

The Spartanburg County Foundation



FUNDRAISING EVENTS

Guidelines
And
Procedures

FUNDRAISING EVENTS GUIDELINES AND PROCEDURES

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Original 08/22/07



Section 1: Fundraising Events for Component Funds

Guidelines

Fundraising events can be a way to raise awareness, and funds, for your community. There are many issues to consider as you plan for your event. The Spartanburg County Foundation's Fundraising Guidelines and Procedures have been established to provide a framework to protect you, your donors and the Foundation from negative liability and tax consequences.

Fundraising for the benefit of funds at the Foundation must receive approval by the Foundation. **Fundraising expenses cannot be reimbursed to fund advisors, related parties or vendors for donor advised funds. Please contact The Spartanburg County Foundation for clarification on whether or not the fund is considered donor advised.**

The Spartanburg County Foundation will consider approval of any legal fundraising events, but reserves the right to deny approval of any proposed fundraising event that is intended to benefit a fund, if The Foundation, in its sole discretion, determines that the proposed event is not in keeping with The Foundation's image, values, or mission, or for any other reason the Foundation sees fit.

Foundation Approval of Events

In advance of planning public fundraising events, the Component Fund must define each program, event or other effort to raise money for the Fund and obtain prior approval from the Foundation. The Component Fund must submit the ***Fundraising Event Application***, Budget, and an insurance form, to the Foundation prior to publicizing the event.

Fundraising events may take three forms: (All of which require insurance coverage for the foundation and for the fundraising event)

1. **Independent fundraising by a 501(c)(3) organization for a fund at the Foundation** – Organizations with their own federal I.D. number may sponsor a fundraising event/solicitation and deposit the net proceeds into their Foundation 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-exempt status. The 501(c)(3) organization may state on its marketing materials that net proceeds will benefit the Fund at the Foundation. **The 501(c)(3) must provide the Foundation with a certificate of insurance naming the Foundation as additional insured.** In these instances, the attached Policies and Procedures are not applicable.



2. **Independent Fundraising by a non-501(c)(3) group for a fund at the Foundation** – Organizations who do not have their own federal I.D. number may hold a fundraising event/solicitation and the net income (net of expenses paid) from the event is forwarded to the Foundation and designated for a particular fund. In this case, the Foundation does not endorse the activity or is involved in its planning or execution. **The Foundation does not send acknowledgements to the individual contributors, 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. Published materials related to the fundraising event may state that the net proceeds of the event will be contributed to the XYZ Component Fund of the Foundation. An insurance form must be completed and submitted to the Foundation. More information on Independent fundraising can be obtained from the Communications Officer.

3. **Fundraising for the benefit of the Component Fund at the Foundation** – Component Funds that choose to hold a fundraising event/solicitation through the foundation. The Guidelines for this are as follows. **The most heavily involved Fundraiser is fundraising for a component Fund at the foundation. If this is chosen, a set of guidelines have been devised that must be followed in order to ensure a successful out come for you and the foundation.**

The component funds that choose this type of fundraising (#3) must follow the outlined procedures below:

- a. Donors make their checks payable to the Foundation or the Component Fund at the Foundation.
- b. Donors will receive charitable contribution substantiation according to IRS guidelines and the contribution receipting policies of the Foundation.
- c. All uses of the Foundation's name in advertising and promotion must be approved in advance by the Foundation.
- d. All fundraising materials should make clear, where applicable, that funds are being raised *on behalf of* the Component Fund at The Spartanburg County Foundation rather than *by* the Foundation.
- e. Component Funds may be charged additional fees for Foundation support and record keeping for such events if necessary. (see fee schedule)

All fundraisers are on "behalf of the Spartanburg County Foundation". Therefore, the Foundation must ensure that all IRS and State guidelines are followed. The Foundation would ensure that:

- Donors to the Fund are entitled to the appropriate tax deduction.



- The Component Fund is protected from unintended tax consequences.
- The Foundation is not exposed to penalties for failing to make proper solicitation disclosures.
- The Component Fund and the Foundation are protected from unintended risks and potential liabilities.
- The event and its activities are conducted in accordance with all applicable laws and regulations.

