



POLICY: CKCF/DONOR/AFFILIATE INITIATED EVENT/FUNDRAISING POLICIES AND PROCEDURES

Purpose

These policies and procedures have been developed to help assure a successful outcome for individuals, groups and CKCF as events and fundraising activities are coordinated, whether for general promotion or asset development. These policies and procedures are paramount to maintaining public confidence in our organizational operations and compliance with all federal, state, and local legal requirements for our standing as a not for profit, 501 (c) (3) organization. Further, these policies and procedures promote the organization's compliance with National Standards for Community Foundations.

When individuals or fundraising groups conduct fundraising activities and solicitations on behalf of component funds at CKCF, they must keep in mind that such fundraising is being done on behalf of the Central Kansas Community Foundation.

Community Foundation Defined: A tax-exempt, nonprofit, autonomous, publicly supported, nonsectarian philanthropic institution with a long-term goal of building permanent, named component funds established by many separate donors to carry out their charitable interests and for the broad-based charitable interest of and for the benefit of residents of a defined geographic area.

Component Fund Defined: An individual fund considered by the Internal Revenue Service (IRS) to be part of the exempt assets of a foundation. The foundation's governing board must have total control over all assets of a component fund.

The primary purpose of these procedures is to protect fundraising groups from unintended tax consequences, and to ensure that the Central Kansas Community Foundation (CKCF) including all affiliates is not exposed to potential penalties or unnecessary liability.

Passive Fundraising – Friend Raising

Legal requirements for passive fundraising

Affiliates and fundraising groups may promote a fund through various forms of “passive” marketing in the name of a fund or may also be simply promoting the foundation or affiliate with no donation “ask” (Friend Raising).

For instance:

1. Brochures
2. Posters
3. Informational sessions
4. Appeal letter
5. Social media fund drive
6. Grant/Scholarship award ceremonies

In response to any of the above passive marketing efforts, a donor may make a gift directly to the fund.

Checks can be made payable to:

1. Central Kansas Community Foundation (CKCF)
2. The name of the affiliate
3. The name of the fund

Non-cash gifts may be accepted but must be approved by the foundation per the current Gift Acceptance Policy guidelines.

Fund representatives have access to the details of all gifts to the fund through their donor portal accessed through the CKCF website and are encouraged to send thank you notes to all contributors no matter the size of the gift.

CKCF must approve, in advance of printing or production, all written or spoken event or activity materials related to solicitations promoting a fund.

This will include, but is not limited to:

- Letterhead
- Brochures/posters
- Newspaper and magazine advertising
- Press releases
- Website and social media content
- Radio and television announcements

All such materials must show the affiliate relationship to CKCF (Goessel Community Foundation, an affiliate of Central Kansas Community Foundation)

All such materials must list the fund as a component fund of CKCF (Carriage Factory Gallery Endowment Fund is a component fund of Central Kansas Community Foundation).

Active Fundraising

Active fundraising involves additional legal requirements. Generally, active fundraising events will fall into one of three categories:

A. Independent Event or Fundraising by a Tax-Exempt Organization

B. Independent Event or Fundraising by an Individual or Non-Tax-Exempt Organization

C. Component Event or Fundraising by an Individual or Non-Tax-Exempt Organization

A. Independent Events or Fundraising by a Tax-Exempt Organization

An organization with its own charitable status and solicitation license may sponsor a fundraising event or solicitation promoting its organization and deposit the net proceeds into a fund that has been established for its benefit at CKCF and its affiliates. The organization issues its own tax acknowledgement letters.

Independent Fundraising would be totally managed by the organization and ultimately only one check would be sent to CKCF for deposit to the fund benefiting from the fundraising effort.

If publicly stating that the proceeds will benefit and be deposited into a fund at CKCF, all printed and spoken material must clearly state that the fund is “a component fund of the Central Kansas Community Foundation.”

If CKCF manages an Organization Fund, aka Agency Fund, the contributions may only come directly to the fund from the Organization to maintain the status of an Organizational Fund. If CKCF manages a Designated Fund for the organization, it is best for the organization to still send proceeds to CKCF after deposit at said organization, however with a designated fund status a donor could send a contribution direct to the fund and CKCF gift acceptance protocols would be activated. Gifts directed to CKCF for deposit to benefit the fund would be tax deductible.

