



# KNIGHTS OF COLUMBUS



## ULTRASOUND INITIATIVE

### FREQUENTLY ASKED QUESTIONS

#### Who is eligible to participate in the Ultrasound Initiative?

A state and/or local council should raise the funds and submit the forms. Chapters, councils in a district, Fourth Degree assemblies, and Columbian Squires circles have also participated in the Ultrasound Initiative. Fund raising should be the responsibility of the sponsoring K of C unit, not the receiving pregnancy care center.

The receiving organization must be a pro-life pregnancy care center (PCC) operating on a “limited medical model.” The PCC should be a non-profit organization that provides pregnant women with a variety of services, such as counseling about the alternatives to abortion, abstinence education, referrals for legal, medical, housing, and social services resources, maternity and baby clothes, diapers, and other support, not just on the day of the free ultrasound exam, but throughout pregnancy.

Though a free ultrasound exam often helps an abortion minded woman to decide to choose life for herself and her child, she may then need the resources the PCC can offer to sustain her in her decision and to help her through her pregnancy, and even after delivery.

Organizations which do not offer the variety of services PCCs routinely offer to pregnant women are not eligible to participate in the Ultrasound Initiative.

Knights of Columbus Ultrasound Initiative funds are given to the PCC, which purchases the ultrasound machine. Though most PCCs locate and use their ultrasound machine in their own facility, for various reasons, some PCCs have worked out arrangements to locate their ultrasound machine in a physician’s office, hospital, or, in the case of a portable or mobile ultrasound machine, in a RV or van. However, the PCC continues to own the machine and determines where it will be located and how it will best be used to meet its needs and the needs of the pregnant women the PCC serves.

#### What does “limited medical model” mean?

Some PCCs offer help, including referrals for medical care, to pregnant women, but provide no medical services of their own. Other PCCs that offer limited medical services, such as an ultrasound exam to confirm a pregnancy, and possibly additional, though limited, medical services, such as testing for sexually transmitted diseases or infections (STDs/STIs), are using the “limited medical model” of pregnancy care centers. PCCs in this second group, operating on the “limited medical model,” with a physician as medical director, are eligible for participation in the Ultrasound Initiative.

### **What does my council have to do to get an ultrasound machine in our local pregnancy care center (PCC)?**

The center must meet the faith, medical, insurance, fundraising and tax requirements of the program.

### **I am a PCC director. How can my center participate in the ultrasound program?**

Contact a member of your Knights of Columbus state or local council. If you do not know anyone who is a Knight, call the office of a local Catholic church to assist in putting you in touch with a council member. Or, contact [william.obrien@kofc.org](mailto:william.obrien@kofc.org) for information and assistance.

### **Our local PCC is not Catholic – can it still participate in the program?**

Yes, if it receives a positive Diocesan Evaluation from the local Catholic (Arch)diocese. To receive a positive evaluation, the PCC must not engage in anti-Catholic proselytism (i.e., it does not attempt to lead Catholic women away from the Catholic Faith). Some PCCs have Statements of Faith that are inconsistent with Catholic teaching. The PCC's Statement of Faith must be included in the documents submitted to the diocese. Policies regarding use and referral for contraception and abortion must not conflict with Catholic moral principles. The Diocesan Evaluation (Form #9884), available for download at [www.kofc.org/ultrasound](http://www.kofc.org/ultrasound), should be completed by the arch/diocesan culture of life director and then submitted to the Supreme Council office.

### **Will the program pay for training the staff to use and maintain the ultrasound machine?**

No, the program will only pay the cost of the ultrasound machine itself. Shipping, taxes, installation, supplies, maintenance, training and insurance costs are to be handled by the PCC. Often times, the center can find outside resources to help with these expenses.

### **What ultrasound machine is appropriate for us to purchase?**

There are at least a dozen major manufacturers of ultrasound machines, each with several different models. As each PCC has different client needs, the determination of what type of ultrasound machine it should purchase is left to the center's medical director. In some instances, because of the services offered, a center may find that a 2D-with-doppler machine fulfills its requirements; in others, where more detailed services are available, a 3D/4D ultrasound machine may be more appropriate. Several PCCs have opted for portable ultrasound machines, such as a laptop model, that may be moved from one facility to another or used in a mobile unit, such as an RV or modified van.

### **The ultrasound machine the PCC wants is really expensive. Is the list price always firm?**

List prices may be as high as \$100,000, or more. However, almost all of the ultrasound machines purchased under this program reflect discounts negotiated locally with the vendors. Some of these discounts have been substantial – 55% of the list price in more than one instance.

