

FUNDRAISING ACTIVITY POLICY

Thank you for establishing a fund with the Athens Area Community Foundation (AACF). We value your confidence and partnership and always endeavor to provide you with the very best possible service.

Occasionally, groups that want to increase the amount of money in a particular fund at AACF consider undertaking some form of fundraising to benefit the Fund. This fundraising might take the form of requesting money through an appeal letter to friends and associates or organizing a golf tournament or dinner.

To help you understand the ways you can do this and to clarify the role of AACF in such endeavors, we provide the following information.

What are the ways that individuals or groups use fundraising to build the assets of a fund of AACF?

The three most common ways that Funds of AACF receive money from a fundraising event are:

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

Organizations with their own IRS 501(c)(3) status sponsor a fundraising event/solicitation and deposit the proceeds into their AACF Fund. The 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. In these instances, the attached Policies and Procedures are not applicable.

*2. Proceeds from an event/solicitation for which donors were **not** offered a tax deduction*

This is the most common way Funds of AACF receive money from a fundraising event. The net income is forwarded to AACF and designated for a particular fund. The Foundation has neither endorsed the activity nor been involved in its planning or execution. AACF 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 amount received is sent to the organizing group. Any published materials related to the fundraising event should have the following wording: "The net proceeds of this event will go to the XYZ Fund of the Athens Area Community Foundation."

3. Proceeds from an event/solicitation for which the individual contributions are acknowledged by AACF

In those instances when a fundraising event/solicitation is organized to benefit a Fund of AACF and participants are told to make their checks payable to Athens Area Community Foundation or the XYZ Fund, AACF must play a larger role. In this case, the IRS and the State of Georgia will hold AACF responsible for providing appropriate receipts and oversight.

What is the first step in undertaking a fundraising event for a Fund at AACF?

******If you are considering a fundraising event, solicitation or project of any kind for a Fund of AACF, you must discuss your plans with AACF in advance. You can call, send a letter or arrange a meeting at your convenience.******

If it is determined that only the net proceeds of the event will come to the Fund, and no charitable deductions for individual contributors are desired, then no further action is needed.

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If you are considering an event or solicitation that involves using AACF's tax status to offer donors a charitable deduction for their participation, then AACF will review with you the Guidelines for Planning and Executing a Fundraising Event and/or Guidelines for Soliciting Contributions on Behalf of a Fund of Athens Area Community Foundation.

One of the areas covered in the guidelines is liability insurance. AACF does not provide Special Event General Liability Insurance, and it is important that you make arrangements to purchase your own policy such as a General Liability Policy at limits of \$1 million and that you include the Athens Area Community Foundation as an additional insured. This type of policy would provide Bodily Injury and Property Damage Legal Liability coverage as well as Product Liability coverage for your event.

Your cooperation in adhering to these guidelines will ensure that your event will have the necessary liability coverage, your donors will be entitled to claim a charitable deduction for their contributions, and AACF will be protected from penalties for failing to make proper solicitation disclosures.

May an individual or group apply for funding from other foundations and/or local, state or federal agencies on behalf of a Fund?

AACF must review each circumstance on a case-by-case basis. Please do not seek this type of funding without discussing your plans with AACF. Often, grant proposals such as these involve managing programs in order to carry out a project. It is the policy of AACF that it will not serve as the fiscal agent for state or federal funds.

Questions: Please contact AACF: (706) 357-7148

Athens Area Community Foundation
**Guidelines for Planning and Executing a Fundraising Event
on Behalf of a Fund of Athens Area Community Foundation (AACF)**

The Approval Process

1. The Fundraising Organizers must submit a written application detailing the event and obtain written approval from the Foundation before proceeding. An application form is attached.
2. Since your request may require board approval, please allow up to four weeks for a decision to be made regarding your proposal.
3. In view of AACF's administrative resources and of IRS regulations, we have identified a spectrum of activities to which AACF can not lend its name or that of any of its Funds:
 - Casino nights, raffles or events that use professional fundraising solicitations that involve registration with the State of Georgia;
 - Events that might endorse or oppose political candidates;
 - Travel programs;
 - Activities involving pledges;
 - Activities involving sales of goods or personal property involving payment of sales tax or where AACF must determine market values;
 - Fundraisers that are expected to produce a net of less than \$2,000.

