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## **PURPOSE/POLICY**

To provide procedures and guidance for conducting fundraising events in accordance with [ICSUAM Policy 15701.00](#).

The University shall accept fundraising proceeds for support of accepted programs that are consistent with the purpose and goals of the University and that are deemed consistent with the laws, regulations, and policies of the University, state of California and the federal government. Except for events sponsored by one of the University's recognized auxiliary organizations, the University serves as the fiscal agent for Sonoma State's approved fundraising events and activities.

Fundraising events should have the intent to yield net proceeds to the University (i.e. yield a surplus after subtracting the expenses of conducting the event from the revenues collected), or have sufficient funds from other appropriate resources to cover any anticipated deficit in the case where the intangible benefits justify proceeding with the fundraising event.

All departmental fundraising events shall be registered with and approved by University Advancement prior to any solicitation of funds, contractual commitments, sponsorships, literature distribution, or other fundraising event activities.

The words "donation", "contribution", and "charitable gift" may only be used when there is a charitable tax deduction component, as determined by University Advancement.

Fundraising events which provide benefits to a 3<sup>rd</sup> party require presidential approval.

## **SCOPE**

This policy applies to all departments of the University and the Sonoma State University recognized auxiliary organizations. Fundraising events held by student clubs are not included in the scope of this policy and should be coordinated through the Center for Student Leadership, Involvement and Service (CSLIS) office.

## **DEFINITIONS**

### **Fundraising Events**

Events conducted for the sole or primary purpose of raising charitable funds where participants make a charitable contribution and a purchase for the fair market value of goods or services.

Common examples of fundraising events are:

- Auctions, raffles, concerts, dances, dinners, car washes, golf tournaments, and similar events

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Examples that are not considered fundraising events are:

- Sport camps and other events whereby the University is providing a service to an individual for a fee whereby the fee is intended as payment for the service and not as a charitable donation.
- Capital campaigns
- Fundraising solicitations and related prospecting activities intended to generate only a contribution (no purchase of goods or services)
- Alumni relation events
- Unrelated trade or business activities that generate fees for service
- Activities substantially related to the accomplishment of the University's educational purpose

### **Raffle**

A raffle, also known as an opportunity drawing or basket auction, is a scheme for the distribution of prizes by chance among persons who have paid money for paper tickets that provide the opportunity to win these prizes. Each ticket is sold with a detachable coupon or stub, and both the ticket and its associated coupon or stub are marked with a unique and matching identifier. A raffle must be approved by the Chief Operating Officer of the Foundation, Chief Financial Officer of the University, and the Vice President for University Advancement.

### **Acknowledgement Letter**

An acknowledgement letter is the official tax-deductible receipt issued to a donor by University Advancement.

### **Commercial Fundraiser**

A person or corporation who is paid by the university or its auxiliary organizations to raise money on its behalf. The for-profit business usually arranges a flat fee or charges a percentage of the donations collected. Commercial fundraisers must be registered with the Attorney General under California law (see Nonprofit Integrity Act Manual). Employees of the university or its auxiliary organizations are not considered commercial fundraisers. (California Government Code §12599(a)).

### **Fundraising/Campaign Counsel**

A person or corporation who is paid by the university or its auxiliary organizations to manage, advise, counsel, consult or prepare material for, or with respect to, the solicitation in California of funds, assets or property for charitable purposes and who does not (i) solicit funds, assets or property for charitable purposes; (ii) receive or control funds, assets or property solicited for charitable purposes in California;

and (iii) employ, procure or engage any compensated person to solicit, receive or control funds, assets or property for charitable purposes. Fundraising Counsel must be registered with the Attorney General under California law (see Nonprofit Integrity Act Manual). Employees of the university or its auxiliary organizations are not considered fundraising counsel. (California Government Code §12599.1(a)).

