



Policies and Procedures Regarding Fundraising and Special Events for Funds of The Community Foundation for the Greater Capital Region

Purpose

To assure that all fundraising efforts and special events for component funds at the Community Foundation are conducted in compliance with IRS and New York State regulations and Foundation policies in order to protect the fund, donors, and the Foundation.

Overview

Through your fund agreement, you demonstrate agreement to comply with these policies and procedures for the protection of the fund you've created.

All component funds are assets of the Community Foundation and therefore fall under the not-for-profit status of the Foundation. When special events, fundraising activities or solicitations use the Community Foundation name or the name of the fund, the IRS views the event as being conducted by the Community Foundation. Therefore, the Community Foundation is legally responsible for the activity, and it as well as the donor can face serious penalties and liabilities if careful procedures are not followed: donors may be denied a tax deduction, the fundraising group may be unexpectedly subjected to tax on the funds raised, and both the Community Foundation and the fundraising group may be subject to penalties.

There are two ways to raise funds for a component Fund at the Foundation:

- 1) **Direct Fundraising in the Name of the Fund.** Donors will receive a tax deduction for their gift to the component fund of the Community Foundation. This type of fundraising includes direct solicitation (mailings, etc.) as well as fundraising events. **Please see pages 2-4 for more detailed guidelines.**
 - The Community Foundation must approve the activity, as well as all materials associated with the activity, before you start.
 - The Community Foundation must receive all individual contributions, NOT a lump sum contribution if individual donors are to receive a tax acknowledgement.
- 2) **Independent Fundraising.** Donors will not receive a charitable deduction from the Community Foundation. **Please see pages 5-6 for more detailed guidelines.**
 - The Community Foundation does not need to approve the activity or the materials.
 - A **lump sum donation** is made to the Fund at the Community Foundation.
 - Neither the fund name nor the Community Foundation name may be used in connection with the event; however a statement may read – *The net proceeds of this event will be contributed to the XYZ Fund of The Community Foundation for the Greater Capital Region, Inc.*

If you fail to comply with these procedures, provided by the IRS, the Community Foundation may not be able to accept monies raised and/or provide appropriate acknowledgement and tax deductions to donors.

DETAILED GUIDELINES - DIRECT FUNDRAISING

Before ANY fundraising activity for any type of fund is begun, Community Foundation approval must be obtained. Please contact Jenna Cuilla at jcuilla@cfgr.org or 518-446-9638.

A. DIRECT SOLICITATION (MAILING, BROCHURES, WEBSITES, ETC.)

Often, groups that desire to increase the amount of money in a particular fund will consider undertaking some form of marketing, promotion or fundraising to benefit the fund. This may be through various forms of marketing in the name of the Fund or the Community Foundation through websites, brochures, direct solicitation letters and events. Donors will receive a tax deduction for their gift to the component fund of the Community Foundation. The Community Foundation staff will send the acknowledgement.

The Foundation must approve, in advance of printing or production, all materials (including letterhead, brochures, solicitation letters, website content, and radio and television announcements) related to solicitations to promote a Fund. Please contact Jenna Cuilla at jcuilla@cfgr.org or 518-446-9638 for approval.

All such materials must meet the following requirements:

- All materials and logos must state that the fund is "a component fund of The Community Foundation for the Greater Capital Region."
- Solicitation disclosures are required under New York State Law. All solicitation materials must disclose the purpose for which the solicitation is made and have the following statement:
 - A copy of The Community Foundation for the Greater Capital Region's latest annual report may be obtained, on request, by contacting the Community Foundation, Two Tower Place, Albany, NY 12203 or from the New York State Attorney General's Charities Bureau, 120 Broadway, 3rd Floor, New York, NY 10271.
- If donors will be allowed to use credit cards for payment, the following statement must be included on the solicitation form - *Your credit card purchase will be listed on your statement as a charge by The Community Foundation for the Greater Capital Region, Inc.* The form must include the name, card number, expiration date and CCV code (the 3 digit code on the back of the credit card). The Foundation cannot process credit card contributions without complete information.
- You may also use email and web communication to direct donors to our website to make secure online donations. All electronic communications must follow the above-listed requirements, and must receive Community Foundation approval.
- The Foundation is charged a small fee (4% of the contribution) by the credit card companies; this fee will be deducted from any credit card gifts to any fund. For example, a credit card donation of \$100 will result in a \$96 contribution to your fund.

As part of our service to our fundholders, The Foundation will send acknowledgements to donors that thank them for their gifts and advise of the charitable contribution. The fund representative may register to track gifts to the Fund on our free online fund service, Donor Central. You are encouraged to provide additional thanks to donors, if you desire.

The Community Foundation manages the money contributed to the fund, ensuring that the income and principal (if applicable) are directed to charitable uses and are in accord with the governing documents of the Community Foundation and the individual component fund. No donor restrictions other than those for the purposes of the component fund will be accepted.

DETAILED GUIDELINES - DIRECT FUNDRAISING

There are several ways in which gifts may be made to your fund:

Gifts sent directly to the Foundation:

1. Checks should be made payable to *The Community Foundation for the Greater Capital Region* or *CFGCR*, with the name of your fund on the memo line, and sent to CFGCR.
2. MasterCard and Visa credit card donations are also acceptable. In order to process them correctly, we require very specific information and will provide the appropriate forms, language and process for credit card contributions.
3. Please see the Foundation's *Gift Acceptance Policies* for information on other types of gifts.

B. FUNDRAISING EVENTS (INCLUDING GOLF TOURNAMENTS, RACES, DINNERS, ETC.)

Groups often decide to raise money for a particular fund through a special event, such as a golf tournament, 5K race, dinner party, gala, auction, etc.

