

Shiawassee

community foundationSM

Fundraising Policy for Funds Held at the Shiawassee Community Foundation

Thank you for establishing a fund with the Shiawassee Community Foundation (the “Foundation”). We developed these policies and guidelines to help secure a successful outcome for both you and Shiawassee Community Foundation and to ensure that the Foundation meets federal, state, and local legal requirements.

Occasionally groups want to increase the visibility of a particular fund at the Shiawassee Community Foundation by undertaking some form of marketing, promotion or fundraising. This might take the form of brochures, newsletter articles, posters, information sessions, a request of money through an appeal letter to friends and associates, or event such as golf tournaments, auctions or dinners. The Shiawassee Community Foundation is staffed to raise funds through acquisition of direct gifts to our funds. The Foundation is not equipped to operate or assist in public fundraising events such as, but not limited to golf tournaments, auctions, or dinners to raise money for all of the funds administered by the Foundation. The state and federal government require strict guidelines be adhered to for all fundraising events. Please refer to attached “Exhibit A” for a detailed list of fundraising responsibilities.

The Shiawassee Community Foundation appreciates your interest and motivation in raising money for worthy causes. However, we regret that we are unable to assist event organizers with any kind of public fundraising event that relies upon the use of the Foundation’s tax-exempt status in order to offer contributors a charitable tax deduction for their participation.

There are other ways that you may promote your fund at the Shiawassee Community Foundation. To help you understand what is permissible and to clarify the role of the Foundation, we provide the following information.

1. Direct, Tax-Deductible Gifts to the Fund

You may promote the fund using various forms of “passive” marketing through, for example, newsletter articles, brochures, posters, information sessions, or a request of money through an appeal letter to friends and associates.

In response to those marketing efforts, a donor may make a gift directly to the fund. In that case, he/she should make their check payable directly to “Shiawassee Community Foundation”, with the name of the fund in the memo line. The Shiawassee Community Foundation will send the donor a gift acknowledgement letter indicating that the gift is tax deductible.

Shiawassee Community Foundation must approve in advance all written or spoken materials related to solicitations to promote your fund, including newsletter articles, letterhead, brochures, website content and media announcements. All materials must state clearly that the fund is “a component fund of the Shiawassee Community Foundation.”

1. Independent Fundraising by an Exempt Organization

If your group is a charitable 501(c) (3) organization with a fund at the Foundation, you can make a gift of the proceeds from an event or solicitation that is sponsored by and for the benefit of your organization. Your organization issues your own acknowledgement letters, and the donors receive a charitable tax deduction for their gifts because you have your own charitable tax-exempt status. If publicly stating that the proceeds will be deposited into a fund at the Foundation, all printed and spoken material must clearly state that the fund is “a component fund of the Shiawassee Community Foundation.”

2. Independent Fundraising by an Individual or Non-Exempt Organization

The Shiawassee Community Foundation is unable to assist with any kind of public fundraising event that relies upon the use of the Foundation’s tax-exempt status in order to offer contributors a charitable tax deduction for their participation. However, you can make a gift to your fund from the proceeds of an event/solicitation for which donors are not offered a charitable tax deduction.

You may conduct fundraising without the endorsement or involvement of the Foundation. Generally, you or your group plans and executes the fundraiser (for example: dinners; golf tournaments; walk-a-thons; auctions; sales of products or services; or requests for money from individuals or organizations through mailings, newsletters, advertisements or oral solicitations) and make one lump sum donation (net of expenses) to your component fund at the Shiawassee Community Foundation. Unless your event is sponsored by another tax-exempt nonprofit organization which accepts and acknowledges the contributions, the donor may not take a charitable tax deduction for the contribution.

If publicly stating that the net proceeds will be deposited into a fund at the Shiawassee Community Foundation, then the following must take place:

1. The fundraising group must obtain approval from the Shiawassee Community Foundation Board of Directors 60 days in advance of the event.
2. A copy of all contracts licenses, permits, and proof of insurance for the fundraiser must be provided to the Shiawassee Community Foundation prior to the event.
3. All printed and spoken material must be approved by the Shiawassee Community Foundation and clearly state that the fund is “a component fund of the Shiawassee Community Foundation.”

Additional Guidelines Applicable to Independent Fundraising:

- You may not use the Shiawassee Community Foundation's tax-exempt number in connection with the event. Contributions made as a result of your event/solicitation will not qualify as a tax-deductible charitable gift to the Foundation. (Contributions to a fundraiser are only tax deductible when they are received and acknowledged directly by a qualified nonprofit organization.)
- You are responsible for obtaining and paying for any necessary insurance, permits, licenses, approvals, etc. Events or activities that include raffles 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.
- Fundraising events often require certificates of insurance or signed contracts. When events are sponsored independent of the Foundation, the name of the Foundation or the fund must not appear on any contract or agreement. (Note: volunteers may not sign contracts obligating the Shiawassee Community Foundation.)
- Individual participants in your event (ticket purchasers, sponsors, golf players, etc.) make their payments to the organizing individual or group, not to the Shiawassee Community Foundation or the fund. You may record contributors' names and addresses any may provide a courtesy acknowledgement. The acknowledgement letter must not include any language stating that the letter serves as an official receipt for IRS purposes or include any reference to tax deductibility or to the contribution being made to the Shiawassee Community Foundation or to the fund.
- You pay the fundraising expenses and send the net proceeds of the fundraiser to the Shiawassee Community Foundation for addition to your fund.

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GENERAL FUNDRAISING RESPONSIBILITIES
EXHIBIT A

Fundraising responsibilities include (but are not limited to) the following:

- **Budget and payment of expenses:**
 - Who will prepare a budget?
 - Who will be responsible for authorization for and payment of expenses?
 - Who will oversee the budget to ensure that it is adhered to?
 - Will the Foundation assess a special administrative fee for this service?

- **Compliance with laws (Federal, State of Michigan and Local):**
 - Is the event included under the scope of the annual solicitation license?
 - Is there a need for special licenses or permits?
 - Are the appropriate sales taxes being collected on items sold and who will file the sales tax return?
 - Is there a clear understanding that the expenses of fundraising events are not exempt from sales tax?

- **Liability covering the Foundation:**
 - Is there a need for additional general liability or other insurance for the event?
 - Will the foundation be liable for injuries or other unforeseen issues?
 - Is a liquor license required?

- **Acknowledgements:**
 - If the contributors receive goods or services in return for their payment, who will determine the appropriate charitable portion of the payment so that the correct tax acknowledgements will be prepared?

- **Management of money and property from the event:**
 - Will all checks be made payable to a fund at the Foundation?
 - Where should checks and other forms of payment be sent?
 - If someone else is collecting cash, what safeguards need to be in place?