



Fundraising Procedure

When Groups Raise Money
for Funds Administered at the
Community Foundation of Grant County, Indiana, Inc.

Introduction

Thank you for your interest in raising money for a fund established within the Community Foundation of Grant County, Indiana, Inc. (the “CF”). The Foundation appreciates your interest and motivation in raising money for worthy causes, and we look forward to working with you. As the CF is not staffed to operate public fundraising efforts or events for the many funds of the CF, your interest is commendable.

Please keep the CF informed about your plans *as they develop*. We want to be aware of your fundraising event, because we will receive inquiries from the public. We count on you to read and abide by this *Donor-Initiated Fundraising Procedure*.

“Events” include such activities as receptions, dinners and parties, walks, runs, golf outings, or any competitive activities, sports or entertainment events, or auctions and similar “fundraisers.”

Many of these volunteer efforts and events rely upon the use of the CF’s tax-exempt status to offer contributors a charitable tax deduction for their support. For this and other reasons, it is important for community-minded individuals to understand the provisions explained in this document. In the best interests of donors, fundraising groups, and the CF:

- Avoid unintended tax consequences and penalties by ensuring that fundraising efforts comply with IRS and other governmental regulations;

- Ensure that donors receive the appropriate recognition and receipts (for gifts over \$250, in some cases); and
- Protect the brand identity of the CF.

There are some types of activities to which the CF will not lend its name or that of any of its funds. These might include events involving controversial speakers, or events with activities considered outside the standards of good taste. The CF, in its sole discretion, will determine the appropriateness of its participation on a case-by-case basis.

An electronic CF logo can be provided for use on all **approved**, printed materials. All materials must clearly state the fund’s name as the “*Name of Fund, a fund of the Community Foundation of Grant County, Indiana, Inc.*” All fundraising materials must overtly state that funds are being raised *on behalf of* rather than *by* the CF.

Event insurance must be purchased prior to the event, and the CF must be listed as additionally-insured.

No paid solicitors. Normally, you may not pay a for-profit fundraiser to solicit donations for a fund of the Community Foundation of Grant County. If you are considering this course, share the contract and plans with the CF *before* making any agreement.

If you don’t inform the CF of your event, you default to Option 1, and no expenses will be paid from the fund.

There are two options for fundraising for a fund at the CF:

Option 1: Proceeds from an event for which donors *are not* offered a tax deduction

Option 2: Proceeds from an event for which donors *are* offered a tax deduction

Option 1: Proceeds from an event for which donors ARE NOT offered a tax deduction

1. Notify the CF regarding your plans at least 30 days prior to your event, so we are aware of your fundraising event in case of inquiries from the public, using the simple **Fundraising Notification** provided below.
2. Purchase event insurance within 30 days of the event. If you cannot purchase insurance, the CF will help you with the application, and pay the expense from the fund. The CF must be listed as additionally-insured on your policy, and you will provide a copy of the policy to the CF prior to your event.

Event organizers are responsible for obtaining and paying for any additional insurance, permits, licenses, approvals, etc. or signed contracts. Please note that events or activities that include raffles or other games of chance are regulated by state and local governments and must be specifically reviewed and authorized by the appropriate branch of government before proceeding. Other than the event insurance, neither the CF nor the fund name may appear on any contract or agreement for the event.

3. Advertising your event. When an individual or group plans a fundraising event, all printed and spoken material must clearly state *"The net proceeds of this event will be contributed to the Name of Fund, a fund of the Community Foundation of Grant County."*
4. Event expenses will be paid by the organizer(s) before the event or out of the event proceeds prior to taking them to the CF. Please note that CF is prohibited by law from reimbursing the planner/organizer(s) for expenses. Therefore, the organizer(s) must deduct expenses *before* sending the net proceeds to the CF. You may not use the CF's tax exempt number in connection with the event.
5. Donations Payable to Organizer(s). Individual participants in the event (ticket purchases, sponsors, golf players, etc.) should make their payments to the organizing individual or group, not to the CF or the fund.
6. Hold your event. Good luck!
7. After the event, bring the net proceeds of the event to the CF for deposit to the fund within two weeks. The net proceeds will not be considered a tax-deductible donation by any individual, group, or company.

Option 2: Proceeds from an event for which donors ARE offered a tax deduction.

1. Notify the CF regarding your plans at least 30 days prior to your event, so we are aware of your fundraising event in case of inquiries from the public, using the simple **Fundraising Notification** provided below. Indicate whether the organizer(s) or the CF will pay the fundraising expenses. Please note that the CF is prohibited by law from reimbursing the organizer(s) for expenses.
2. Purchase event insurance within 30 days of the event. If you cannot purchase insurance, the CF will help you with the application, and pay the expense from the fund. The CF must be listed as additionally-insured on the policy, and you will provide a copy of the policy to the CF prior to your event.

Event organizers are responsible for obtaining and paying for any additional insurance, permits, licenses, approvals, etc. or signed contracts. Please note that events or activities that include raffles or other games of chance are regulated by state and local governments and must be specifically reviewed and authorized by the appropriate branch of government before proceeding. Other than the event insurance, neither the CF nor the fund name may appear on any contract or agreement for the event.

3. Advertising your event. When an individual or group plans a fundraising event, all printed and spoken material must clearly state *"The net proceeds of this event will be contributed to the Name of Fund, a fund of the Community Foundation of Grant County."*
4. Payments from donors for the event. Individual participants in the event (ticket purchases, sponsors, golf players, etc.) should make their payments to the Community Foundation or the fund.
5. Hold your event. Good luck!
6. After the event, bring the donations and expense requests with invoices, if applicable, to the CF for deposit to/payment from the fund within two weeks. To obtain a tax-deductible receipt from the CF, the organizer(s) will complete the **Fund Donation Form** for all donations, listing any benefit received from each donation (sponsorship, golf game, t-shirt, etc.). The form total should equal the amount of money delivered with it.

If it is agreed that the CF will pay expenses from the fund, the **Check Request** form should be used for any expenses, and invoices must accompany all check requests. The CF is prohibited by law from reimbursing the organizer(s) for expenses.

7. If the guidelines in Option 2 are not observed, your event will default to Option 1, and no tax-deductible receipts will be sent to donors.
8. Tax Deduction/Gift Acknowledgment. The IRS has established requirements regarding any fundraising. If the steps outlined are not strictly observed, donors will be denied a tax deduction, the fundraiser organizers might find themselves

unexpectedly subject to tax on the funds they raise, and the CF and the organizers may be subject to penalty.

9. Please note that an administrative fee will be charged if extra administrative services are required by the CF.

Special Considerations for Tax Deductibility

Please be aware that:

- Contributions of services, while appreciated, are generally not deductible.
- Raffle tickets are not tax-deductible. This must be stated clearly on the face of distributed tickets.
- Rummage sale purchases are not tax-deductible.
- Tax deductibility of auction items is not automatic, and must be determined in advance.
- Quid pro quo. If the fundraiser organizers provide goods or services in exchange for a donation, certain disclosures are required to be made upon solicitation. For example, if the group is sponsoring a dinner, the donor can only deduct the excess of the ticket price above the fair market value of the dinner.

This limitation on the deduction, known as a “quid pro quo disclosure” must be disclosed at the time of solicitation. Disclosure on the ticket to the event is a typical method for making this disclosure.

The CF must work with the group prior to the solicitation activity, and will need information pertaining to the event, such as the ticket prices and values of goods or services donors are to receive. The organizers must confirm that that required quid pro quo disclosures are made at the time of solicitation.