1. **The Foundation must approve, in advance of printing or production, all materials (including letterhead, brochures, invitations, solicitation letters, registration forms, website content and radio and television announcements) related to fundraising events to promote a Fund. Please contact Jenna Cuilla at jcuilla@cfgcr.org or 518-446-9638 for approval.**
2. **Event materials (for example, invitations and registration forms) must include a statement as to the tax deductibility of participation in the event.** If goods and services are provided in exchange for a donation, certain "quid pro quo" disclosures are required on solicitation materials including a good faith estimate of the value of the goods or services provided. For example, if a solicitation level of \$100 includes a shirt valued at \$35, the materials should read, "*Your gift in excess of \$35 is tax deductible to the extent provided by law.*"
3. The person or group organizing the event is responsible for the outlay of any expenses associated with putting on the event, as well as obtaining any necessary insurance, permits, licenses, approvals, etc.
4. Checks should be made payable to *The Community Foundation for the Greater Capital Region* or *CFGCR*, with the name of your fund on the memo line. VISA and MasterCard credit card contributions can be accepted. In order to process them correctly, we require very specific information and will provide the appropriate forms, language, and process for credit card contributions. If donors will be allowed to use credit cards for payment, the following statement must be included on the solicitation form - *Your credit card purchase will be listed on your statement as a charge by The Community Foundation for the Greater Capital Region, Inc.* The form must include the name, card number, expiration date and CCV code (the 3 digit code on the back of the credit card). The Foundation cannot process credit card contributions without complete information. The Foundation is charged a small fee (4% of the contribution) by the credit card companies; this fee will be deducted from any credit card gifts to any fund. For example, a credit card donation of \$100 will result in a \$96 contribution to your fund.
5. The Community Foundation will not serve as the registrar for events, will not track event registrations, and cannot acknowledge individual contributions received from an event. Event participants can claim a tax deduction based on the information that must be included on the event materials.

DETAILED GUIDELINES - DIRECT FUNDRAISING

6. You are responsible for any losses incurred by fundraising efforts or events. The Community Foundation will not be held responsible for such losses.

C. GRANT APPLICATIONS TO OTHER FOUNDATIONS AND FUNDING SOURCES

These are considered fundraising activities and are submitted under the auspices of the Community Foundation. They must be reviewed, approved, and accompanied by a cover letter signed by Community Foundation senior staff. The Community Foundation needs at least two weeks lead-time to review and approve grant applications. It is the policy of The Community Foundation for the Greater Capital Region, Inc. that it will not serve as the fiscal agent for state or federal funds.

D. GAMING & RAFFLES (Includes bingo, lotteries, wagering and other games of chance)

Due to the level of regulation imposed by the IRS and New York State Attorney General's Charities Bureau, component funds and affiliates of The Community Foundation for the Greater Capital Region are prohibited from conducting raffles or any other fundraising activity in which gaming activities are involved.

DETAILED GUIDELINES - INDEPENDENT FUNDRAISING

Independent fundraising is the simplest method for those interested in raising money for particular funds. The Community Foundation does not need to approve the activity or the materials, no records will need to be submitted to the Foundation, and there are no additional fees charged.

Fundraising is conducted by an individual, a group of people or an organization without the endorsement, involvement or mention of the Community Foundation, or the Fund. Generally, the fundraiser is planned and executed by the individual or group and one lump sum donation is made to the Fund at the Community Foundation. **Neither the Fund name nor the Community Foundation name may be used in connection with the event, however a statement may read – *The net proceeds of this event will be contributed to the XYZ Fund of The Community Foundation for the Greater Capital Region, Inc.* Donors will not receive a tax deduction from the Foundation, nor will they be acknowledged by the Foundation.**

There are two types of independent fundraising:

1. Proceeds from an event/solicitation sponsored by a 501 (c) (3) organization with a fund at The Foundation

Organizations with their own federal I.D. number, who are tax exempt, sponsor a fundraising event/solicitation and deposit the proceeds (which may include individual donor checks) into their Foundation fund. The Foundation records the gift as coming from "third-party" donors. The *sponsoring organization* issues its own acknowledgment letters, and the donors receive a charitable deduction for their gifts because the *sponsoring organization* has its own charitable tax status.

2. Proceeds from an event/solicitation for which donors are not offered a tax deduction/ Fundraising Guidelines for non-501 (c) (3) donors, advisory committees or groups

This is another way component funds of The Foundation receive money from a fundraising event. The net proceeds are forwarded to the Foundation and designated for a particular fund. The Foundation has neither endorsed the activity nor been involved in its planning or execution. The Foundation does not acknowledge the individual contributors of the dollars, and no one receives a charitable deduction for participating in the event. A receipt for the net proceeds received by the Foundation is sent to the organizing donor or group.

- a. The person or group organizing the event is responsible for obtaining any necessary insurance, permits, licenses, approvals, etc.
- b. Individual participants in the event (ticket purchasers, sponsors, golf players, etc.) make their payments to the organizing person or group. (Payments *cannot* be made to the fund name.) The organizers may record the contributors' names and addresses and may provide a courtesy acknowledgment. The acknowledgment letter *must not* include any language stating that the letter serves as an official receipt for Internal Revenue Service purposes or include any reference to tax deductibility.
- c. The planning group pays expenses and sends the net proceeds of the fundraiser to the Foundation for addition to the fund. The Foundation records the gift as coming from "third-party" donors.

DETAILED GUIDELINES - INDEPENDENT FUNDRAISING

- d. The Foundation is not able to set up special web pages for component funds, but will accept contributions from other sources (i.e. active.com). These contributions will be added collectively from "third party donors."

Your cooperation in adhering to these guidelines will ensure that your event will have the necessary licenses and permits, those attending the event will be informed, and the Foundation will be protected from penalties for failing to make proper solicitation disclosures.