

NORTH CAROLINA
COMMUNITY FOUNDATION



Guidelines for Fundraising

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Overview

Terms and conditions covered in this policy seek to ensure fundraising efforts comply with all tax and legal regulations, donors receive timely and appropriate acknowledgement, and North Carolina Community Foundation brand, reputation, and charitable status are adequately protected.

By law, donors and volunteers cannot act as agents on behalf of the Foundation, or otherwise make legally binding decisions on the Foundation's behalf. The term "solicitation" refers to any request (verbal, written, or otherwise) seeking a contribution to a fund held by the Foundation. The Foundation reserves the right to refuse any contribution or asset secured in violation of this policy.

Fundraising efforts fall into two general categories:

1. Fundraising efforts resulting in solicitations seeking direct and tax-deductible gifts to NCCF funds. Donors may not receive goods or services in returns for this contribution. This is the Foundation's preferred type of giving. The chief responsibility of the Foundation is to raise endowed financial assets through acquisition of major and planned gifts in order to increase charitable giving.
2. Fundraising efforts resulting in contributions which, in part or whole, the contributor cannot deduct from their taxes because a benefit is received in exchange for the contribution. The primary fundraising effort generating this type of contribution is "*event based fundraising*". The term "*event based fundraising*" includes but is not limited to golf tournaments, receptions, dinners, parties, art or entertainment events, races, and auctions. Event based fundraising efforts come with significant tax, accounting and liability issues and are the primary focus of this policy. This policy distinguishes between component funds established by external parties and Affiliate / Unrestricted funds (funds established by and managed by the Foundation, including Giving Circles).

Regardless of the type of fundraising effort, NCCF must receive, at least 90 days in advance, all communication materials (printed or electronic) containing a solicitation or acknowledgement on behalf of a fund held by the Foundation, including the use of the Foundation's logo, name, or likeness. This applies to fundraising efforts regardless of the specifics of the solicitation. The Foundation reserves the right to approve, request changes, or disallow the use of these communication materials. Approval may be given by Regional Directors or NCCF main office staff. All materials must clearly state funds are being raised "on behalf of the XYZ Fund, a component fund of the North Carolina Community Foundation" (rather than "by the XYZ Fund").

Fundraising efforts resulting in solicitations seeking direct and tax-deductible gifts to all NCCF funds.

Gifts in response to these fundraising efforts can be made online or mailed to NCCF offices. The gift should be payable to the “North Carolina Community Foundation” and clearly note the intended fund name in memo line or accompanying documentation. All gifts in this category will be acknowledged according to NCCF gift acknowledgement policies set forth in the NCCF Charitable Giving Guide.

Component funds established by external parties - Event based fundraising

Donors are disallowed from sending individual payments for which any portion is not considered charitable. Event based fundraising may be conducted by component fund holders subject to the following:

- Event organizer collects all contributions and pays all expenses associated with the event, and remits the net proceeds to NCCF for a lump sum donation to the fund. NCCF will not reimburse event organizer for expenses incurred by the organizer for the event.
- Agency fund holders with a 501(c)(3) may deposit net proceeds into the organization’s NCCF fund. The agency is solely responsible for acknowledging gifts and ensuring compliance with all applicable local, state, and federal tax and solicitation laws and regulations.
- Unless the event is sponsored by a qualified charitable organization, and the sponsoring organization has provided a tax receipt, donors may not deduct the contribution for tax purposes.
- The organizer may keep records of contributors and provide a courtesy acknowledgement. The acknowledgement letter may not include language stating the acknowledgement serves as a receipt for tax purposes or reference tax deductibility.
- All communications, including acknowledgements furnished by the organizer, should clearly relay that net proceeds will benefit the general purpose of the fund, and all written materials should state “Net Proceeds of this event will be contributed to the *Name of Fund* of the North Carolina Community Foundation.”.
- NCCF’s tax exempt ID cannot be used in solicitation materials.
- The Foundation will not sign or pay for any event expenses or sign any contracts. Event organizers are responsible for obtaining and/or paying for all necessary permits, financial accounts, licenses, insurance, contracts, ect.

Affiliate and Unrestricted Funds - Event based fundraising

Approval of Event

The primary reasons for completing a NCCF event application are risk and gift recording considerations. An application should be submitted any time an event has at least one of the following elements: more than 800 attendees, serves alcohol, contains an activity that could result in injury, or an exchange transaction resulting from a solicitation.

At least ninety (90) days prior to the event or before any promotional/marketing material has been ordered, whichever comes first, the fundraising group must complete the *NCCF Application for Fundraising Event* by contacting your NCCF Regional Director. The fundraising group **must** receive approval from the Foundation to host the event. If the fundraising group fails to obtain approval, the Foundation will not accept any liability for the event (i.e. no insurance coverage will be provided), the name “North Carolina Community Foundation” may not be used and our staff will be unable to assist. Applications are to be submitted to your NCCF Regional Director.

A separate application must be submitted for each event occurrence. Submitting an application and prior approvals do not guarantee future approval. The Foundation will consider the following criteria before approving an event application:

- Fundraising efficiency – Does the event generate sufficient revenues relative to the event costs.
- Is the event seeking to generate funds for the purpose of building permanent assets?
- Affiliate fund exposure – Is the event’s purpose consistent with and provide meaningful publicity for the Affiliates mission?
- Risk -Does the event include activities that pose a risk to participants or the Foundation?

If approved, the local event coordinator will receive a copy of the *NCCF Application for Fundraising Event* signed by either by a member of the Finance department.