When conducting a fundraising event on behalf of your fund at the Foundation, we appreciate your cooperation in fulfilling the following requirements, which were designed to protect donors, the Component Funds and The Spartanburg County Foundation.

Responsibilities of the Foundation

The Foundation will be responsible for:

- The management of money and property it may accept into the Component Fund from donors, other contributors and sources.
- Payment of pre-approved event expenses, with proper approval and original receipt.
- Providing appropriate acknowledgments to Donors, consistent with the Foundation's Fundraising Guidelines and Procedures and IRS Guidelines.
- Obtaining appropriate insurance coverage for the event, subject to the Component Fund filling out the Event Coverage application. The Component Fund will be responsible for any additional costs that are incurred to cover the event.
- The Spartanburg County Foundation is responsible for submitting a Revenues and Expenditure report to the Fundraising committee at the end of the fundraiser once all receipts and expenses are turned in. In addition, we will send a gift report to aid in your reconciliation.

Responsibilities of the Component Fund

The Component Fund will retain responsibility for all public fundraising events and matters related to them including:

- Submitting a Fundraising Event Application including a budget to the Foundation and obtaining approval for the event, prior to advertising the event.
- Submitting an insurance event application form detailing all necessary coverage.
- Working with the Foundation to ensure appropriate acknowledgement of donors, consistent with Foundation's Fundraising Guidelines and Procedures and IRS Guidelines.



- Ensuring payment of all event costs and expenses.
- Complying with applicable local, state and federal laws.
- Complying with the Foundation's Fundraising Guidelines and Procedures.
- Any losses incurred as a result of the event. Such losses will be paid from available monies in the Component Fund assets held at the Foundation.
- Reconciliation of their fundraiser. This reconciliation must be supplied to The Spartanburg County Foundation for its records within 30 days following the event. The foundation is not responsible for reconciling your records for you.

Attendance at Events

Although The Foundation cannot provide staff members to attend fundraising events, The Foundation reserves the right for its employees to attend any event (at no charge) that raises money on behalf of a fund of The Spartanburg County Foundation.

Prohibited Activities

The Foundation prohibits gambling activities of any kind. Gambling activities are defined as games of chance, such as bingo, raffles, pull-tabs, etc. Due to the extensive licensing, reporting and record-keeping requirements, the Foundation is not licensed to conduct gambling. Therefore, any group holding a fundraising event in the name of the Foundation is prohibited from conducting gambling activities.

Legal

Events that raise money for a fund of The Foundation are considered by the Internal Revenue Service (IRS) to be events sponsored by The Foundation. Thus, The Foundation is ultimately responsible and liable for *a*ll fundraising events even if they are managed by a committee of volunteers. All proper licenses, permits, etc., required by law must be obtained by the fundraising committee.

Comment [SM1]: Jim, will statement cover liquor license?

Non-compliance with Policy and Procedures

The Foundation reserves the right to terminate a current event or deny future events by the fundraising group for failure to comply with the above policies and procedures. Failure to abide by the requirements for liability insurance and liability for losses *w*ill result in the denial of future events to the fundraising group.

For questions about this policy, contact the Donor Services Officer or Controller, 864-582-0138.



Section 2: Fundraising Event Application and Insurance

As outlined in the Fundraising Event Guidelines, the Foundation requires that fundraising events to benefit funds at the Foundations be approved in advance. To receive approval, complete [application](#), [budget](#) and [insurance forms](#) (see attached sample) must be submitted at a minimum of at least three months prior to the event.

The application and budget provide an opportunity to discuss any questions or concerns early on, clarify your expectations regarding the Foundation's services and fees, ensure adequate liability coverage, and reduce the likelihood of unwelcome surprises in the busy months leading up to your event.. In addition, plan on allowing 4-6 weeks to obtain insurance coverage.

Your application, budget, and insurance form should be submitted to Communications Officer. You can submit the forms as an attachment via email (asmith@spcf.org) or send a printed copy in the mail to the Donor Services Officer, The Spartanburg County Foundation, 424 E. Kennedy Street, Spartanburg, SC 29302.

