

# **Rush County Community Foundation**

## **DONOR-INITIATED FUNDRAISING POLICY**

Board of Directors Adopted: May 27, 2014  
Board of Directors Amended: June 27, 2017

The Rush County Community Foundation is pleased to work with you to develop your Fund. The chief responsibility of the Foundation staff and board of directors is to provide services to donors that will result in acquisition of major and planned gifts. Some individual donors or volunteer groups may wish to organize fundraising events, direct mail campaigns, and/or other types of solicitations to raise money for a particular Fund. These guidelines are designed to provide guidance under those circumstances.

### **Types of Fundraising for Funds**

Funds are generally classified in one of two groups:

**Short-term Fundraising Pass-Through Funds:** Short-term Fundraising Pass-Through Funds are established to raise money for a special project. Monies raised for a short-term fund are generally granted out after the fundraising goal has been achieved, or removed from the fund within 36 months. The fee for a short-term fund at Rush County Community Foundation varies based on principal and is levied on all donations in accordance with the Foundation's Fee Policy.

*Please note that the required minimum amount of a short-term fundraising pass through fund is \$5,000.*

**Donor-Initiated Fundraising for Endowment Funds:** The objective is to fundraise in order to build an endowment fund that will benefit charities designated by the fund advisor. This fund is unique in that it raises money from several sources including individuals, corporations and foundations. Funds are generally raised through annual campaigns, fundraising events and other appeals. No fee will be charged for contributions made directly to a Fund or to the Rush County Community Foundation for a Fund.

When fundraising groups conduct fundraising activities and solicitations on behalf of component funds at the Foundation, it must be clearly stated for tax purposes that the fundraising is being done *on behalf* of the Foundation. It is important, for tax and accounting reasons, that these activities be conducted under the observation and fiscal guidance of the Foundation to ensure that donors to the fund are entitled to the appropriate tax deductions, to protect fundraising groups from unintended tax consequences to themselves, and to determine that the Foundation is not exposed to penalties for failing to make proper solicitation disclosures. These requirements are designed to protect donors and the fundraising groups, as well as the Foundation.

In addition, the Foundation is responsible for the coordination of all solicitations by fundraising groups. It is our intent that all prospects, particularly foundations and corporations, are cleared through the Rush County Community Foundation to ensure a smooth and effective fundraising process.

The following is a general outline of responsibilities that will help define the relationship between the Rush County Community Foundation and the fundraising groups.

**Responsibilities of the Rush County Community Foundation**

- Manage all money and property it may accept into the fund from donors, other contributors, and sources;
- Distribute payment of expenses at direction of fundraising groups;
- Apply the income and principal to charitable uses, all in accordance with the governing documents of the Community Foundation;
- Provide tax-substantiation documents to donor through thank you letter (if applicable); and
- Serve as a resource of information on fundraising strategy.

**Responsibilities of Fundraising Group**

- Fundraising groups shall be solely responsible for all public fundraising events that benefit the Foundation in compliance with the Foundation's policies and matters related to them;
- Fundraising groups must obtain pre-approval of all fundraising activities;
- Compliance with applicable laws, regulations, rulings, and policies;
- Reporting and other requirements of every kind such as licensing, tax payment, and liability insurance covering the Foundation.

The following requirements are designed to protect Donors and fundraising groups, as well as the Rush County Community Foundation, from the legal implications of fundraising for a Fund. In addition, these guidelines and procedures will help ensure that the Rush County Community Foundation serves as an effective and efficient resource for our fundraising groups.

**Foundation Approval of Fundraising Events and Solicitations**

- At least 60 days prior to undertaking public fundraising events or solicitations, the fundraising groups will define to the Rush County Community Foundation each program, event or other effort to raise money for the Fund.
- The Rush County Community Foundation will provide an application for the fundraising groups to complete, which will be submitted to the Rush County Community Foundation for advance approval by the Executive Director. Advance approval will be granted in a timely manner.
- The fundraising groups will then proceed according to the Rush County Community Foundation guidelines.

### **Use of the Foundation's Name in Advertising and Promotion**

- All uses of the Foundation's name in advertising and promotion must be approved in advance by the Foundation.
- All fundraising materials should make clear, where applicable, that funds are being raised ***on behalf of*** rather than *by* Rush County Community Foundation.
- An approved, high-quality version of the Rush County Community Foundation logo should be used on materials containing graphics

### **Gift Receipt Process**

- Checks related to the event or solicitation may be made payable to the **Rush County Community Foundation**, with the fund name designated in the Memo line.
- Checks and cash can be submitted to the fund advisor or the Rush County Community Foundation.
- All proceeds, checks, and cash shall be delivered to the Foundation along with an accounting of all monies received **within five business days** after the conclusion of the fundraising event.
- The Foundation will record and deposit gifts, and will contact fund advisor/fundraising groups monthly to reconcile the account.