### **How much does an ultrasound machine usually cost?**

The discounted cost of a 2D machine is usually in the range of \$20,000 to \$40,000. A 3D/4D machine's cost, after discounts, is usually in the \$30,000 to \$60,000 range. The council will need to raise 50% of the cost of the machine. Once the PCC has selected a make and model and has obtained a manufacturer's price quote for the selected ultrasound machine, the council must determine if it is capable of raising its 50% cost of the machine within a reasonable period of time. If so, the council may begin fundraising.

**Must a council raise funds on its own?**

Many do. But many other councils, with their state deputy's approval, team up with neighboring councils, with councils within their district, or with the state council, to conduct a joint fund-raising campaign. Funds should not be solicited from other councils without the state deputy's approval.

**Our local PCC already has an old ultrasound machine. Could this center be considered eligible for the program?**

Ultrasound technology has progressed tremendously. Oftentimes, the older generation ultrasound machine can no longer produce a clear image or the machine becomes too costly to repair. In those instances, if the center meets all the requirements of the program, it can participate.

**If we raise less than half of the cost of an ultrasound machine, will the Supreme Council still match each dollar raised?**

No.

**Our council hasn't raised our half of the cost but will have it by the time our request is approved. Is that okay?**

Half of the ultrasound machine's cost must be raised before the state deputy approves and signs your application and submits it to the Supreme Council office.

**Can a donor get a receipt for his contribution for tax purposes?**

Yes.

However, the tax codes differ between the United States and Canada, requiring different procedures concerning writing out checks, deposit of donations for the Ultrasound Initiative, accounting for donations, and issuing receipts.

In the United States, the status of the Knights of Columbus as a 501(c)(8) Fraternal Benefit Society under the Internal Revenue Code means that contributions to it are generally NOT deductible by the donor. However, there is a limited exception to this rule known as "**pass-through charitable fund-raising**".

Contributions might be tax deductible as charitable contributions under certain circumstances if Internal Revenue Code Section 170(c)(4) is complied with and those funds are restricted and used exclusively for charitable purposes as defined under that section. Funds used in this manner must be totally segregated in a separate account from other Knights of Columbus council funds and cannot be used in any manner for social or fraternal purposes (cannot be used for council expenses or functions).

Also, this limited exception is only allowed to individual taxpayers; it cannot be utilized by non-persons such as businesses or corporations. Therefore, it would not be applicable in any instance concerning corporate matching funds or discounts on corporate donation of goods or services.

The council collecting and passing through the donations would track the donor names, addresses, and amounts given and provide that information to the recipient charity. The charity, in this case, the PCC, would then issue the receipt.

IRS publication 557, available online, has more information on these rules. Information on pass-through charitable fundraising is also available on the Knights of Columbus website under For Officers/Reports Online/Support Materials/Form 990 information.

In Canada, donations to a Knights of Columbus council are not tax deductible and the Canada Revenue Agency (CRA) has no equivalent to the U.S. IRS's pass through charitable fund raising rule. Thus, **in Canada**, in order to assure tax deductibility, instead of making checks payable to the council, **checks should be made payable to the PCC**, which must have been **approved by CRA as a registered charity authorized to perform limited medical services**. To assure the PCC can distinguish between checks for ongoing support and the ultrasound campaign, checks should be earmarked on the "Memo" line for the "Ultrasound Initiative."

In Canada, the council leading the campaign should collect the checks and other donated funds, make a record of who donated how much, but not deposit the money. Instead, the funds should be given to the PCC for deposit and the PCC should issue receipts. The donations should be retained by the PCC in its bank account until the local council's full 50% of the cost of the machine is raised, matched by the Supreme Council, and then used by the PCC to purchase the ultrasound machine.

Donors in both the United States and Canada should always check with their own tax attorney and accountant, as individual situations may vary.

**We want the matching funds payable to the ultrasound machine company. Is that permissible?**

No. The purchase should be made by the PCC, not by the Knights of Columbus. The Supreme Council's check will be made payable in the United States to a 501(c)3 charitable organization, usually, either the PCC, or a charity organization affiliated with your State Council. In Canada, the PCC, which must be a registered charity authorized to perform limited medical services, should make the purchase. The recipient charitable organization's federal tax ID number, Employer Identification Number (EIN), in the United States, or the Registered Charitable Donation number in Canada, should be included on the application.

**How long will it take to receive the matching funds check?**

Once an Ultrasound Initiative application (Form #4886) (available at [www.kofc.org/ultrasound](http://www.kofc.org/ultrasound)) is completed, signed by the state deputy, submitted to the Supreme Council office for matching funds, and then determined to be complete, it usually takes approximately three to six weeks for approval and mailing of the check. Notification will be by mail. You are asked not to schedule any delivery, dedication or ribbon-cutting ceremony before notification.