## **RESPONSIBILITIES**

### **Departmental Unit**

The Departmental Unit responsibilities are to:

- Submit the Fundraising Event Request Form for approval to applicable Dean or Senior Director
- Plan, conduct, and administer the fundraising event
- Ensure the fundraising event has the intent to yield net proceeds to the University (i.e. yield a surplus after subtracting the expenses of conducting the event from the revenues collected) or have sufficient funds from other appropriate resources to cover any anticipated deficit in the case where the intangible benefits justify proceeding with the fundraising event
- Ensure compliance with University procurement rules, sales tax remittance requirements, and all other applicable University policies and procedures
- Create and submit a detailed budget report of revenues and expenses with the request form
- Ensure appropriate chartfields are used on all transactions
- Review the fundraising event revenues and expenses and compare to the amounts budgeted

### **Dean/Senior Director**

The Dean/Senior Director's responsibilities are to:

- Review and approve all fundraising events using the Fundraising Event Request Form
- Ensure departmental units are aware that fundraising events may not occur without proper approval from the Dean/Senior Director and University Advancement

### **Vice President University Advancement**

The Vice President of University Advancement or designee's responsibilities are

to: • Approve all University fundraising events

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**Senior Director for Auxiliary Financial Services**

The Senior Director for Auxiliary Financial Services' responsibilities are to:

- If deemed necessary, meet with the applicable department to ensure appropriate fiscal procedures and chartfields are used for all fundraising events
- Request and assign project chartfield to track revenues and expenses for fundraising event
- Review and sign-off on the submitted Fundraising Event Request Form

**PROCESS FLOW**

Department proposes fundraising event → Submit Fundraising Event Request Form to Dean/Senior Director

Dean/Senior Director approves fundraising event → Submit form to University Advancement

University Advancement approves fundraising event Auxiliary Financial Services → Submit form to Senior Director for

Senior Director Auxiliary Financial Services reviews form and signs-off → Form is scanned and emailed to department to communicate that the event has been approved

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## **PROCEDURES**

### **1. Planning Stage**

- A. Departments wishing to conduct fundraising events should start by considering various aspects related to the event such as:
  - 1. Purpose, plans, and goals of the event
  - 2. Date, time, and location of the event
  - 3. Number of individuals needed to run the event
  - 4. Preparation of a profit and loss budget for the event
  - 5. Number of participants and participant fee, if applicable
  - 6. Outside agencies/sponsors expected to be utilized in event
  - 7. Preparation of literature to be distributed in connection with the event
  - 8. Facility rental and/or food catering agreements
  - 9. Completion of the Police & Parking Services Event Staffing Form, if applicable, to be submitted to Conference & Event Services at least 30 days prior to the event. See Officer/Staff Request Form at <http://www.sonoma.edu/ps/forms/>.
  - 10. Ensure cash handling activities are in compliance with the Cash Handling Policy
  - 11. Ensure applicable sales tax is collected if goods, merchandise or food and beverages will be sold.

### **2. Approval of Event**

- A. Prior to any solicitation of funds, contractual commitments, sponsorships, literature distribution, spending, or other fundraising activities, the departmental unit must obtain approval by the department's applicable dean or senior director, University Advancement, and the Senior Director for Auxiliary Financial Services.
- B. The departmental unit shall complete the Fundraising Event Request Form and submit to applicable dean or senior director.
- C. Upon approval by the applicable dean or senior director, the department shall submit the form to University Advancement at least 4 weeks prior to any solicitation of funds, contractual commitments, sponsorships, literature distribution, spending, or other fundraising activities.
- D. Upon approval from University Advancement, the form shall be forwarded to the Senior Director for Auxiliary Financial Services for review of fiscal procedures and chartfield assignment.
- E. Upon approval by University Advancement and review by the Senior Director for Auxiliary Financial Services, the department will receive written notification of the approval and will have authorization to proceed with the fundraising event activities.
- F. Note: If the fundraising event provides benefits/proceeds to a 3<sup>rd</sup> party (external individual or entity), the event will require presidential approval and will be submitted to the president by University Advancement.

### **3. Preparation and Approval of Fundraising Literature**

Any literature, including brochures, booklets, and letters used to solicit funds to the University shall be reviewed and approved through University Advancement so that the most accurate information appropriate to a particular fundraising effort is reflected. Accordingly, University Advancement will be responsible for establishing and maintaining a master calendar that incorporates the schedule of all fundraising mailings and solicitations. Mailers that are not associated with a particular fundraising event are not included in the scope of this policy, however, all mailers should still be coordinated with University Advancement

### **4. Sponsorships**

- A. The department shall consult with Financial Services and/or University Advancement to determine if a sponsorship agreement will be required. If a sponsorship agreement is required, the agreement must be signed by the Contracts and Procurement Office or a representative authorized to sign contracts on behalf of the University.

