



# COMMUNITY FOUNDATION FOR THE ALLEGHENIES

## Donor-Initiated Fundraising Policy and Guidelines

Thank you for establishing a fund with the Community Foundation. We value your confidence and strive to provide you with the best possible service. Core to the Community Foundation mission is promoting charitable giving. While we provide the charitable tools and fund administration to promote giving, the Community Foundation does not have the capacity to operate fundraising events for its component funds.

In establishing a Fund at the Community Foundation, we recognize there may be times when you would like to organize a fundraising opportunity to benefit your fund. The IRS has developed strict requirements that impact any fundraising. We have developed this policy to ensure that your fundraising efforts (1) comply with the IRS and other governmental regulations, (2) ensure that donors receive the appropriate acknowledgment, and (3) protect the integrity of the Community Foundation's nonprofit status and brand identity. This policy, which applies to all current and future Funds, is an important resource and guide to ensure CFA/fund compliance with IRS regulations. Community Foundation staff are available to help and support Fundraising Groups comply with these guidelines.

---

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

- 1) Independent fundraising by an individual or group [not a 501(c)(3)] conducted on behalf of a Fund where the event revenue and expenses are processed by the Community Foundation and the potential for tax deductions for the donor exist.**
- 2) Independent fundraising by an individual or group [not a 501(c)(3)] for which donors are not offered a tax deduction.**
- 3) Independent fundraising event or solicitation by a 501(c)(3) organization with proceeds to benefit a Fund at the Community Foundation.**
- 4) Direct, tax deductible gifts to a Fund at the Community Foundation.**

---

### Scenario #1:

**Independent fundraising by an individual or group [not a 501(c)(3)] conducted on behalf of a Fund where the event revenue and expenses are processed by the Community Foundation and the potential for tax deductions for the donor exist.**

When Fundraising Groups conduct fundraising activities and solicitations on behalf of a Fund, fundraising is being done **on behalf of** the Community Foundation. A number of significant tax and accounting issues arise, so it is important that these activities be conducted under the observation and fiscal guidance of the Community Foundation. This will help to ensure that appropriate tax deduction receipts are provided to donors, to protect the Fundraising Groups from unintended tax consequences to themselves, and ensure that the Community Foundation is not exposed to penalties for failure to make proper solicitation disclosures (*see page 10, Quick Reference Checklist*).

Before undertaking fundraising events, the Fundraising Groups are requested to submit a Fundraising Event Summary to the Community Foundation (*see page 6*). This summary provides key information necessary for the Community Foundation to effectively support a fundraising effort. Without this basic information in advance of a fundraising event, the Community Foundation will not provide tax receipts for gifts received into a fund.

### **The Community Foundation will be responsible for fiscal support and will:**

- 1) maintain charitable solicitation status in Pennsylvania (additional states may be considered, with approval required by our executive committee);
- 2) provide solicitation language to event organizers so this may be conveyed on promotional material to solicit participation in fundraising events;
- 2) accept gifts (donations or event revenue) and provide appropriate gift acknowledgments and tax receipts to donors;
- 3) process payment of all related fundraising costs and expenses to vendors, to the extent funds have been raised;
- 4) process distribution of net income for charitable uses, in accordance with the fund agreement or governing documents of the Community Foundation;
- 5) provide insurance coverage for fundraising events.

