

POLICY ON FUNDRAISING FOR COMPONENT FUNDS

Due to Internal Revenue Service regulations, several things should be kept in mind while fundraising for component funds within the Community Foundation. This policy will protect donors, fundraising individuals and the Foundation.

- **Foundation Approval of Events and Use of the Foundation Name**

Prior to your event or fundraising efforts, please call the Foundation and ask to speak with the Executive Director. A copy of any proposed marketing, advertising, or fundraising materials for the event should be sent to the Foundation. Any materials should make it clear that monies are being raised on *behalf of* rather than *by* the Foundation.
- **Foundation Responsibilities**
 - The Foundation will manage all monies donated to the component fund.
 - Income will be allocated to the component fund quarterly.
 - Receipts along with acknowledgement letters will be given to donors when applicable.
 - The normal distribution of monies from the component fund will be made in accordance with the fund agreement and Foundation's current spending policy.
- **Fundraising Responsibilities**
 - Pre-approval of all fundraising activities.
 - Payment of all costs and expenses.
 - Compliance with applicable laws, rulings, regulations and policies.
 - Reporting and other requirements of every kind such as licensing, tax payment, and liability insurance (if necessary) covering the Foundation.
 - Any other responsibilities set out in the agreement between the fund and the Foundation.
- **Designation of Checks and Receipt of Cash**
 - Checks related to the event should be made payable to the component fund of the Foundation.
 - Cash receipts may be deposited net of expenses.
 - All proceeds, checks, and cash should be delivered to the Foundation as soon as possible after the fundraising event.
- **Tax Requirements and Acknowledgements**

The IRS has imposed strict requirements that impact any fundraising. If the steps outlined are not taken, donors may be denied a tax deduction; the fundraising entity might find itself unexpectedly subjected to tax on the funds they raise; and either the Foundation or the fundraising entity might be subject to penalties.

The Foundation will need the following information in order to properly acknowledge the donor:

 - Donor's complete name and address.
 - Date and amount of contribution
 - A detailed description of any goods and services provided in exchange for the contribution including fair market value of goods and services.

Exclusions:

 - Contributions of services, while appreciated, are not generally deductible.
 - Rummage Sale purchases are not tax-deductible.
 - With auctions, component fund will pay legal counsel to review on a case-by-case basis, any proposed ideas for an auction.
 - Bingo/Gaming events are not acceptable unless the entity holds its own Indiana gaming license.
- **Liability Insurance and Liability for Losses**

The fundraising event will be analyzed to determine if additional liability insurance is necessary. The Foundation will not be responsible for any losses related to fundraising activities/events.