

CRCF Fundraising Policy for Donor and Affiliate Funds

Approved November 17, 2023

Policy effective January 1, 2025

Fund advisors and affiliate groups involved in the advisement of funds under the Cattaraugus Region Community Foundation (“CRCF”) umbrella are permitted to encourage donations to benefit their funds at CRCF. CRCF however, does not organize or operate fundraising events to benefit individual funds. All fund advisors and fundraising groups must be aware that they are **advised against operating fundraisers, as fundraisers raise significant legal, tax and accounting issues.**

The IRS has strict requirements that dictate fundraising activities. CRCF advises caution as fundraising events and activities if organized and promoted incorrectly may raise the level of serious legal risk.

If a fund advisor or fundraising group decides to independently hold a fundraising event, CRCF encourages that they review the Financial Accounting Standards Board (FASB) Standard No. 136 ¹and IRS Publication 526, Charitable Contributions ²and contact CRCF to discuss compliance with IRS and state laws and regulations regarding solicitation, acknowledgement and tax deductibility of gifts. Before moving forward with any fundraising event activity, fundraising groups/fund advisors are responsible and liable for making sure that the CRCF is not exposed to any legal risks for failing to make required disclosures during fundraising activities.

We reserve the right to refuse any asset that may have been raised in violation of this policy. See the following pages in this policy for more information and guidance on fundraising events held by a fund advisor or fundraising group.

I. Definitions of Fundraising Events and Non-Gift Contributions

Definition of Fundraising Events:

References to **fundraising events** in this policy include, but are not limited to, golf tournaments, gala events, sales and raffles or any game of chance.

Definition of Non-Gift Contributions:

Non-gift contributions are contributions that involve an exchange of a good or service.

II. Examples of Non-Gift Contributions or Partial Non-Gift Contributions:

¹ [FASB Standard No. 136](#)

² [IRS Publication 526](#)



- Raffle tickets that may qualify a contributor to receive anything of tangible value;
- Products or services of tangible value; and
- Event sponsorships that include benefits such as greens fees, event tickets, dinners, drinks, etc.
 - *Note, any contribution including any non-gift benefits such as the examples here, will not be accepted by the Foundation.*

III. Allowable Fundraising Mechanisms

The following are acceptable fundraising mechanisms, IF proper guidance is followed. These guidelines cover, but are not limited to, the following fundraising scenarios:

- Direct, tax-deductible gifts to a fund at the Community Foundation;
- Independent fundraising event held by a 501(c)3 organization with proceeds to benefit a fund at the Community Foundation; and
- Independent fundraising event by a fund advisor, fundraising group or other individual – without a 501(C)3 affiliation for which donors are not offered a tax deduction.

Direct, Tax-Deductible gifts to a Fund at CRCF

Fund Advisors and affiliate groups may promote their fund through marketing, including brochures and printed materials, and also may request donated funds through an appeal letter. Donors are always able to contribute to any fund directly with gifts of cash, online credit card donations, securities, IRA Qualified Charitable Distributions and other more complex gifts (with Foundation staff approval and guidance). The donor will receive an acknowledgement letter from CRCF indicating that their gift is tax-deductible.

If there is any question about the legality of a Fund Advisor or affiliate group's ability to solicit donations through any of the means listed above, they are encouraged to contact Foundation staff.

Independent Fundraising Event Held By a 501(c)3 Organization with Proceeds to Benefit a Fund at CRCF

Fund Advisors and affiliate groups may make a gift of the *proceeds* from their event that is sponsored and operated through a 501(c)3 organization, which has a fund or supports a fund at CRCF for the benefit of the purpose of the fund.

Organizations that have their own 501(c)3 status may hold a fundraising event promoting their own organization or cause and deposit the *net proceeds* into a fund at CRCF. In such cases, the proper language for promoting the event publicly is: "Proceeds from this event will be donated by [organization] to the Cattaraugus Region Community Foundation for the [fund name]." The organization holding the fundraising event will be responsible for issuing its own tax receipts to donors.



Please note, the Foundation will only directly accept donations if the donation is fully tax-deductible. If there are any goods or services exchanged for the contribution (see more guidance on non-gift in the non-gift section above), CRCF may not accept the contribution.

Independent Fundraising Event by a Fund Advisor, Fundraising Group or Other Individual – Without a 501(C)3 Affiliation for Which Donors Are Not Offered a Tax Deduction

Fund Advisors and affiliate groups may make a gift to a fund from the proceeds from a fundraising event for which donors were not offered a charitable tax deduction.

Fundraising may be conducted by an individual, group of people, or an organization that plans to donate proceeds to a fund at CRCF. In all cases, the person or group would collect the funds and make one lump sum donation (net of expenses) to the fund. In this case, contributors will not receive a charitable tax deduction for the contribution. CRCF will not acknowledge individual contributors.

Guidelines applicable to non-tax-deductible fundraising:

- The fundraising group or individual must state that net proceeds will benefit the purpose of the fund.
- The individual or fundraising group will not use the Foundation's tax-exempt number or EIN (Employer Identification Number) in connection with the event.
- The individual or fundraising group is responsible for obtaining and paying for any necessary insurance, permits, licenses, approvals, etc. Events or activities that include raffles or other games of chance must meet the proper requirements as regulated by state and local government (including games of chance licenses where necessary) and should be reviewed and authorized by the proper branch of government.
- CRCF's name or the fund name must not appear on any contract or agreement.
- Any contributions or event fees must be paid to the organizing individual or group, not the CRCF or the fund.