### **5. Types of Advancement Professionals**

- A. The use of an external commercial fundraiser or fundraising counsel, or any external entity which directly or indirectly solicits or receives contributions for or on behalf of the University must comply with California law and reporting requirements of the California Attorney General.
- B. The individual or entity acting as the commercial fundraiser or fundraising counsel must be registered with the California Attorney General and the contract must be executed before the commencement of services.
- C. Under no circumstances shall any department engage with an external commercial fundraiser or fundraising/campaign counsel without full approval from the Vice President for University Advancement.

### **6. Cash Receipting**

- A. Prior to the collection of any funds, departments must be designated as an official cashiering collection point and must be in compliance with the University's [Cash Handling Procedures](http://www.sonoma.edu/finance/forms/) located at <http://www.sonoma.edu/finance/forms/>.
- B. All cash, checks, and credit card receipting must be receipted through one of the following methods:
  - 1. Cash register: cash receipts collected shall be entered into a cash register assigned to one individual where a receipt is issued to the payer upon collection of funds.
  - 2. Cash box: cash receipts collected shall be written on a pre-numbered, multiple-part cash receipt and placed in a lockable cash box which is assigned to one individual where a receipt is issued to the payer upon collection of funds. An exception to the multiple-part cash receipt requirement is if pre-numbered tickets are sold and where a ticket control log is utilized.

3. Mail: cash receipts collected through the mail shall be logged onto the [Cash Receipts Mail Log](#).
4. Phone: Credit card information obtained via the phone must be submitted with the deposit. Credit card information shall not be retained by the department in electronic or physical copy.
5. Webpage portal: Only University approved portals shall be used. Please contact the CMS office to assist in the Advancement or use of any webpage portals.

## **7. Involvement of Volunteers in Fundraising Events**

- A. Whenever volunteers will be participating in fundraising events, it is the responsibility of the department to ensure the [CSU Volunteer Policy](#) and Sonoma State University guidelines are followed, including the completion of the [Non-Faculty Volunteer Appointment Form](#). Volunteer employment policies, guidelines, and forms can be located under the [Volunteers](#) section on the [Employee Services](#) webpage.

## **8. Accounting**

- A. Accounting for fundraising expenses and cash receipts shall be recorded in the University's general ledger records, except for raffles which must be recorded in the Foundation's general ledger records.
- B. Fundraising events shall be coded to a unique project chartfield which is provided by Financial Services. Coding event revenues and expenses to a project chartfield provides for an efficient method to track the profit and/or loss of an event.
- C. Expenses and revenues of an event should all be recorded in the same business unit. Expenses should not be recorded in one business unit and revenues in another business unit.

## **9. Auctions**

- A. Special accounting and gift processing treatment is needed to track auction sales. All departments who conduct an auction must complete the [Auction Worksheet](#). The [Auction Worksheet](#) summarizes the auction transactions and provides necessary information such as:
  1. Fair market value (FMV) of the donated item
  2. Department purchase price
  3. Buyer gift portion
  4. Sales tax portion, if applicable
  5. Chartfield summary accounting of all the auction transactions
- B. Auctions which include the sale of tangible personal property must charge the applicable state sales tax rate based on the auction sale price. Contact Financial Services for the current sales tax rate.

- C. Upon completion of the Auction Worksheet, the department shall submit the worksheet to the Sr. Director for Auxiliary Financial Services.

#### **10. Controlled Games**

- A. Casino nights, poker nights and other fundraising events with “controlled games” are not permitted due the strict regulations of the Bureau of Gambling Control.

#### **11. Raffles**

- A. Raffle fundraising events take special planning and consideration due to strict legal requirements and laws surrounding raffles. The Foundation Chief Operating Officer must obtain prior approval from the California Attorney General’s Office to perform any raffles. Under no circumstances shall any department conduct a raffle without full approval from the Chief Operating Officer of the Foundation, Chief Financial Officer of the University, and the Vice President for University Advancement. Upon approval, the Chief Operating Officer of the Foundation will provide the applicable operating and reporting requirements to the designated office coordinating the raffle.