B. Independent Events or Fundraising by an Individual or Non-Tax-Exempt Organization

Special events or fundraising activities may be conducted by an individual, a group of people, or an organization without the endorsement or involvement of CKCF and its 501c3 nonprofit classification. Generally, the person or group that plans and executes the fundraiser makes one lump-sum donation to the component fund. Because the event is not sponsored by CKCF or another 501c3 nonprofit organization, donors are **NOT** entitled to a charitable tax deduction for their gifts.

Guidelines Applicable to Non-Tax-Deductible Fundraising and Special Events:

1. An individual or group that plans and executes a special event or fundraising event may state that the net proceeds will benefit the general purpose of the fund, but there should be no reference to CKCF in printed materials or communications of any kind.
2. The group may not use CKCF's tax exempt number in connection with the event. Contributions made at the event **will not** qualify as tax-deductible charitable gifts to CKCF.
3. Event organizers are responsible for obtaining and paying for any necessary insurance, permits, licenses, approvals, etc.
4. Events and fundraising activities often require certificates of insurance or signed contracts. When the events are sponsored independently of CKCF, the name of the Foundation, Affiliate fund must NOT appear on any contract or agreement.
5. Events or activities that include opportunity drawings or other games of chance are regulated by state and local governments and must be specifically reviewed and authorized by the appropriate branch of government.
6. Individual participants in the event make their payments to the organizing individual or group and **not** to the Central Kansas Community Foundation, any affiliate or fund.
7. The group that plans the event shall pay expenses, collect contributions, and send the net proceeds of the fundraiser to the CKCF for the benefit of the specific fund. CKCF records the gift as coming from unnamed third-party donors. These proceeds are not eligible for a tax deduction receipt. A cashier's check is the recommended method of turning in these donations.

Note on Tax Deductibility: Contributions to a fundraiser are only tax deductible when they are received and acknowledged directly by a qualified nonprofit organization.

C. Component Fund Events or Fundraising by an Individual, Committee, Affiliate or Non-Tax Exempt Organization

This section applies to events and fundraising activities that are a component of CKCF meaning they are hosted/sponsored under CKCF and its 501c3 nonprofit classification and will be governed by a set of CKCF guidelines, Federal and State laws and National Standards accreditation requirements accordingly.

Guidelines Applicable to Special Events and Tax-Deductible Fundraising:

1. All events and fundraising activities must be approved in advance by CKCF.
2. An "Event/Fundraising Application Form" must be submitted preferably 90 days prior to the proposed event. To ensure approval submit no later than 20 business days before a group expects to promote the event.
3. Component Fund Event and Fundraising activities may rely on legal and liability protection from CKCF. If there are additional insurance coverage needs outside of the standing policy, the CKCF agent will explore policy options and premiums for consideration.
4. Approval of the event from the CKCF CEO must occur before any advertising or promotion begins. Once approval is obtained, all event or fundraising guidelines must be followed. Additional administrative fees may be charged.
5. All use of the Central Kansas Community Foundation and affiliates names and logo's, in advertising and promotion must be approved in advance by CKCF. At least 20 business days should be allowed. All written or spoken event and fundraising materials should make clear the relationship between the fund, the affiliate and CKCF (i.e. The Halstead Community Foundation, an affiliate of CKCF, is raising funds on behalf of the Halstead Community Impact Fund, a component fund.) The purpose of the event or fundraising event must be clearly stated on all materials. The individual or fundraising group must also supply a final copy of all printed materials, scripts, videos, etc. that are used to publicize the event to be put in the electronic event folder for that year of activities. (Note: The ticket price portion that is tax deductible is ticket price less value of goods and services received. For example a dinner ticket of \$20, the value of dinner is \$10, only \$10 is tax deductible).
6. For all fundraising events, there must be a crowd consent poster visible. If possible, take a picture of the area where this crowd consent poster is posted so that we have that in our event files. The crowd consent poster is good for all multi-media posts including pictures the day of the event. For all print materials using photos of event participants, we must obtain a signed multi-media release form from the participant. **Please note: we encourage all event staff to be careful not to include minors in any photos taken at an event.**

Note on Unapproved Fundraising Events:

There will be occasion when an event or activity is not permitted after the Event Application Form is reviewed. A full explanation of this will be provided to the submitting party. Please know CKCF is supportive of raising funds yet also is aware of their responsibility for not only

return on investment but also the risk and safety of our donors, organizers, staff and potential participants.

