



Policies and Procedures Regarding Donor-Initiated Fundraising for Component Funds of the Yampa Valley Community Foundation

Thank you for establishing a fund at the Yampa Valley Community Foundation (“Foundation”). The Foundation is pleased to work with you to help develop your fund and provide the best possible service and to promote charitable giving which is at the core of the Foundation’s mission. Unfortunately, the Foundation does not have the staff to operate fundraising events for its component funds.

In establishing a fund at the Foundation, there may be times when you would like to organize a fundraiser to benefit your fund. Most often the Foundation receives the net income from a fundraiser and does not acknowledge the individual contributors. However, there may be times when individual contributors to a fundraiser would want to receive a charitable deduction. The Foundation has developed this policy statement to help guide those of you planning fundraising events and solicitations.

When fundraising activities and solicitations are conducted on behalf of the Foundation’s component funds, you must keep in mind that for tax purposes, such fundraising is being done on the Foundation’s behalf. The IRS has strict requirements that impact any fundraising. We have developed this policy to ensure that your fundraising efforts:

- Comply with the IRS and other governmental regulations,
- Ensure that donors receive the appropriate acknowledgment, and
- Protect the integrity of the Foundation’s nonprofit status and reputation.

The requirements that follow are designed to protect those raising funds for a component fund at the foundation. We appreciate your cooperation in fulfilling these requirements.

Planning a Fundraising Activity/Campaign/Outreach

1. Prior approval by the Foundation:

All fundraising events, activities, campaigns, or public solicitation must be approved by the Foundation prior to planning, marketing or outreach begins. The Fundraising Event Summary form attached to the end of this policy should be completed and submitted to Foundation staff before undertaking a fundraising event/project to benefit a component fund of the Yampa Valley Community Foundation.

2. Contact Person:

Please designate a primary contact person for the fund. This person will serve as the main source of communication between the Foundation and the fundraising group.

3. Please keep the following special circumstances in mind:

- In general, contributions of services are not tax deductible.
- Rummage sale purchases are not tax deductible.
- Raffle ticket purchases are not tax deductible.
- Silent or live auction purchases are not tax deductible.
- Tickets for events that include dinner, drinks or other things of value are not tax deductible.
- Sponsorships are not tax deductible if they include anything of value, including but not limited to tickets to events, marketing exposure, website promotion, etc.

Marketing Materials

You may promote the fund and events to fundraise for the fund through marketing materials such as brochures, pamphlets, appeal letters, radio, social media, websites, etc. **All fundraising materials must clearly state the fund's name as the "[Name of Fund], a component fund of the Yampa Valley Community Foundation."** Materials must also clearly state that funds are being raised on behalf of rather than by the Foundation. **All promotional materials, including creation of or changes to websites and web pages regarding marketing or solicitation for contributions to the component fund, must be approved by the Foundation prior to any activity.**

The Foundation's EIN or sales tax exemption number should not be used for donor-initiated fundraising.

Scenarios for Fundraising Efforts for a Component Fund

Fundraising can occur in a variety of forms. These guidelines cover, but are not limited to, the following fundraising scenario options:

- 1. Solicitation of direct tax-deductible gifts to the fund at the Foundation.**
- 2. Fundraising event or solicitation by a 501c3 organization with proceeds to benefit a fund at the Foundation.**
- 3. Fundraising event or solicitation by a group (not a 501c3) for which donors are not offered a tax deduction, to benefit a fund at the Foundation.**

1. Soliciting direct, tax-deductible gifts to the fund at the Foundation:

- Write a check directly to the Foundation. Payable to: YVCF fbo [Name of Fund]. Mailing address: PO BOX 881869, Steamboat Springs, CO 80488.
- Donor may go online and make a credit card payment through the Foundation's website at: www.yvcf.org, DONATE and search for the name of the fund under "Donate to a Fund."
- For gifts of stocks or other securities, wire and ACH transfers, please contact the Foundation's Finance Director for instructions. The Foundation will provide tax acknowledgment letters for all donations made directly to the Foundation, if the donor provides a mailing address or email address.

