

Kosciusko County Community Foundation, Inc.

Donor Initiated Fundraising Policy

The Kosciusko County Community Foundation (KCCF) appreciates the many efforts of various individuals and groups in the community raising money for the benefit of funds held at the Foundation. That process is called Donor Initiated Fundraising, and the guidelines in this policy are intended to support those efforts with respect to certain policies of the Foundation and/or the legal requirements that must be observed. Our goal is to help assure success while avoiding unintended tax consequences, adverse public perception, and legal liability.

The policy outlined below has been developed to protect our donors, fundraising groups, and the foundation by:

1. Ensuring the donor's fundraising efforts are in compliance with the IRS and governmental regulations, protecting the fundraising groups and the Foundation from unintended tax consequences and penalties.
2. Ensuring the donors receive the appropriate acknowledgement for their donation
3. Protecting the brand of the Foundation, including the logo.
4. Considering the staff resources the Foundation has to monitor and regulate outside fundraising activities.

It is critical to understand that when an individual or group conducts fundraising activities or solicits contributions to benefit a component fund of the Foundation, they are, in effect, acting on behalf of the Community Foundation. Therefore, KCCF has a primary interest in making sure these activities are conducted in ways that are legal and reflect positively on our organization.

General Responsibilities:

The Fundraising Group or Individual:

- Will obtain written authorization from KCCF to engage in fundraising activities under this fundraising policy.
- Will pay all direct costs and expenses associated with the event or activity.
- Will maintain an accurate and complete accounting of income and expenses, including ticket sales (if any) and cash gifts.
- Will comply and file all necessary reports, such as registrations, licensing, tax related obligations, and insurance obligations.

Kosciusko County Community Foundation (KCCF):

- Will manage such money and property as it may accept into the component fund from the donors or other contributors and sources.
- Will apply the income and principal for charitable uses, in accordance with the governing documents of the fund.
- Will provide appropriate acknowledgements to donors for tax exempt donations made directly to KCCF.

Fundraising Options:

The following three options are the only options available to individuals, groups, and nonprofit groups for donor initiated fundraising:

Option 1. Solicitation of non-event related, direct, tax deductible gifts to a fund at the Community Foundation: You may promote a Fund through various forms of marketing, including brochures, posters, social media, information sessions, or a direct monetary request through an appeal letter or other means. All promotional materials MUST be pre-approved by the Community Foundation staff, and copies are required for our records. The Foundation will NOT promote such a solicitation or be directly involved in its planning or execution in any way. All gifts made payable directly to KCCF, with the name of the component fund on the memo line, will be issued tax receipt letters acknowledging their contribution to the Foundation. Gifts to benefit the fund that are received via the Foundation's online giving platform will also be acknowledged with the proper tax receipts.

Option 2. Fundraising sponsored by a nonprofit 501c3 organization OTHER than the Community Foundation, to benefit a fund held at the Community Foundation: You may make a gift of the proceeds from an event or a solicitation sponsored by a 501c3 organization that has a fund at the community Foundation for the benefit of that organization, i.e. an agency fund. The organization will issue its own gift acknowledgement letters to donors, and should ensure their compliance with all applicable IRS and Indiana state laws, and the regulations regarding solicitations, acknowledgement and tax deductibility of gifts. In this option, the Foundation's obligation is to provide the organization with an acknowledgement of the total amount of proceeds received by KCCF for the component fund.

Option 3. Proceeds from an event for which donors are NOT offered a tax deduction: You may make a gift to a component fund of the community Foundation from the proceeds of an event for which donors are NOT offered a charitable tax deduction. Generally, the person or group that plans and executes the fundraiser makes one lump sum donation (after paying all expenses of the event) to the Fund. Donors MAY NOT take a charitable tax deduction for the cost of their participation in the event, the Community Foundation will not issue a gift acknowledgement to individual contributors, nor any donors of prizes for auctions or contests, and a charitable deduction for participation in the event will not be received. A receipt for the net amount received by the foundation is sent to the organizing person or group.