Responsibilities of the Foundation

- Provide appropriate acknowledgements to donors (see Contribution section of the NCCF Charitable Giving Guide)
- Pay invoices for expenses incurred through the fund.

Responsibilities of Affiliate or Fundraising Group

- Contact your NCCF Regional Director for approval at least 90 days prior to event planning (if an event is held and it was not submitted to and approved by the Foundation, there is no insurance coverage for that event and NCCF may reserve the right to provide no support).
- Complete *NCCF Application for Fundraising Event* and submit to your NCCF Regional Director.
- Plan, staff, and market fundraising event
- Ask your NCCF Regional Director for a *Fundraising Event Checklist* to ensure appropriate steps have been taken
- Submit all invoices to the Foundation for review and payment
- Secure local sponsors if needed to underwrite cost of event
- Deliver all proceeds along with event records to the Foundation within 14 business days after the event
- Comply with all federal and state laws and local ordinances
- Meet requirements for licensing, tax payment, and liability insurance covering the North Carolina Community Foundation.

Gaming and High-Risk Events

The North Carolina Community Foundation is bound by state and federal regulations that prohibit or limit certain gaming activities such as casino/gambling and raffles. A legal and compliance review by NCCF legal counsel and Finance is necessary before undertaking such events.

Events that involve high risk activities that could invoke bodily harm to the participants are generally not approved. These include, but are not limited to, certain sporting events and water-related activities.

Income and Payment of Expenses

- The fundraising group must submit an anticipated budget as part of the *NCCF Application for Fundraising Event* form detailing projected income and expenses.
- The Foundation pays all fundraising expenses through the endowment fund for which monies are being raised.
- The Foundation requires that all new vendors for an event complete a W-9 form for end-of-year tax reporting purposes. Please speak with your local Foundation Representative to secure a W-9 form.
- Submit all event income and expenses to your NCCF Regional Director. Your Regional Director should be consulted prior to purchases made on behalf of the fund and can provide the NCCF check issuance schedule.
- Unauthorized expenses (those not approved on the Application for Fundraising Event or by your NCCF Regional Director) are subject to denial for payment or reimbursement by the Foundation. Coverage of such unauthorized expenses may therefore become the responsibility of the fundraising group to pay.

Contributions

- Cash or checks received are to be verified by two separate parties prior to being submitted to the NCCF.
- Checks related to the fundraising event must be made payable to the “North Carolina Community Foundation” and clearly note the intended fund name in memo line or accompanying documentation.
- Cash must be converted to a cashier’s check or money order and submitted with identifying donor documentation. The NCCF Regional Director will submit contributions to the Foundation on a weekly basis with the appropriate documentation.
- All proceeds, checks and cash, must be delivered to the Foundation along with event records, showing all monies received, within 14 business days of the fundraising event.
- The Foundation does accept credit card gifts on our website or with proper documentation (Foundation Regional Director can provide form). A fee (in the amount of 3% of the gift processed) is assessed the fund for every credit card gift.

Liability Issues

Liability issues must be discussed in the planning stages of the event with your Foundation Regional Director.

Many fundraisers sponsored by affiliate organizations are covered under the North Carolina Community Foundation's insurance liability policy. Based upon information provided in the *NCCF Application for Fundraising Event* form, the Foundation will assess whether:

- 1) the event is covered;
- 2) the event is not covered as currently configured, needs to be modified, or will not be permitted.

The Foundation will not pay for additional insurance premium beyond standard coverage. The Foundation may request that the local event coordinator work with the venue management to have the North Carolina Community Foundation named as an additional insured on the venue's insurance policy for the event. The venue's insurance company would then provide, to the NCCF a copy of a certificate of insurance naming the NCCF as an additional insured.

Alcohol may only be served by a licensed caterer, hotel, restaurant or other facility that holds its own alcohol permit. This includes events hosted at a personal residence or other type of premises not licensed to serve alcohol in the normal course of business.

If proper procedures are not followed, the event is **not** considered to be a NCCF sponsored event and NCCF cannot be held liable for any loss or damage occurred at, by, or because of the event.

NCCF requires that each group appoint a safety coordinator for the event (before, during, and after) to monitor potential safety issues such as spilled food and slippery surfaces, floors free of obstacles such as electrical cords, appropriate signage for parking and emergency building evacuation, safe cooking equipment/setup/ventilation, and any other potentially unsafe practices or circumstances. Your safety coordinator should have the authority to ensure unsafe situations are rectified.

The Foundation reserves the right to refuse to participate in any fundraising event that is deemed a liability to the Foundation or that is deemed to be outside the mission of the Foundation.

Acknowledgements and Tax Requirements

Due to strict requirements of the IRS, all tickets and invitations to a fundraiser should contain the following tax information:

“Your ticket price includes the fair market value of goods and/or services received, estimated to be \$_____. The remainder of \$_____ is tax deductible. These amounts are estimates and the tax payer has responsibility for his/her own tax reporting.”

The information to be filled in is based on the *NCCF Application for Fundraising Event*.

The Foundation's policy is to issue an acknowledgement for every tax-deductible contribution and as required by the IRS. Your NCCF Regional Director may assist the event coordinator in documenting contributions and will require the following:

- Donor's complete name and address
- Date and amount of contribution
- Fair market value of goods and/or services

Any sponsorships or contributions where no goods or services are received should be submitted to your NCCF Regional Director to document. The NCCF will send an acknowledgement to the donor. Your NCCF Regional Director may assist with documenting any donated items and NCCF will provide the acknowledgement to the donor.