

I. INTRODUCTION. The mission of Benton Community Foundation (BCF) is to invest in our community through Philanthropy. In so doing, we are committed to ensuring that all fundraising activities conducted on behalf of BCF comply with applicable law and best practices.

II. PURPOSE. The purpose of this Donor Initiated Fundraising Policy is to set forth the policies and procedures that shall guide the BCF Board of Directors (Board) in monitoring all fundraising activities conducted on behalf of BCF to ensure compliance with applicable law and best practices.

III. SCOPE. The Board has delegated oversight to the Development Committee (Committee). The Committee assumes the role of oversight and stewardship of all fundraising activities conducted by and on behalf of BCF. The President/CEO shall be responsible to ensure compliance with this policy in BCF's day to day operations. This Donor Initiated Fundraising Policy will supersede any earlier such policies or statements.

IV. DEFINITIONS.

A. **"Solicitation"** means any oral or written request for a contribution, including the solicitor's offer or attempt to sell any property, rights, services or other thing, in connection with which: (A) The name of any nonprofit organization is used as an inducement for making the contribution or consummating the sale; or (B) Any statement is made which implies that the whole or any part of the contribution or proceeds from the sale will be donated to any nonprofit organization." [ORS 128.801 (6)].

B. **"Professional fundraising firm"** means any sole proprietorship, partnership, corporation or any other legal entity, organized for profit or as a nonprofit mutual benefit corporation, who, for compensation or other consideration, manages or conducts the solicitation of funds, not including commercial fund raising solicitations, on behalf of any nonprofit organization. [ORS 128.801 (5)].

C. For the purpose of this policy, **"fundraising activities conducted on behalf of BCF"** means any solicitation conducted by individuals or organizations other than BCF staff, or volunteers who are acting at the direction of BCF staff.

V. POLICY.

A. **Established funds with BCF.** BCF allows donors and others ("Fundraiser") to solicit gifts and contributions earmarked for funds established with BCF in accordance with this policy. Prior to any fundraising activity, the Fundraiser must seek prior written approval from BCF concerning the funding activities planned, as well as the prospective sources of funding. All uses of BCF's name in advertising and promotion must be approved in writing in advance by BCF. All fundraising materials should make clear that funds are being raised on *behalf of* rather than *by* BCF. The Fundraiser shall be solely responsible for the planning, marketing, expense and execution of the fundraising activities. BCF will not reimburse the Fundraiser for costs of fundraising activities, nor may reimbursement for costs of fundraising activities be made from the fund. Where appropriate, BCF may provide tax acknowledgements allowing donors and others to deduct reasonable expenses incurred in connection with the fundraising activity. **No Fundraiser shall use the services of a professional fundraising firm to raise funds on behalf of BCF.**

B. **Approval of Events.** All public fundraising events require advance written approval from BCF. Before undertaking any such event, the Fundraiser must submit a written proposal to BCF that includes the description of the event; the organizer's capacity to conduct the event; the contact person for the event; and

a budget for the event. BCF may assess an administrative fee against the fund to defray any cost of additional BCF services required by the fundraising event.

C. Parties' Responsibilities in Donor Initiated Fundraising.

1. BCF will be responsible for the management of such money and property as it may receive for deposit from the Fundraiser, donors, and other sources in accordance with BCF's governing documents, policies, and variance power. BCF's acceptance of any money and property is subject to BCF's Gift Acceptance Policy. BCF will also be responsible for providing acknowledgements to donors.

2. The Fundraiser will be responsible for all expenses and will maintain appropriate financial controls and records related to fundraising events. Expenses may be incurred only in accordance with the event budget that BCF has approved. The Fundraiser shall ensure that no false or misleading representations are made in the course of any solicitation of contributions. The Fundraiser is not authorized to bind BCF to any contract or agreement.

D. Designation of Checks and Receipt of Cash. Checks related to the event must be made payable to BCF with the name of the fund in the memo line. Cash receipts are to be deposited in full. ***Cash receipts may not be used to pay expenses.*** Within one week after the event, all proceeds, checks and cash, must be delivered to BCF along with an accounting of all monies received.

E. Tax Requirements and Acknowledgements. Fundraising is governed by provisions of the Internal Revenue Code as well as state charitable solicitation laws. Failure to comply with applicable law may result in denial of a tax deduction to the donor and penalties assessed against the Fundraiser and/or BCF.

1. BCF will provide a written acknowledgement to donors who contribute \$250 or more, but the Fundraiser must provide BCF with: the donor's complete name and address; the date and amount of the contribution; whether the contribution was in cash or property; If property, a description of the type of property and a good faith estimate of its fair market value; and a detailed description of any goods and services provided in exchange for the contribution.

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

3. If the Fundraiser provides goods 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. This limitation on the deduction, known as a "quid pro quo disclosure" must be disclosed at the time of solicitation. BCF will work with the Fundraiser in determining the fair market value amounts and the appropriate disclosure language for the event. *The Fundraiser is responsible to ensure that the required quid pro quo disclosures are made.*

4. Raffle tickets are not deductible. This must be stated clearly on the face of distributed tickets.

5. Rummage sale purchases are not deductible.

6. BCF will review proposed ideas for auctions on a case-by-case basis and may seek the assistance of legal counsel.

7. In the event of a change in the Internal Revenue Code, applicable state charitable solicitation laws or other applicable law/public policy, Fundraisers shall comply with such additional or revised requirements.

F. Liability Insurance and Liability for Losses. The Fundraiser will contact BCF prior to the event to assess the need to secure liability insurance covering members of the group and covering BCF. Insurance coverage must be reviewed and approved by BCF. The Fundraiser will be responsible for all losses incurred by the event. BCF will not be held responsible for such losses. BCF may require the Fundraiser to purchase a letter of credit or provide a written personal guarantee.

*Approved by the board on September 17, 2015
Scheduled for review in September 2017*