After reviewing your application, Foundation staff will contact you to discuss your application and budget. At this point we'll be able to determine whether you'll incur any fees for additional service from the Foundation and whether you will require any additional insurance. The cost of additional insurance will be an expense of your Fund.

Budget Considerations

As you plan and budget for your event, it is recommended that at least 70 percent of the organization's expenses go toward programmatic work and that no more than 30 percent is spent on administration/fundraising. Fundraising events can be labor intensive and expensive and often produce little in the way of net contribution to the charity. A well-organized, thought out event, garnering as many donated resources as possible can help ensure a larger net contribution to your fund. All Budgeted items must be approved in advance by the foundation. Your expense may not be paid if it is not submitted up front.



Section 3: Publicity, Marketing and Media

Comment [SM2]: Find out about s/b Communications Officer

Now that your plan is in place, you are ready to start telling the community about your event.

For example, all materials should explicitly state that funds are being raised "on behalf of" The Spartanburg County Foundation, not "by" the Foundation. An example would be ...

"the golf tournament is being held to raise funds on behalf of the XYZ Scholarship Fund of The Spartanburg County Foundation, which provides scholarships to local high school seniors toward their college pursuits."

Include boilerplate language about your fund and The Spartanburg County Foundation. The boilerplate consists of 3-4 sentences that capture the essence of your organization and can include a Web site address or other contact information. The boilerplate for the Foundations is as follows:

The Spartanburg County Foundation is <Enter info about SPCF>
For more information, visit www.spcf.org.

Publicity, Marketing & Media Coverage:

All publicity materials must be reviewed and approved by The Foundation prior to print and public release. All materials should explicitly state that the funds are being raised *on behalf of* The Foundation.

▪ **Address**

When printing The Foundation's address, it is proper to completely spell out all of the words as follows:

The Spartanburg County Foundation
424 E. Kennedy Street
Spartanburg, SC 29302

▪ **Approved Use of The Foundation Logo**

Any use of the Foundation's logo by fund holders must be approved in advance by The Foundation. Requests to use the logo should be directed to The Foundation's Donor Services Officer at (864) 582-0138. Any advertising or promotional materials created by the fundraising group of a fund, or volunteers associated with that fund, must make clear that monies are being raised for a fund at The Foundation. If using the logo on the Website, it should be linked to The Foundation's Web site at www.spcf.org.



- **Invitations**

If the fundraising group intends to mail or distribute invitations, solicitations, advertisements, press releases or any other written materials for the event, the text must be approved in advance by The Foundation. If the activity confers benefits, such as meals and beverages, entertainment, greens fees for golfing, etc., a fair market value of the benefit(s) must be determined by the fundraising group. This applies *even if* the benefits received have been donated. The invitation must include the fair market value of the goods or services to be received by the contributor. In addition, it must be clear to contributors that only the amount over and above the value of goods received may be considered a tax-deductible contribution.

The Foundation will not supply letterhead, envelopes, or other official stationary for correspondence and/or solicitations.



Submit copies of all promotional materials and media coverage



Section 4: Tickets and Tax Requirements

Printing and selling tickets is likely toward the top of your event planning to-do list. Careful design of the tickets with the appropriate language required by the IRS can spare you and The Spartanburg County Foundation lots of work and cost.

On a portion of the ticket that the donor keeps, you must make the appropriate quid pro quo disclosure. Noting this disclosure on the ticket is the simplest way to inform the donor regarding what portion of the ticket price qualifies as a tax-deductible contribution. For example, if a donor gives \$100 to attend a dinner event where the donor receives a dinner valued at \$30 and a money clip valued at \$20, then the tax-deductible amount is \$50.

Again, this must be printed on something that the donor can keep as a record, not something they hand to you at the door.

Making this disclosure requires that you determine a fair market value for the goods and services you are providing at the event. In this case, the \$30 value for the dinner could be determined from a bid from the caterer. The money clip was purchased for \$20 at a local shop. To satisfy IRS requirements, you must keep a written record of how you determined these values.

Here is a sample ticket with the language you should use. Submit mock-up ticket for approval prior to printing.

<p>“Name of Fundraising Event” Date and time Location Cost</p>	<p>Ticket Cost: \$100 \$30 of ticket cost is tax deductible. Please keep this stub for your records. “Name of event and date”</p>
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Submit SAMPLE ticket and attach a brief explanation of how you determined the fair market value.



Section 5: Securing Donated Goods and Services

[3-ply in-kind contribution form](#)

Often individuals and businesses are willing to contribute goods and services for a community event. To ensure donors have the tax information they need for their gift and to reduce Foundation processing costs, [a 3-ply in-kind contribution form](#) must be used.

Print off this form and then have printed in non-carbon triplicate. The donor must then receive one copy of the form once it is completed. The foundation will keep one and one is retained for your records. Some important points to remember:

- **It is the donor's responsibility to value the item contributed.** The person receiving the contributed item should not determine the value. If donors have trouble valuing items, encourage them to find comparable items using the Internet or other resources.
- **Every item must have a value – "priceless" is not acceptable.** A value of priceless will not allow the donor to take a tax deduction for the contributed item. Also, if the item is part of a silent auction, the buyer will not be able to take a tax deduction for any amount paid over the value of the item.

The donor's copy of this form is for tax reporting purposes and does not replace a personalized note from you. You may also send the donor a personal thank you note for their contribution, however, such correspondence **SHOULD NOT** contain the value of the item contributed nor any reference to the tax terms "no goods or services were received..."



Submit copy of all In-kind Contribution forms for donated items.



Section 6: Sponsors

[3-ply sponsorship form](#)

You may also consider asking local businesses to sponsor your event.

Many sponsorships are structured as a quid pro quo; a company offers to sponsor your event and you offer them something in return.

For example, a “Platinum sponsor” for a golf tournament may provide \$10,000 in sponsorship and in exchange receive 4 event tickets and 12 rounds of golf over the next year.

Again, to ensure donors have the tax information they need for their gift and to reduce Foundation processing costs, the [3-ply sponsorship form](#) must be used. Print out this form and have it printed in carbonless triplicate. The donor must be given one copy of the completed form, one copy goes to the foundation and the third copy is retained for your records. One sheet per sponsor.

Some important points to remember:

- It is your responsibility to value, on the form, the items the sponsor will receive in return for their sponsorship.
- Generally, there is no value for advertising in the event brochure or name placement at the event.

The donor’s copy of the form is their receipt for tax reporting purposes and does not replace a personalized note from you. You may also send the donor a personal thank you note for their sponsorship.



Submit sponsorship form if applicable.



Section 7: Special Considerations for Silent Auctions

3-ply bid sheet

Silent auctions involve significant in-kind contributions, so be sure to read [Section 5: In-kind Donations](#) describing the process for documenting these contributions.

Purchasers of silent auction items must receive individual disclosure statements in accordance with the IRS quid pro quo rules if they pay \$75 or more for an item. Regardless of the value of an item, to ensure donors have the tax information they need for their gift and to reduce Foundation processing costs, [a 3-ply bid sheet](#) must be used. This form qualifies as a disclosure statement when it is given to the purchaser as a receipt for the item. Donors must get copies of forms **for each item** for their tax records. [See standard silent auction bid form](#). This form must be printed out and then published on carbonless triplicate.

For more information on how to run a silent auction, please contact the Communications Officer.



Section 8: Payment of Expenses

Expenses

Payment of Expenses

The Component Fund will be responsible for all expenses and maintain appropriate financial controls and records related to fundraising events. The Component Fund will establish a budget for submission with the event application to The Spartanburg County Foundation prior to all events. How expenses will be paid must be discussed prior to the event with the Controller. Regardless of whom pays for expenses, invoices and/or original receipts must be provided to the Foundation for our record keeping.

You must submit to the Spartanburg County Foundation in advance your expected Expenses, the Vendor you are planning to use and an approximate cost. All Vendors must be set-up in our system and a W-9 needs to be provided in advance.