### **The Fundraising Group will be responsible for fundraising activities, and will:**

- 1) submit at least six weeks prior to their event the Fundraising Event Summary (*see page 6 or online at [cfalleghenies.org/fundraisers-events](http://cfalleghenies.org/fundraisers-events)*) form to the Community Foundation to provide key details for an event;
- 2) ensure the following solicitation language is included on event flyers or invitations to meet compliance with PA Dept. of State Business & Charities:  
***“CFA is a 501(c)(3) nonprofit organization and contributions are tax deductible to the fullest extent permitted by law. CFA registration and financial information are available from PA Dept. of State by calling 1-800-732-0999. Registration does not imply endorsement.”***;
- 3) ensure all fundraising material clearly states that fundraising is being done **on behalf of** the Community Foundation rather than **by** the Community Foundation;
- 4) verify requirements of venue concerning insurance;
- 6) disclose to Community Foundation if alcohol will be served for insurance purposes;
- 7) comply with any ordinances or permit applications related to events in public locations;
- 8) comply with state government food handling requirements when activities involve preparation/sale of food;
- 9) verify event venue compliance, such as handicap accessibility; parking requirements; and venue liability requirements;
- 10) comply with PA Department of Human Services Child Protective Services regulations ([www.KeepKidsSafe.pa.gov](http://www.KeepKidsSafe.pa.gov)) when organizing activities involving children under the age of 18;
- 11) disclose tax deductible amount eligible on invitations or print material when the cost to participate is \$75 or more.

### **In order for the Community Foundation to properly acknowledge gift and donations directed to a fund from an event, the Fundraising Group will need to:**

- 1) provide a projection (estimate) of the value of goods and services event participants may receive;
- 2) direct event revenue to the component fund at the Foundation;
- 3) submit fundraising expenses for payment from the fund by the Community Foundation (if expenses are paid by organizers, can only be reimbursed with evidence of receipt and invoice);
- 4) maintain appropriate financial controls and records related to fundraising expenses;
- 5) adhere to all relevant local, state and federal laws related to fundraising.

### **Event Revenue**

All event revenue should flow through the Community Foundation when:

- 1) the Foundation’s nonprofit status is relied on to promote the validity of the event;
- 2) there is a need for the Foundation to provide tax receipting for revenue or in-kind donations or activities related to the event;
- 3) there is a need for the Foundation to process event related expense payments.

Incoming checks related to the event must be made payable to the Fund Name or to “Community Foundation for the Alleghenies” with the Fund Name noted in the memo area. Event revenue received in cash should be sent to the Community Foundation intact. Cash contributions of this type will be listed as a various lump sum donation. If you would like us to provide tax receipts for cash gifts, a summary of the donor names and addresses must be provided (*see page 7, Gift Acknowledgment Tracking Form*). The event accounting should be delivered to the Community Foundation within one week of the event.

Alternately, cash can also be deposited directly into a Community Foundation account held by Somerset Trust Company. It is the fund representative’s responsibility to complete the cash deposit form (*see page 8, Cash Deposit Form*) in its entirety and return to us with a copy of the deposit receipt from the bank within one week of making the deposit. Any outstanding deposits at the end of the month will be moved into our foundation distribution fund and will be subject to additional fees. It is the fund representative’s responsibility to monitor their online portal to ensure the deposit hits their fund and to contact us with any problems.

### **Payment of Expenses**

The Community Foundation will process payment of fundraising expenses from event proceeds deposited into a Fund. The Community Foundation will not pay any expenses in advance of collecting equivalent receipts, and will only cover expenses to the extent that event income exceeds those expenses. It is preferred to process expenses payable directly to the vendor. In cases where event expenses are paid directly by the Fundraising Group to vendors, reimbursement is only possible if the original invoice and a receipt confirming payment are submitted and approved by the fund representative. Note, donor advised funds are not eligible for expense reimbursement of any kind.

When there is an expense payment for services rendered that will be issued directly to an individual, an LLC, a sole proprietorship, or an attorney, a completed W9 form will be required prior to any payment. For vendors who receive payments totaling \$600 or more in a fiscal year, a 1099 will be issued to the payee and to the IRS.

The Community Foundation is exempt from paying PA sales tax (a separate distinction from being a charitable federally tax-exempt organization). In order to be eligible for state sales tax exemption, payments must be made to the vendor directly from your fund. Reimbursement payments are ineligible. Invoices must be made out to “Community Foundation for the Alleghenies,” not the name of your fund or an individual member of your group. Our exemption certificate can be provided to vendors by request.

The Community Foundation will not be held liable for losses incurred (expenses exceed revenue) for an event.

### **Gift Acknowledgments and Tax Receipts**

The Community Foundation will provide appropriate gift acknowledgments/tax receipts to donors when the following information is provided:

- 1) The donor’s complete name and address;
- 2) The date and amount of the contribution;
- 3) The type of contribution, such as check, cash, in-kind (*see pages 7, 8 and 9 for submitting event donations and receipting in-kind gifts*).