**Please note: any event (not a letter campaign) projected to net less than \$5,000 will be required to use Option 3.*

General Rules for Donor Initiated Fundraising:

1. Notify the Community Foundation in writing at least 45 days prior to your fundraiser. Describe your plan, including your fundraising goal.
2. List the contact information for the chairperson for the fundraiser.
3. Auctions, both silent and regular, are discouraged due to liability issues, and items donated to be auctioned, and winning bids for auction items will not be given tax receipts by the Foundation, regardless of which option is used.
4. Event organizers are responsible for all necessary permits, insurance policies, licenses and approvals.
5. Event organizers may not use the Foundation's tax exempt number.
6. All expenses related to your fundraiser must be paid from event proceeds prior to contribution to the Foundation for the fund.
7. Organizers are responsible for knowing and understanding all laws and IRS requirements for their fundraising event type. If you are not, you are risking the tax exemptions of your participants, and members of the organizing group may find themselves subject to tax on the funds you raise. The organizing group will be held responsible for any penalties assessed.

The Foundation recognizes that, from time to time, the need for exceptions will arise. In the event that an exception to this policy is requested, the Foundation will consider such requests on a case by case basis.

The Foundation reserves the right to assess an additional administrative fee for situations that arise which may not be listed in this policy.

Approved by the Board of Directors on September 13, 2021



Secretary of the Board of Directors

Application forms attached to and made part of this policy.

Kosciusko County Community Foundation, Inc.
Application for Fundraising for a Component Fund
When event allows tax deduction for donations

This paperwork must be submitted at least 45 days prior to the date of the event. Organizers must allow the Foundation 30 days to review the application, and either approve or deny the request.

Fund that will receive the proceeds of the proposed event: _____

Title of the Event: _____ Date of the Event: _____

Name of 501C(3) Nonprofit, if applicable: _____

Location of the Event: _____

Description of the Event: *Include a detailed description of the activities of the event, the number of participants expected, and the groups experience with this type of fundraising and why the activity is sure to be a success:*

Net Fundraising Goal (after all expenses are paid): \$ _____

Contact Person: This point person will serve as the main source of communication between the Community Foundation and the Organizing Group:

Name: _____ Email address: _____

Address: _____ Phone: _____

Best time of day to be contacted with questions: _____

Has this group previously had success with similar fundraising activities? _____

If yes, please give date, place and a brief explanation.

Do any of the members of the organizing group expect to gain monetarily from conducting the event? ___ Do any members have connections to a business that will benefit from the proposed event? ___ If so, explain:

Budget: Attach to this application a brief estimated budget for the fundraiser. Projected gross revenue from identified sources and projected expenses with vendor name will need to be included. If sponsorships are included in the income projections, please attach a list of prospects with anticipated level of sponsorships.

I/We agree to use all disclosures as instructed by the Community Foundation, to review all printed and promotional material with the Community Foundation staff before distribution, to submit detailed donor records along with all fundraiser proceeds and invoices, and to comply with other guidelines from the Community Foundation's Donor Initiated Fundraising Policy, including liability for losses.

Signature: _____ Date: _____

Signature: _____ Date: _____

Printed Name(s) if different from Contact Person listed on application:

You may return this form to the Community Foundation by mailing it to:

Kosciusko County Community Foundation
102 E Market St
Warsaw, IN 46580

OR drop it off during regular business hours.

Adopted by Board of Directors on September 13, 2021

Kosciusko County Community Foundation, Inc.

Notification of Nondeductible Fundraising for a Component Fund

Please notify us at least 45 days prior to your event if the net proceeds are intended to benefit a component fund of the Community Foundation.

Date submitted: _____

Name of Fund to benefit from proceeds of the fundraiser: _____

Organizers: Please list the name of the group, or the names of the key planners of the fundraiser:

Event Information:

Title: _____ Date: _____

Location: _____

Description: *Please describe the nature of your event, including the types of activities involved and the number of people you hope to attract.*

What is your NET fundraising goal for this event: \$ _____

Budget: Attach to this application a brief estimated budget for the fundraiser.

I/We have received the Community Foundation's Donor Initiated Fundraising Policy, and intend to abide by its guidelines for a Nondeductible Fundraiser.

Signature: _____ Date: _____

Printed Name: _____

You may return this form to the Kosciusko County Community Foundation, Inc by mail at: 102 E Market St, Warsaw, IN 46580, or drop it off during business hours.

Adopted by the Board of Directors on September 13, 2021