Expenses

On August 17, 2006, President Bush signed the Pension Protection Act of 2006 into law. The enactment of this law (known as H.R. 4) has many provisions that affect charitable giving, particularly scholarship funds and donor-advised funds. As you may know, Congress has increasingly scrutinized both for-profit and nonprofit corporations in recent years due to isolated abuses in both sectors.

Comment [SM3]: Jim/just dbl check

One of the most important changes in the new law prohibits donor-advised funds from paying grants, loans, compensation and similar payments to donors, advisors, and persons related to them. Reimbursements are considered a "similar payment" under the new law. Therefore, ***your donor-advised fund can no longer be used to reimburse you or any other person for expenses incurred from fundraising or any other activity.*** This provision became effective when H.R.4 was signed on August 17, 2006, and the IRS imposes steep penalty taxes on both you and the Foundation for violations.

Upon reviewing the Foundation's policies to determine if any changes should be made to facilitate compliance, the Board of Trustees set a new policy that expands the limitations set forth in H.R.4: In addition to prohibiting payments to individuals, ***donor-advised funds will also be prohibited from making payments to vendors and other businesses and corporations.*** In other words, only grant payments to qualified public charities will be made from donor-advised funds.



It is the responsibility of the Committee member to provide the following:

- Budget with all your expenses listed
- Vendors that will be used
- W-9
- Original Invoices with proper approvals.

We will not take faxed copies without approval directly from vendor nor pay any invoice without proper documentation.

It is the responsibility of the committee to ensure payment of this invoice by their fund.

Inevitably, there will be times when you pay cash for odds and ends related to your event. The Foundation will pay event expenses or reimburse authorized event staff for event expenses, provided the proper documentation is maintained and submitted. Use the [expense form](#) to submit expenses to be paid. Some important points to remember:

However, please note that since the Pension Protection Act in 2006, donor initiated fundraising policies now state that donors to donor-advised funds may not be reimbursed for their personal expenses.

Comment [SM4]: Jim Shaw

- **Original receipt or invoice** must be submitted – copies or other documentation will not suffice for IRS purposes.



Submit original receipts and signed, completed expense form.



Submit W-9 Forms for all vendors.



Section 9: Submitting Event Revenue

Designation of Checks and Receipt of Cash

Checks related to the event must be made payable to The Spartanburg County Foundation. All proceeds, checks and cash, must be delivered to the Foundation along with an accounting of all monies received within one week after the fundraising event. Cash receipts from the event are not to be used to pay expenses, and then the net cash amount deposited.

Tax Requirements and Acknowledgements

The IRS has strict acknowledgement requirements that impact any fundraising. If the steps outlined below are not taken, donors will be denied a tax deduction, the Component Fund might be subject to taxes on the funds they raise, and either the Foundation or the Component Fund might be subjected to penalty.

Tax Requirements and Acknowledgment:

The IRS requires The Foundation to provide a receipt for contributions exceeding \$75, when goods or services are given in exchange for that donation. The fundraising group will determine the fair market value of the goods or services received by the contributor. As an example: a donor gives \$100 to attend a dinner event where the donor receives a \$40 dinner and a "thank you" gift valued at \$15. The donor's tax deduction (\$45) is equal to the contribution (\$100) less the value of the goods/services (\$55). Noting on the ticket the tax deductible value of the donation is a typical method for making this disclosure.

Similarly, the IRS requires The Foundation to provide a contemporaneous written acknowledgment of contributions of \$250 or more. The acknowledgment must provide the amount contributed, the date of the contribution, and a description and fair market value of the goods and services provided in exchange for the contribution. If contributions are collected by the fundraising group, a complete listing of all donors and sponsors with addresses, amounts and type of the contributions, and a description and fair market value of all goods or services furnished to the contributor should be forwarded to The Foundation. This information must be submitted no later than one week following the event.

Comment [SM5]: Jim Shaw

Contributions of goods or services

Contributions of services, while appreciated, are not generally deductible. Contributions of goods (in-kind contributions) may be deductible to the extent allowed by law. The donor must use the Foundation's three-part in-kind contribution form to provide the Foundation with the appropriate information for receipting purposes. The donor must provide a good faith estimate of the value of the item contributed – the value will not be provided on the acknowledgement, only the description of the item donated.