When goods or services are provided to event participants, the tax-deductible portion of their participation fee will be adjusted for the cost of those goods or services. For example, if the cost to participate is \$50.00 and the participant receives a dinner or gift valued at \$25.00, the tax-deductible portion would be \$25.00. The Community Foundation would provide an acknowledgment letter confirming the full amount of the contribution and specify the portion that would qualify as a tax-deductible gift.

The Community Foundation is available to assist in determining the goods and services value and how to disclose that on any event marketing materials. If you are unable to provide the goods and services portion of your event participation/sponsorship fees and begin fundraising, the Foundation will provide receipts that do not include acknowledgment of any charitable contribution.

### **Small Games of Chance**

The Community Foundation is unable to secure a small games of chance license for the use of our component funds.

### **PLCB Special Occasion Permits**

The Community Foundation is unable to secure a special occasion permit from the PLCB for the use of our component funds.

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

Events that raise funds on behalf of the Community Foundation must be covered by insurance. The Community Foundation has an umbrella policy for events where no alcohol is being served. The Fundraising Group is responsible to determine if a certificate of insurance is needed for the event venue and if there are any specific requests from the venue concerning insurance.

If alcohol will be served at your fundraising event, a supplemental event insurance policy including liquor liability must be obtained, at the cost of your fund. The Community Foundation will secure the policy from our insurance carrier.

If the event organizer pursues liability insurance independently, the Community Foundation should be listed as a certificate holder and an additional insured with a minimum of \$1 million coverage.

---

### Scenario #2:

#### **Independent fundraising by an individual or group [not a 501(c)(3)] for which donors are not offered a tax deduction.**

Fundraising may be conducted by an individual, a group of people, or an organization for the benefit of a Fund at the Community Foundation and direct the net proceeds to a Fund. In this scenario, the donors will not receive a gift acknowledgment or tax receipt for participation. Generally, the person or group that plans and executes the fundraiser 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.

Guidelines applicable to independent fundraising activities:

- 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.
- 2) The individual or group may not use the Community Foundation's charitable tax-exempt number in connection with the event. Individual contributions made as a result of an event/solicitation will not qualify as a tax-deductible charitable gift to the Community Foundation. Event organizers are responsible for obtaining and paying for any necessary insurance, permits, licenses, approvals, etc. 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.
- 3) Fundraising events often require certificates of insurance or signed contracts. When events are sponsored independent of the Community Foundation, the name of the Community Foundation or the Fund name should not appear on any contract or agreement.
- 4) Individual participants in the event (ticket purchases, sponsors, golf players, etc.) make their payments to the organizing individual or group, not to the Community Foundation or the Fund. The organizers may provide the contributors or participants a courtesy acknowledgment. The acknowledgment 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.
- 5) Event organizers will pay all expense and send the net proceeds of the fundraiser to the Community Foundation for the benefit of the Fund. The check may be made payable to the Fund Name or to "Community Foundation for the Alleghenies" with the Fund Name noted in the memo area. Please note

that the Community Foundation is prohibited by law from reimbursing the event organizers for its expenses, therefore, the group must deduct its expenses before sending the net proceeds to the Community Foundation.

---

**Scenario #3:**

**Independent fundraising event or solicitation by a 501(c)(3) organization with proceeds to benefit a Fund at the Community Foundation.**

Fundraising Groups may make a gift of proceeds from the 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 conduct a fundraising event or solicitation promoting their organization and deposit the net proceeds into the organization's Funds at the Community Foundation. The organization should issue its own acknowledgment letters to donors. In cases where gifts are sent directly to the Community Foundation, the Community Foundation will send a gift acknowledgment indicating the gift is tax deductible.

Organizations should ensure they are in compliance with all applicable IRS ([www.irs.gov](http://www.irs.gov)) and State of Pennsylvania laws and regulations regarding solicitation, acknowledgment, and tax deductibility of gifts ([www.dos.pa.gov/](http://www.dos.pa.gov/)).

