

FOUNDATION FOR ROANOKE VALLEY

DONOR INITIATED FUNDRAISING POLICY

Thank you for your interest in raising money for a fund established at Foundation for Roanoke Valley (the “Community Foundation”). The Community Foundation appreciates your interest and motivation in raising money for worthy causes. Please note, however, that the Community Foundation operates under federal laws and must adhere to all requirements. Additionally, the Community Foundation is staffed to raise endowments through acquisition of major and planned gifts and is not equipped to operate or assist in public fundraising efforts or events, including those that rely upon the use of the Foundation’s tax-exempt status in order to offer contributors a charitable tax deduction for their participation.

The policy below has been developed to (1) ensure that donor’s fundraising efforts comply with IRS and other governmental regulations, (2) ensure that new donors receive the appropriate acknowledgement, and (3) protect the brand identity of the Community Foundation, including its logo. **This policy is very important, and we reserve the right to refuse any assets that have been raised in violation of this policy.**

“Solicitations” in this policy refers to any time people are asked, verbally, in writing, or by electronic means, to contribute to a fund. The term “fundraising events” includes but is not limited to receptions, dinners and parties; sports or entertainment events; raffles and/or auctions and other similar activities.

REQUIRED STEPS

If you are considering a fundraising event, solicitation or project for a component fund of Foundation for Roanoke Valley, the following two steps are required prior to the Foundation’s receipt of contributions to the fund:

- 1) Discuss your plans at least 90 days in advance of your event or solicitation with the Foundation’s executive director, either by phone call or personal meeting.
- 2) Get approval for any materials that mention Foundation for Roanoke Valley or one of its component funds. The Community Foundation must approve, in advance of printing or production, all written or spoken materials (including, but not limited to, letterhead, brochures, signs, website content and radio and television announcements) related to solicitations to promote a Fund. The Community Foundation staff cannot provide any assistance in the production of these materials, nor can we handle on-going administration of websites. All materials must clearly state the Fund’s name as “*Name of Fund* of Foundation for Roanoke Valley”, and all fundraising materials must overtly state that funds are being raised *on behalf of* rather than *by* the Foundation.

GUIDELINES

These guidelines cover the following fundraising scenarios:

- 1) Direct, tax-deductible gifts to a fund at the Community Foundation
- 2) Event/solicitation sponsored by a 501(c)(3) organization
- 3) Proceeds from an event/solicitation for which donors were not offered a tax deduction

1) Direct, tax-deductible gifts to a fund with the Community Foundation

You may promote a fund through various forms of passive marketing including 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 the check payable to the *Name of Fund/FRV*, and send it directly to the Foundation (gifts of appreciated assets made directly to the Foundation are also acceptable). He/she will receive a gift acknowledgement letter from the Community Foundation indicating that the gift is tax deductible. As fund holder, you will be notified upon receipt of the gift.

2) Event or solicitation sponsored by a 501(c)(3) organization with proceeds to benefit a fund at the Community Foundation

You may make a gift of the proceeds from an event or solicitation that is sponsored by a 501(c)(3) organization that has a fund at the Community Foundation for the benefit of that organization.

Organizations with their own 501(c)(3) status may sponsor a fundraising event or solicitation promoting their organization and deposit the net proceeds into the organization's fund at the Community Foundation. The organization will issue its own acknowledgment letters to donors. If you are publicly stating the proceeds will be deposited into a Fund at the Foundation, all printed and spoken material must clearly state the Fund's name as "*Name of Fund* of Foundation for Roanoke Valley."

Organizations should ensure their compliance with all applicable IRS and Virginia state laws and regulations regarding solicitation, acknowledgment and tax deductibility of gifts.

3) Proceeds from an event/solicitation for which donors were not offered a tax deduction

You may make a gift to the Fund from the proceeds of an event/solicitation for which donors were not offered a charitable tax deduction.

Fundraising may be conducted by an individual, a group of people, or an organization for the benefit of a fund. Generally, the person or group that plans and executes the fundraiser (for example: dinners; golf tournaments; walk-a-thons; auctions; sales of products or services; requests for money from individuals or organizations through mailings, advertisements, or oral solicitations) makes one lump sum donation (net of expenses) to the fund. Unless the event is sponsored by a

qualified charitable organization which accepts and acknowledges the contributions, the donor *may not* take a charitable tax deduction for the contribution.

The Community Foundation will not acknowledge the individual contributors of the dollars, and no one will receive a charitable deduction for participating in the event. A receipt for the net amount received is sent to the organizing person or group. Any published materials related to the fundraising event should have the following wording: “The net proceeds of this event will be contributed to the *Name of Fund* of Foundation for Roanoke Valley.”

Guidelines applicable to non-tax-deductible fundraising

1. An individual or group that plans and executes a fundraising event may state that the net proceeds will benefit the general purpose of the Fund. If publicly stating the proceeds will be deposited into a fund at the Foundation, all printed and spoken material must clearly state the Fund’s name as “*Name of Fund* of Foundation for Roanoke Valley.”
2. The individual or group may not use the Foundation’s tax exempt number in connection with the event. Contributions made as a result of a fundraising event will not qualify as a tax deductible charitable gift to the Foundation.
3. Event organizers are responsible for obtaining and paying for any necessary insurance, permits, licenses, approvals, etc. Please note that 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 before proceeding.
4. Fundraising events often require certificates of insurance or signed contracts. When events are sponsored independently of the Foundation, the name of the Foundation or the Fund must not appear on any contract or agreement.
5. Individual participants in the event (ticket purchasers, sponsors, golf players, etc.) make their payments to the organizing individual or group, not to the Community Foundation or the Fund. The organizers may record the contributors’ names and addresses and provide a courtesy acknowledgement. The acknowledgement letter *may not* include any language stating that the letter serves as an official receipt for IRS purposes or include any reference to tax deductibility. Letters may state that “The net proceeds of this event will benefit the *Name of Fund* of Foundation for Roanoke Valley.”
6. The planning group pays all expenses and sends the net proceeds of the fundraiser to the Community Foundation for addition to the Fund. The Foundation records the gift as coming from unnamed third-party donors. Please note that the Community Foundation is prohibited by law from reimbursing the planning group or person for its/his/her expenses, therefore the group or person must deduct expenses before sending the net proceeds to the Community Foundation.

If you have questions about this policy, please contact Foundation for Roanoke Valley at (540) 985-0204.