer conduct business because it is in the process of dissolving. However, funds raised for the Community-Based Grant Program will be included in the remaining assets distributed to another 501(c)(3) organization in Montgomery County, MD.

11. **Q:** Will MCDAF fully fund its obligation to the \$25,000 Endowed Scholarship at Montgomery College prior to dissolving?

A: Yes, MCDAF will fully fund the remaining portion of its \$25,000 Endowed Scholarship at Montgomery College prior to April 1, 2020.



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12. **Q:** How does dissolution of the Foundation impact the Montgomery County (MD) Alumnae Chapter of Delta Sigma Theta Sorority, Inc.?

A: The dissolution of MCDAF will have no impact on the Montgomery County (MD) Alumnae Chapter of Delta Sigma Theta Sorority, Inc. (MCAC). The Foundation (MCDAF) and MCAC are completely separate legal entities.

13. **Q:** Will dissolving the Foundation create a void in the community?

A: The dissolution of MCDAF may leave a void in the community as a provider of funding for community grants and scholarships. However, we are aware of other resources in the county that provide similar funding.

14. **Q:** Can the Foundation be re-established after it is voluntarily dissolved?

A: It is possible to re-establish a Foundation; however, the re-established Foundation would be a separate legal entity from the old Foundation. A new corporation must be created in accordance with state laws, and steps taken to obtain a 501(c)(3) designation. This includes filing new Articles of Incorporation with the state, and filing Form 1023 with the IRS.

15. **Q:** Who can I contact if I have more questions?

A: All questions should be directed to info@mcdaf.org. Additionally, the Frequently Asked Questions (FAQs) will be periodically updated and available on the Foundation's website at www.mcdaf.org. The website will remain active until June 30, 2020, or later.