Advertisement and Promotional Materials

All publicity materials must be reviewed and approved by AACF in advance. This approval shall include a beginning and ending date for authorized use of the publicity material. If media coverage is expected, please discuss this in advance with AACF. All fundraising materials should make clear that funds are being raised "*for the benefit of the XYZ fund of the Athens Area Community Foundation*" or "*for the benefit of XYZ, a fund of the Athens Area Community Foundation.*"

If the Fundraising Organizers provide goods or services in exchange for a donation, the fair market value of any benefits received by the contributors must be disclosed upon solicitation. For example, a dinner is being planned to raise dollars for a particular fund, and the fundraising organizers have decided to charge \$100.00 per person. In establishing this ticket cost, the Organizers determined that the actual cost of the dinner was \$40. For the contributor, only the difference (\$60) can be considered a charitable deduction, even if the dinners were donated. This limitation on the deduction is known as "quid pro quo disclosure." Treasury regulations stipulate that contributors must be informed of this breakdown. Failure to do so could subject AACF to significant penalties and could jeopardize the contributors' tax deductions. The fair market value amounts and the appropriate disclosure language must be stated on all printed materials prior to any solicitations being made.

Liability Insurance

Depending on the type of event being planned, liability insurance may be needed. AACF can help you assess this need. Should liability insurance be required, the Fundraising Organizers must obtain a General Liability policy at limits of \$1 million and add the Athens Area Community Foundation as an additional insured. This type of policy should provide Bodily Injury and Property Damage Legal Liability coverage as well as Product Liability coverage for your event. A Certificate of Insurance must be given to AACF prior to the distribution of invitations or other public announcements of the event.

Liability for Losses

The Fundraising Organizers will be responsible for all losses incurred for events. AACF will not be held responsible for such losses.

Payment of Expenses

All expenses associated with the fundraising event must be met by the Fundraising Organizers either through contributions from event participants or from underwriting. How expenses will be paid MUST be discussed with AACF and determined prior to the event. AACF can NOT reimburse individuals for expenses from the fund. Organizers can NOT set up a bank account

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in AACF's name, nor use its Federal ID Number. The Fundraising Organizers are responsible for all expenses and maintenance of appropriate financial controls and records related to fundraising events. The Fundraising Organizers provide AACF with a projected budget in advance of the event as well as copies of invoices and receipts at the conclusion. The Fundraising Organizers are responsible for all losses incurred by events and/or solicitations.

Accounting for the Receipt of Cash and Checks:

- AACF staff will work with the organizers prior to the fundraising event to develop a workable record-keeping system for the receipt of contributions.
- Contribution checks should be made payable to **AACF** or to **the XYZ fund at AACF**.
- Any donations over the price of a ticket should be remitted separately.
- Cash receipts are to be deposited intact. That is, cash receipts are not to be used to pay expenses and then the net cash amount deposited.
- All proceeds, checks and cash, must be delivered to AACF along with an accounting of all moneys received by the fundraising organizers on a weekly basis and within one week after an event. This accounting should include:
 - All revenues and expenses itemized;
 - Copies of all invoices and receipts associated with the event;
 - Date and amount of each contributor's donation with the complete name and address of each contributor;
 - Names of any contributors who, *prior to the event*, waived their right to tickets or to attend the event. In this situation, Federal tax law allows contributors to deduct the full amount of their charitable contribution. Note, this applies to contributors who opted to do this *before the event took place*; this is not applicable to those who purchased tickets but did not attend the event.

Acknowledgment of Contributions:

AACF will receipt all eligible donations in compliance with Federal and State regulations. At a minimum, **the Fundraising Organizers will provide:**

- the donor's complete name and address;
- the date and amount of the contribution;
- a description of the donation (e.g. cash or check, etc.)
- a detailed description and valuation of any goods and services provided in exchange for the contribution.

AACF will provide tax substantiation letters to donors for contributions over \$25. The Fundraising Organizers will be responsible for all other thank you notes, for example, for donated services & goods (i.e. in-kind gifts), volunteers, etc.

AACF will not provide tax substantiation for:

- Donations from fundraising events for which the value of goods and services received matches or exceeds the amount of the donation;
- Contributions of services;
- Donations under \$25
- Raffle tickets;
- Rummage sale purchases;
- Sponsorship by a business or corporation;
- Other donations defined as not eligible by AACF.

AACF can not:

- Provide funding for expenses from its general operating fund
- Pay for insurance or liability coverage from its general operating fund
- Provide its mailing lists of donors or vendors
- Provide staff to manage or assist at an event
- Determine the fair market value of goods or services

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Guidelines for Soliciting Contributions for a Fund of AACF

The Approval Process

- The Fundraising Organizers must submit a written application detailing the type of solicitation being considered and obtain written approval from the Foundation before proceeding. An application form is attached.
- Since your request may require approval of AACF's Board of Directors, please allow up to four weeks for a decision to be made on your application.