**Liability Insurance and Liability for Losses**

When the fundraising activity is conducted by a group/organization with an EIN#, a certificate of insurance must be secured independent of the Community Foundation's carrier policy. This may be done at the expense of the fund held by the Community Foundation.

---

**Scenario #4:**

**Direct, tax deductible gifts to a Fund at the Community Foundation.**

You may promote your Fund through various forms of passive marketing including brochures, website, information sessions or a request of money through an appeal letter.

In response to those marketing efforts, a donor may make a gift directly to the Fund. In that case, the donor should make the check payable to the Fund Name or to the Community Foundation for the Alleghenies with the Fund Name noted in the memo area. The Community Foundation can also accept gifts of cash, online credit card donations, securities and complex gifts. The donor will receive a gift acknowledgment letter from the Community Foundation indicating that the gift is tax deductible.



# COMMUNITY FOUNDATION FOR THE ALLEGHENIES

## Fundraising Event Summary

(Form available online at [cfalleghenies.org/fundraisers-events](http://cfalleghenies.org/fundraisers-events))

This information should be submitted to CFA, 216 Franklin St., Suite 400, Johnstown, PA 15901

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

Name of the Event: \_\_\_\_\_

Name of Fund it will support: \_\_\_\_\_

Type of Event \_\_\_\_\_ Date of Event \_\_\_\_\_

Event Venue/Address: \_\_\_\_\_

Event Organizer/Contact Name: \_\_\_\_\_ Contact Phone #: \_\_\_\_\_

Organizer Contact Email: \_\_\_\_\_

Event Summary Details	Yes	No
Do you want event participants to received tax acknowledgments/receipts provided for event donations?		
Do you want to utilize the CFA online fundraising platform?		
Will your event venue require a certificate of insurance?		
Will the event include a game of chance or serving alcohol?		
Will event be held in public location (requiring city permit/compliance with ordinances)?		
Will event engage participation by individuals under the age of 18?		
Does event promotional material meet state solicitation requirements?		
Would you like CFA to help promote your event?		
Can you provide a draft copy of your event promotional material? (Note – use of the Community Foundation’s name/logo require pre-approval.)		

What would you like everyone to know about your event? Provide information about your fund or cause that will help us – and you – promote it:

\_\_\_\_\_  
\_\_\_\_\_

By submitting this event summary form, I am certifying the following (please initial each line below):

- \_\_\_\_\_ I have received the Community Foundation’s Donor-Initiated Fundraising Policy.
- \_\_\_\_\_ This activity does not discriminate on basis of ethnicity, race, color, creed, religion, gender, national origin, age, disability, marital status, sexual orientation, gender expression, or veteran status.
- \_\_\_\_\_ If this activity involves participation by individuals under the age of 18, that employees or volunteers who are involved with this event have current clearances under Acts 34 and 151; and I understand that the Community Foundation is relying on this representation and will not review and is not responsible to review or audit any individual’s clearances which might contain confidential information.

Submitted by: \_\_\_\_\_ Print Name: \_\_\_\_\_



# COMMUNITY FOUNDATION FOR THE ALLEGHENIES

## Gift Acknowledgment Tracking Form

Name of Component Fund: \_\_\_\_\_ Event Coordinator Name: \_\_\_\_\_

Name of Event: \_\_\_\_\_ Date of Event: \_\_\_\_\_

Event Coordinator should use this format to track gifts of cash or checks that will be sent to the Community Foundation for processing. This format ensures collection of necessary information to provide a gift acknowledgment letter to the donor for tax receipt purposes. Incomplete information will result in no gift acknowledgment letter being provided. Replicate form as needed.

