



Conditional Adult-Use Retail Dispensary (CAURD) *Frequently Asked Questions*

What is a Social Enterprise?

A **Social Enterprise** is a business serving customers that is operated by an independent nonprofit organization, or by a fiscally sponsored nonprofit organization, which both fulfills the parent organization's mission and generates revenue. The social enterprise must be a mission-driven economic enterprise—not based significantly or entirely on grant redistribution—operating to advance the programmatic and/or philanthropic goals of the affiliated and/or parent organization and generating revenue. The executive decisions and administrative upkeep of the business are the responsibility of the nonprofit organization or agents of the nonprofit organization.

A social enterprise raises money to substantially further an organization's purpose. Fundraising events which include, but are not limited to, dinners, auctions, and other events conducted for the sole or primary purpose of raising funds for the organization are not considered social enterprises. However, events or activities that substantially further the organization's explicit purpose, if they also raise funds, may qualify as the operation of a social enterprise. Sales or gifts of goods or services of only nominal value, raffles or lotteries in which prizes have only nominal values, and solicitation campaigns that generate only contributions are considered contributions. These contributions are not fundraising dollars. Therefore, contributions may also qualify as the operation of a social enterprise, if they substantially further the organization's purpose.

Assuming they fulfill the parent's organization's mission, some examples of a social enterprise are:

- The operation of a retail store that employs individuals from the parent nonprofit's target client population or sells goods created by such clients with proceeds going to support their work;
- A school for adults in a low-income area where the entirety of tuition costs covers the operating expenses of the program;
- A re-entry program that trains formerly incarcerated people for professional licensure; and
- An organization operating a restaurant or café that offers pay-as-you-can meals.