Advertisement and Promotional Materials

All written materials must be reviewed and approved by AACF in advance. This approval shall include a beginning and ending date for authorized use of the material.

Payment of Expenses

How expenses will be paid will be discussed and determined prior to the solicitation.

Accounting for the Receipt of Contributions:

- AACF will work with the organizers of the solicitation to develop a workable record-keeping system for the receipt of contributions.
- Contribution checks should either be made payable to AACF and the name of the fund should be written on the memo line of the check or made payable to the XYZ fund at AACF.

AACF will acknowledge in writing the following contributions to the solicitation:

- For contributions of over \$25, the acknowledgement letter will set forth the amount of cash contributed (or if the contribution was other than cash, a description of the property – but not its value); the date on which the contribution was made and a description and good faith valuation of the goods and services, if any, that were provided in exchange for the contribution.
- *The Fundraising Organizers will be responsible for other acknowledgments.*

AACF does not provide its mailing lists or staff assistance in fundraising campaigns.

If you have questions or need additional information, please contact:

Athens Area Community Foundation
PO Box 1543
Athens, GA 30603
Phone: 706-357-7148

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Recommended Procedures for Organizing a Fundraising Event With the Net Proceeds Only Received by AACF

- Speak with AACF regarding your fundraising event.
- Verify that **all** publicity materials have one of the following statements: *"The net proceeds of this event are for the benefit of the XYZ fund of the Athens Area Community Foundation"* or *"The net proceeds of this event are for the benefit of XYZ, a fund of the Athens Area Community Foundation."*
- Call AACF to determine if your event requires liability insurance.
- Set up a mechanism for receipt of checks and cash, and payment of expenses, i.e.,
 - To whom will the checks be made payable?
 - Will your group need to establish a checking account with a bank for the event? Please note that neither AACF's name nor its Federal ID Number may be used to set up such accounts.
- Please remember that sponsorship checks or checks for admission to the event cannot be made payable to AACF because this is a "net proceeds" event.
- Deliver the net proceeds from the event to AACF within a week after the event. A receipt for the net amount received will be sent to the organizing group.

NOTE: Individuals who are not participating in the event or sponsoring the event but who wish to make a direct contribution to the Fund, should either make their checks payable to the Athens Area Community Foundation and write the name of the fund in the check's memo line or made payable to the XYZ Fund at AACF. These checks should be sent to the Foundation either by the individual or by the organizing group. The Foundation will acknowledge contributions of \$25 or more to the Fund.

Questions: Please contact AACF: 706-357-7148

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Application for Approval of an Event/Solicitation for a Fund at AACF

Date of submission: _____
Fund at AACF that is to be the beneficiary of the event/solicitation: _____
Contact Person _____
Address _____
Phone (work) _____ (home) _____
Email _____ Fax _____

Since your request may require board approval, please allow up to four weeks for a decision to be made on this application.

Section I – Event/Solicitation Description

Name/Description of Event and/or Solicitation/s _____

Event Location-including address (if applicable) _____

Date of Event _____ Time of Event _____

Solicitation Beginning/Ending Dates – Begins: _____ Ends: _____

Ticket Price(s) _____

By invitation only? _____ Open to the public? _____

Expected Attendance _____

Is this a new event or has it taken place before? _____

Estimated gross revenue _____

Estimated expenses _____

Estimated proceeds _____

Please attach a projected event budget. Include all categories of expenses and revenues.

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Section II - Corporate and Business Sponsor Information

Please complete this section if corporations or businesses will be asked to provide financial support or in-kind assistance. Please attach an additional page using the below format if you are planning to have more than two corporate sponsors.

Name of Corporation _____
Address _____
Description of support to be requested _____

Name of Corporation _____
Address _____
Description of support to be requested _____

Section III - Publicity and Promotion

Please describe how you intend to publicize your event. AACF must review and approve all materials that will include the Foundation's name in advance of publication.

Section IV

I have read and I understand the Athens Area Community Foundation's Policies Governing Fundraising Events and Solicitations for Funds of the Foundation and agree to comply with the policies if this application is approved.

Signature _____ Date _____

Printed Name _____

Please include the required attachments and return to:

Donor Services
Athens Area Community Foundation
PO Box 1543
Athens, GA 30603
Phone: 706-357-7148

<i>AACF Administration</i>	
<input type="checkbox"/> Approved	_____
<input type="checkbox"/> Declined	_____
Signature	Date
<input type="checkbox"/> Applicant Notified (Date) _____	(Staff Initials) _____