Name	Business/ Organization Name	Address	City, ST, ZIP	Gift Amount	Check #/Cash	Purpose of Gift
				\$		
				\$		
				\$		
				\$		
				\$		
				\$		
				\$		
				\$		
				\$		
				\$		
				\$		
				\$		
				\$		
				\$		
				\$		

Event Coordinator Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Return completed form to: CFA, Attn: Gifts Administrator, 216 Franklin Street, Suite 4, Johnstown, PA 15901



# COMMUNITY FOUNDATION FOR THE ALLEGHENIES

## Cash Deposit Form

<b>Date:</b>
<b>Deposited By:</b>
<b>Fund:</b>
<b>Amount:</b>
<b>Gift Description:</b>
<input type="checkbox"/> Lump Sum Donation  Specific Donor(s) (Please include names and addresses below)

### Instructions for depositing into CFA's account at Somerset Trust Company

- 1) Fill out deposit slip with CFA account number: 2000677392.
- 2) Ask your teller to include your fund name in the description attached to the deposit.
- 3) Please email this form with a copy of the deposit receipt to our Scholarships and Gifts Administrator Marisa Lehman at [mlehman@cfalleghenies.org](mailto:mlehman@cfalleghenies.org) or (814)225-1266. This needs to be submitted within one week (7 days) of the deposit date so that we can reconcile our books and close them.
- 4) Make sure to include addresses for donors that require a tax receipt, if you don't include that information, the gift will be entered as a lump sum donation.
- 5) Monitor your online fund portal to ensure the cash is properly credited to your account. You can reach out to Marisa if you have any issues





# COMMUNITY FOUNDATION FOR THE ALLEGHENIES

## Gift In-Kind Donation Form

Name of Component Fund: \_\_\_\_\_

Name of Event: \_\_\_\_\_ Date of Event: \_\_\_\_\_

Type of Gift: \_\_\_\_\_

Donor Estimated Value of Donation: \$ \_\_\_\_\_

A tax acknowledgment/receipt will only be issued if this form is completed, signed and submitted to the Community Foundation for the Alleghenies at the address below.

Donor Name/Business Owner Name: \_\_\_\_\_

Business/Organization Name (if applicable): \_\_\_\_\_

Address: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: Home    Work    Cell # \_\_\_\_\_  
(circle one)

Email address: \_\_\_\_\_

Signature: \_\_\_\_\_

Event Coordinator: \_\_\_\_\_ Email: \_\_\_\_\_

Phone: Home    Work    Cell # \_\_\_\_\_  
(circle one)

Return completed form to:  
Community Foundation for the Alleghenies  
Attn: Gifts Administrator  
216 Franklin Street, Suite 400  
Johnstown, PA 15901



# COMMUNITY FOUNDATION FOR THE ALLEGHENIES

## Donor-Initiated Event Fundraising Guidelines Quick Reference Checklist to Comply with Option #1

- Review the Community Foundation Donor-Initiated Fundraising Policy.
- Complete and submit the CFA Fundraising Event Summary Form (submit online at [cfalleghenies.org/fundraisers-events/](http://cfalleghenies.org/fundraisers-events/) or mail/scan hard copy).
- Ensure event materials include the PA Dept. of State solicitation language as follows:  
*“CFA is a 501(c)(3) nonprofit organization and contributions are tax deductible to the fullest extent permitted by law. CFA registration and financial information are available from PA Dept. of State by calling 1-800-732-0999. Registration does not imply endorsement.”*
- Provide a copy of your event promotional material to CFA. Promotional material must comply with PA Department of State Business & Charities solicitation language.\
- If event registration fee is \$75 or greater, the tax-deductible portion of the registration must be disclosed on event flyer or invitation.
- Provide CFA with any venue requirements concerning insurance coverage.
- Work in cooperation with CFA if event involves serving/sale of alcohol in order to secure appropriate insurance liability coverage.
- Pursue proper compliance with city ordinances and secure appropriate city permits for events held in public locations.
- Pursue proper clearances to comply with PA Department of Human Services & Child Protective Services when organizing events or activities involving individuals under the age of 18. This includes verification to CFA on the Fundraising Event Summary form that event organizers and volunteers have current clearances under Acts 34 and 151.
- Responsible for complying with state government food handling requirements if event involves preparing/selling food.
- Provide W9 form to any individuals who will be paid for services in value of \$600 or more.
- Use CFA gift acknowledgment tracking and gift in-kind format structure to submit event proceeds to ensure participants receive appropriate gift acknowledgment/tax receipt.