Quid Pro Quo Payments - When a donor purchases an item at a fundraising event and pays more than \$75, the Foundation is required to provide the donor with a written disclosure. The donor may be entitled to a tax deduction for the difference between the price paid and the value of the item purchased.

For dinner ticket - The value of the dinner and the charitable portion **MUST** be disclosed on the portion of the ticket that the donor retains. The Foundation will not furnish acknowledgements for dinner tickets.

For silent auction items - The Component Fund should use the three-part silent auction bid form, which provides the donor all the information they will need to comply with IRS acknowledgement rules. No other acknowledgement will be provided by the Foundation.

For other types of fundraising event purchases - The Foundation will need the following information to appropriately acknowledge the donor:

1. Value of item(s) purchased
 - a. NOTE – a value of “Priceless” will be considered to be the same value as the purchase price – the donor will receive no tax deduction.
2. Description of items(s) purchased
3. Purchase price paid for item(s)
4. Name, address, and telephone number of donor

In all cases, the Component Fund is responsible for determining the fair market value of items sold or received at the event. The Foundation will provide appropriate disclosure language for the event and related activities (silent auctions, dinner tickets, etc.). The required disclosure language on these items will serve as the required written disclosure for donor tax purposes. ***The Component Fund is responsible for ensuring the required quid pro quo disclosures are made on items such as silent auction bid forms and dinner tickets.***

Cash Donations

Donors who contribute to the event **and receive nothing in return** will need a written acknowledgement from the Foundation in order to claim a tax deduction for the contribution. The Foundation’s policy is to provide appropriate acknowledgement to the donors, but will require certain detailed information in order to do so.

Specifically, the Component Fund will need to provide the Foundation with:

- 1) The donor’s complete name and address.
- 2) The date and amount of the contribution.



Receiving Cash

Per the Foundations' [Fundraising Event Guidelines](#), all checks must be made payable to The Spartanburg County Foundation. Checks and cash along with all supporting documentation (forms, etc.) should be sent to us **within one (1) week** after your event along with your [contribution form](#). The Foundation will process receipts for all contributions, where the donor did not receive any goods or services in return, except where noted below. For large fundraisers, we request a contribution form and checks on a weekly basis.

For cash contributions, the Foundation will need the donor's complete name and address, the amount and date of the contribution.

It is critical that all proceeds are forwarded to us. Cash receipts should not be used to pay expenses of the event.



Submit completed contribution form along with payment.



Section 10: Administrative Fees and Compliance

The fees for the fundraiser will be determined based on the volume of checks that are received (see attached fee schedule). Once the fund no longer chooses to house fundraiser events, the fee will go back to the base percent with like funds.

The Foundation is sensitive of the need to keep fees reasonable. The Foundation also reserves the right to charge an additional administrative fee in cases where an inordinate amount of time and resources are required of the Foundation to achieve a successful event. To avoid any surprises, both the event organizers and the Foundation shall keep each other informed of circumstances that could trigger the need to charge additional fees.

Such circumstances include but are not limited to:

- Submitting receipts/invoice for payment in a manner other than outlined in [Section 8: Expense Payments](#)
- Improper documentation for sponsorships, in-kind donations, silent auction items, and tickets for the event.
- Conducting gambling activities such as raffles, bingo, pull tabs, etc.
- Improper reporting and reconciliation.

The Foundation reserves the right to terminate a current event or deny future events for failure to comply with the policies and procedures outlined in this manual.

Fundraising Fees

Effective: January 1, 2008

The following Fee Structure only pertains to funds that raise money on behalf of a Component Fund at the Foundation.

Fundraising Fee	1%	2%	3%	4%	5%	6%
Number of Contributions	1-249	250	500	750	1000	1250

For e.g., If you receive 500 checks with your fundraiser, your fee would be 3% of your Contributions for the year.

Please note: Under 249 checks your fee rate will not change from your original agreement.. You will only notice this fee increase when your Contribution level exceeds 250 checks.

This fee is in lieu of the funds standard fee rate. The fee will go back to the original agreement when the fund discontinues its fundraising efforts.