### **Payment of Expenses**

- The fundraising groups will be responsible for submitting all expenses with original invoices;
- The fundraising group will be responsible for the collection of returned checks due to insufficient funds
- An additional fee may be added by the Foundation for additional bank fees or for extra bookkeeping on the Foundation's part. The Foundation will disclose this to the fundraising group as soon as possible.

### **Tax Requirements and Acknowledgments**

- The IRS has imposed strict requirements that impact any fundraising. If the steps outlined below are not taken, donors will be denied a tax deduction; the fundraising groups might find themselves unexpectedly subjected to tax on the funds raised; and either the Rush County Community Foundation or the fundraising groups might be subjected to penalty.
- Donors who contribute \$250 or more are entitled to receive a written acknowledgement from the Foundation in order to claim a tax deduction for the contribution. The Foundation shall provide the appropriate acknowledgement to the donors but will require specific detailed information in order to do so.
- Contributions of services, while appreciated, are not generally deductible.

### **Quid Pro Quo Disclosures**

If the fundraising groups provide goods or services in exchange for a donation, certain disclosures are required 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 given at the time of solicitation by the Fundraising Group.

The Rush County Community Foundation may assist the fundraising groups in determining the fair market value amounts and the appropriate disclosure language for the event. However, the Rush County Community Foundation will have to work with the group prior to the solicitation activity, and will need information pertaining to the event such as the ticket prices, and the values of the goods or services donors are to receive. **The fundraising group shall ensure the required quid pro quo disclosures are made.**

### **Restricted Fundraising**

Raffle tickets and rummage sale purchases are not tax-deductible. Proposed fundraisers shall be approved, on a case-by-case situation, by legal counsel for the Rush County Community Foundation. At that time, tax deductibility of items will be determined.

In view of the Foundation's administrative resources and role as a philanthropic resource, we have identified below, a spectrum of activities to which the Foundation can not lend its name or that of any of its funds:

- Casino nights, raffles or events that use professional fund raising solicitations which involve registration with the State of Indiana.
- Events that involve political speakers.
- Activities involving sales of goods or personal property involving payment of sales tax or where the Foundation must determine market values.
- Fundraisers that are expected to produce less than \$5,000.
- Fundraisers where the percentage of net income raised for a Fund is minimal compared to gross revenue.
- Any event that involves activities that may be considered to be outside the standards of tastefulness.

### **Liability Insurance and Liability for Losses**

The fundraising groups will contact the Rush County Community Foundation prior to the fundraising event to assess the need to secure liability insurance for him or herself and the Rush County Community Foundation. Insurance coverage must be reviewed and approved by the Rush County Community Foundation. Typically, a general liability policy with limits of \$1 million is sufficient.

The fundraising groups will be responsible for all losses incurred by events. The Rush County Community Foundation will not be held responsible for such losses. The Rush County Community Foundation may require the fundraising groups to purchase a letter of credit or provide a written personal guarantee.

If you have any questions concerning the above guidelines, please contact the Rush County Community Foundation at (765) 938-1177 before any fundraising activities are undertaken.

**Agreement to Comply with Donor-Initiated Fundraising Policy**

**We have read and agree to comply with the Rush County Community Foundation’s (the “Foundation”) Donor-Initiated Fundraising Policy. We understand that the Foundation reserves the right to refuse any assets or funds that have been raised in violation of these guidelines, and may terminate funds that fail to comply with the Foundation’s policies and governing documents. The undersigned hereby acknowledge(s) that the Foundation and its employees have not and will not be actively involved in the conduct of fundraising activities.**

**Names:**

---

**Component Fund:**

---

**Date:**

---

Rush County Community Foundation Fund Name \_\_\_\_\_

Name of Fundraiser \_\_\_\_\_ Event Date \_\_\_\_\_

Describe the fundraising event (Including a detail description of activities that will happen at the event, number of participants expected, the groups experience in this type of fundraising and any other information that will help us support your efforts.)

---

---

---

---

---

---

---

---

---

---

Contact Person \_\_\_\_\_ Phone \_\_\_\_\_

Address \_\_\_\_\_ Email \_\_\_\_\_

Best time and place to be contacted \_\_\_\_\_

### Liability Policy Information

Carrier \_\_\_\_\_ Coverage Amount: \_\_\_\_\_