#### **12. Donor Acknowledgement Letters**

- A. Tax-deductible gifts
1. Donor acknowledgement letters shall only be issued by University Advancement, unless express written delegation is granted by University Advancement.
  2. Donor thank you letters may be issued by the department.
- B. Non tax-deductible gifts
1. Donor thank you letters may be issued by the department

#### **13. Tax Deductibility of Donor Gifts**

- A. None, some or all of the revenue received from an attendee (donor) at a fundraising event may be a tax deductible contribution for the donor. Tax laws, IRS rules and other regulations can make this a complex subject. There are a number of factors that affect the tax deductibility of the gift, including:
1. Wording used to describe the event and the gift associated with it in promotional literature, advertising, and at the event.
  2. The fair market value of any benefits that the donor receives (e.g. food, entertainment, auction item purchased, rounds of golf, etc.)
  3. Intent to make a gift vs. fee for service
- B. University Advancement will advise you regarding the issues that affect the tax deductibility of the donor gifts, help you make the determination as to the tax deductible portion, if any, and will issue an official tax acknowledgement letter, where applicable.



**14. Sale Activities**

- A. The sale of goods or merchandise (tangible goods) is subject to sales tax unless it is covered by a specific exemption or exclusion. Sales tax generally applies to charges for drinks, food, and meals included in the ticket price of fundraising events. Specific questions relating to the taxability of goods, merchandise, food or beverages should be directed to the Senior Director for Auxiliary Financial Services.

**POLICY/PROCEDURE OWNER AND CONTACT INFORMATION**

Unit Owner	Contact Name	Title	Phone	Email
University Advancement	Ian Hannah	AVP, University Advancement	x4041	<a href="mailto:ian.hannah@sonoma.edu">ian.hannah@sonoma.edu</a>
Financial Services	Amanda Visser	Sr. Director for Auxiliary Financial Services	x3251	<a href="mailto:vissera@sonoma.edu">vissera@sonoma.edu</a>

**APPROVAL AND REVISION HISTORY**

Approved by	Title	Signature	Date Approved	Effective Date	Version	Description of changes
Patricia McNeill	VP, University Advancement	Approved, on file	9/2/11	9/1/11	v 1.0	Initial Release
Letitia Coate	AVP, A&F	Approved, on file	9/1/11	9/1/11	v 1.0	Initial Release
Patricia McNeill	VP, University Advancement	Approved, on file	10/27/11	10/27/11	v 1.1	1. Added to definitions section: Concerts which provide benefits to 3 <sup>rd</sup> parties require presidential approval 2. Changed raffle approval to COO of Foundation, CFO University, and VP Advancement 3. Added section 1.A.9 4. Changed raffle approval to COO of Foundation, CFO University, and VP Advancement
Letitia Coate	AVP, A&F	Approved, on file	10/27/11	10/27/11	v 1.1	
Erik Greeny	VP, University Advancement	Approved, on file	9/26/12	9/26/12	v 2.0	Added statement to policy for fundraising events that benefit 3 <sup>rd</sup>

<b>Approved by</b>	<b>Title</b>	<b>Signature</b>	<b>Date Approved</b>	<b>Effective Date</b>	<b>Version</b>	<b>Description of changes</b>
Letitia Coate	AVP, A&F	Approved, on file	8/6/12	9/26/12	v 2.0	parties requires presidential approval. Added to and changed document to conform to ICSUAM Fundraising Policy 15701.00. Changed procedure 1.A.9 to have form submitted to CES. Add procedure 2.F, presidential approval for 3 <sup>rd</sup> party benefits. Added procedures and changed language to existing procedures to comply with new ICSUAM Fundraising Policy 15701.00.
Amanda Visser	Sr. Director for Auxiliary Financial Services	Approved, on file	2/18/15	2/18/15	v 2.1	Changed University Controller to Senior Director for Auxiliary Financial Services throughout policy, procedures, and form.
Erik Greeny	VP, University Advancement	Approved, on file	2/18/15	2/18/15	v 2.1	Added "Policy Owner and Contact Information" section