1. The following events/activities are only some examples of what will **NOT** be approved:

- a. Casino nights
- b. Bounce Houses
- c. Event involving animals
- d. Drone involved activities
- e. Sales – We do not sell items
- f. Fundraising for donor advised funds
- g. Fundraising which utilizes the services of a professional organizer.

*Please request our annual exclusion document for an extensive list of activities and events that are not covered by the CKCF insurance policy.

2. Upon review and evaluation of the “Event/Fundraising Application Form,” CKCF may not approve the application, but it would accept the net proceeds of the event as a contribution as described in Section B of these policies and procedures. CKCF would not endorse the event, be involved in the promotion, planning or production of the event, nor allow its name to be used in any way with the fundraising materials and activities. In this instance, donation tax receipts would not be provided by CKCF.

D. The individual or fundraising group will be responsible for:

- a) Appoint an Event Chairperson who will serve as the point of contact with CKCF staff
- b) Submit a completed “**Event/Fundraising Application Form**” for consideration and approval or not by the CEO preferably 90 days prior to the proposed event and no later than 20 business days before promotion of event is planned
- c) Discuss with CKCF staff liability insurance coverage requirements, if any activities fall outside of the regular CKCF coverage the group shall request approval from CKCF to acquire additional insurance from CKCF insurance agent. Individual or group shall be responsible for any additional costs for coverage (if any)
- d) Provide CKCF staff with information pertaining to the event, such as ticket prices and the value of goods and services prior to the event. **Event/Fundraising Donation Spreadsheet** must be used for submission to CKCF post event
- e) Obtain approval from the CKCF CEO if new event activities are later identified and if the expenses of the event change by more than 5%;
- f) Work with vendors, media, and/or volunteers to promote the event with written and spoken materials that have been approved by the CKCF CEO
- g) Account for all contributions by completing and submitting an **Event/Fundraising Donation Spreadsheet and the Donation Deposit Record Form** and then should be submitted to CKCF within one week from event for processing.
- h) Review and approve invoices associated with the event and forward these invoices to CKCF staff within three weeks of the event
- i) Make arrangements for Petty Cash (it is not provided by CKCF) by acquiring a cash bag and the anticipated amount of petty cash needed. CKCF recommends a committee member provide petty cash and sign in the cash placed in the bag in the company of another committee member serving as a witness. At the end of the event, reimburse the petty cash contributor with notes by the witnessing member and the petty cash contributor being reimbursed. Remaining cash shall be logged on appropriate spreadsheet, **Donation Deposit Record Form** for deposit
- j) Develop a plan and submit for approval prior to event listing all prizes and who is eligible to receive them. Prize money is **NOT** encouraged. Prize money waiver option must be included. If Individuals accept prize money, the Committee must provide completed **W- 9’s** along with a **Distribution Recommendation Form**;
- k) Accept responsibility for any financial losses of the event for those instances where the funds do not exceed the expenses of the event
- l) Comply with federal, state and local laws;

E. CKCF staff will be responsible for:

- a) The review and approval of all written and spoken event and fundraising materials to assure compliance with federal, state and local legal and National Standards requirements
- b) Determine if additional liability insurance needs to be provided by the individual or fundraising group naming CKCF as an additional insured; CKCF will request a copy of the COI for file.
- c) The review and signing of contracts required for the event;
- d) Filing legal licenses as required by law (i.e. ABC);
- e) The review and approval of tickets produced, as it is necessary that the ticket indicate the tax-deductible portion of the ticket purchase (quid pro quo disclosure);
- f) Availability of copier for smaller production runs (less 100 copies) with costs being charged back to local affiliate operating fund or reimbursement by individual or group coordinating the event;
- g) The management of such money and property as it should be deposited into the component fund. CKCF will provide **Event/Fundraising Donation Spreadsheets** for tracking revenues received, allowing CKCF to post contributions. **Donation Deposit Record Form** should be received for all cash and checks received
- h) The timely payment, 5-7 business days, of invoices associated with the fundraising event after receipt of the **Distribution Recommendation Forms**, W-9's as apply to payables and back up receipts for purchases.
- i) Provide appropriate acknowledgments to donors in compliance with IRS guidelines and regulations.

F. Exceptions to responsibilities listed in D and E above may be made if mutually agreed upon by the CKCF CEO, CKCF Board Chair, and Fundraising Chairperson.