2. Independent fundraising event by a 501(c)(3) organization with proceeds to benefit a fund at the Foundation.

Organizations with their own 501(c)(3) status may sponsor a fundraising event and promote their own organization's cause and deposit the net proceeds into the organization's fund held at the Foundation. In this case, the proper language for publicity and marketing materials should clearly state "**proceeds from today's event will be donated by [Sponsoring/Nonprofit Organization] to the Yampa Valley Community Foundation for the benefit of [Name of Fund].**" The sponsoring organization will issue its own tax receipts to donors as it has its own tax-exempt status and has accepted the gift from the donor. An acknowledgment for the net proceeds received by the Foundation is sent to the sponsoring organization.

3. Independent fundraising event by non-501(c)(3) organizations, to benefit a fund at the Foundation. (Donors may not be offered a tax deduction in this scenario.)

Individuals, groups or event sponsors that plan to hold a fundraising event may state that the “Net Proceeds” of the event will be contributed to the specific fund. Donors will not receive a tax deduction. In addition:

- The person or group organizing the event is responsible for obtaining any necessary insurance, permits, licenses, approvals, etc. Such permits, insurance, licenses and approvals may not be applied for, nor taken in the name of the Yampa Valley Community Foundation.
- All print, online and spoken materials related to the event must clearly state, **“The net proceeds of this event will be contributed to the [Name of Fund], a component fund of the Yampa Valley Community Foundation.”** Donors will not receive a tax deduction, and there should be no mention of tax deductibility in any print, online or spoken materials.
- Yampa Valley Community Foundation’s EIN and tax-exempt number may not be used in connection with the event.
- Individual participants in the event (ticket purchasers, sponsors, golf players, etc.) make their payments to the organizing person or group. (Payments cannot be made to the fund name.) The organizers may record the contributors’ names and addresses and may provide a courtesy acknowledgment. The acknowledgment must not include any language stating that the letter serves as an official receipt for IRS purposes or include any reference to tax deductibility.
- Event organizers pay all expenses and send the net proceeds of the fundraiser to the Foundation for addition to the fund. An acknowledgment for the net proceeds received by the Foundation is sent to the organizing donor or group, but no tax receipt will be provided.
- The Foundation is not able to set up special web pages for fundraisers for component funds.
- Notify the Foundation regarding your plans at least **60 days** prior to your event so we are aware of the event in the case of public inquiries.

In summary, under this option, fundraising may be conducted by an individual, group or by an organization seeking to benefit a fund at the Foundation. Generally, the organizers of the

fundraising effort make one lump sum contribution (net of expenses) to the Foundation, to be credited to the fund. It is not appropriate for the individual or group making the lump sum contribution to take a charitable tax deduction for the contribution. The Foundation will not acknowledge the individual contributors of donations and no one will receive a charitable deduction for participating in the event (including any vendors who may donate in-kind contributions). A non-tax-deductible receipt or acknowledgement for the net amount received by the Foundation is sent to the organizing person or group.

4. Requests for Sponsorships and Grants: The Foundation's nonprofit status cannot be used to apply for grants or solicit funds without advance written approval. Please contact the Foundation directly with these types of requests.

We thank you for your cooperation in adhering to these guidelines to ensure your event is successful and that those attending the event are well informed, and for the protection of the Yampa Valley Community Foundation.



DONOR-INITIATED FUNDRAISING EVENT SUMMARY

Before undertaking a fundraising event/project to benefit a component fund of the Yampa Valley Community Foundation (Foundation), please complete and submit the following information to the Foundation.

Name of the Event: _____

Name of fund it will support: _____

Type of event: _____

Date and time of event: _____

Event Venue/Address: _____

Fundraiser Organizer Contact Name: _____

Organizer Contact Phone #: _____

Organizer Email Address: _____

Summary of the event:

By submitting and signing this event summary form, I am certifying that I have received, reviewed and will comply with the Foundation's Donor Initiated Fundraising Policy.

Signed:

Printed Name:
