



CROWN POINT  
**community**  
**foundation™**

## Donor Initiated Fundraising Policy

In establishing a fund at the foundation, there may be times when you would like to organize a fundraiser to raise dollars for the 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 (fundraising groups).

When fundraising groups conduct fundraising activities and solicitations on behalf of the foundation's funds, you must keep in mind that for tax purposes such fundraising is being done on the foundation's behalf.

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

### **Foundation Approval of Events**

All public fundraising events require advance approval from the foundation. Before undertaking any such event, the fundraising group must meet with CPCF staff and discuss details and reporting for the event. This will include: type of event, contact person and details of receipts and expenditures.

All uses of the foundation's name in advertising and promotion are prohibited. The foundation will assess an administrative fee against the fund to defray the cost of additional services required by the fundraising event or solicitation.

You are not authorized to bind the foundation to any contract or agreement unless specifically authorized in writing.

## **The Foundation's Responsibilities**

The foundation will be responsible for:

- The management of such money and property as it may accept into the fund from donors, other contributors and sources.
- The application of principal and income to charitable uses, all in accord with the foundation's governing documents.
- Providing appropriate acknowledgements to donors.

## **The Fundraising Group's Responsibilities**

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

- Payment of all costs and expenses
- Compliance with laws
- Reporting and other requirements of every kind such as licensing, tax payment, and liability insurance covering the foundation

## **Payment of Expenses**

The fundraising group will be responsible for all expenses and will maintain appropriate financial controls and records related to fundraising events. Prior to the event Crown Point Community Foundation staff will discuss with you whether the expenses will be paid by the foundation or by the group. Where appropriate, the foundation can provide tax acknowledgements allowing donors to deduct reasonable expenses incurred in connection with the fundraiser.

## **Designation of Checks and Receipt of Cash**

Within one week after the event, all proceeds, checks and cash, must be delivered to the foundation along with an accounting of all monies received.

## **Tax Requirements and Acknowledgements**

The foundation will provide the appropriate acknowledgement to donors only if it receives

certain detailed information. Specifically, the fundraising group must provide the foundation with:

1. The donor's complete name and address.
2. The date and amount of the contribution.
3. Whether the contribution was in cash or property.
4. If property, a description of the type of property and a good faith estimate of its fair market value.
5. A detailed description of any goods and services provided in exchange for the contribution.

Contributions of services, while appreciated, generally are not deductible.

If the fundraising group provides goods or services in exchange for a donation, certain disclosures are required. For example, if the group is sponsoring a dinner, the donor can only deduct the excess of the ticket price above the fair market value of the dinner. The Crown Point Community Foundation staff will work with the fundraising group to determine the fair market value amounts of goods and services as a result of the fundraising event; and to approve of the appropriate disclosure language for the event.

### **Liability Insurance and Liability for Losses**

The fundraising group will contact the foundation prior to the event to assess the need to secure liability insurance covering members of the fundraising group and the foundation.

The fundraising group will be responsible for all losses incurred by the event. The foundation will not be held responsible for such losses. The foundation may require the fundraising group to purchase a letter of credit or provide a written personal guarantee.

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