



# Donor Initiated Fundraising Policy Guidelines for Fundholders

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Thank you for establishing a fund with The Alaska Community Foundation (ACF). Core to ACF's mission is promoting charitable giving. While we provide the charitable tools and fund administration to promote giving, ACF does not have the capacity to operate fundraising events for its component funds. In establishing a fund at ACF, we recognize there may be times when you would like to organize a fundraising opportunity to benefit your fund.

Fundraising activities are governed by Federal laws including Unrelated Business Income Tax laws, IRS rules, and state laws including charitable solicitation laws and alcohol statutes and regulations.

The Donor Initiated Fundraising Policy and the following guidelines ensure that your fundraising efforts (1) comply with the IRS and other governmental regulations, (2) ensure that donors receive the appropriate acknowledgement, and (3) protect the integrity of ACF's nonprofit status and brand identity. The Donor Initiated Fundraising Policy and these guidelines apply to all current and any future funds. ACF staff are available to help and support fundraising groups comply with these guidelines. These guidelines cover, but are not limited to, the following fundraising scenario options:

- 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.
- Independent fundraising by an individual or group [not a 501(c)(3)] for which donors receive no tax advantage.

This policy does not apply to nonprofit organizations conducting their own fundraising and contributing the net proceeds to their fund at ACF.

## Non-Compliance

Failure to comply with ACF's Donor Initiated Fundraising Policy and Guidelines may result in direct billing of staff time to the fundholder.

## Recommended Event Types



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ACF recommends the following events to engage and steward your donors to ultimately increase donations to your fund. All fundraising groups hosting an event to benefit a component fund at ACF must complete the Fundraising Proposal Form. Alternative fundraising methods, approved by ACF, can be undertaken and are described in the following pages.

- Donor Appreciation Event
  - Invite your donors and community members to a free, non-ticketed, donor appreciation event. Serve food, beverages, alcohol (with pre-approval from ACF), and share your mission, thank your supporters, and provide opportunities for guests to donate to your fund. See section on Alcohol at Events for more details.
- Benefit Concert
  - Host a musical event featuring local artists or bands to perform for your community. You may charge a ticket fee or keep the event free with suggested donations. ACF's Donor Initiated Fundraising Policy prohibits alcohol at ticketed fundraising events.
- Silent Auction
  - Collaborate with local artists and vendors to hold a silent or live auction where proceeds from the auction benefit your fund. Items could include travel packages, art pieces, exclusive experiences, and services. Donor Initiated Fundraising Policy prohibits the auction of alcohol.
- Legacy Society or Exclusive Member Events
  - Invite members of your legacy society to an event to thank them for their generosity and provide a small gift for them for attending. Please note that gifts must be free for all attendees regardless of the donation amount. See section on Token Benefit Gifts for more details.
- Buy a Brick or Donor Wall Campaign
  - “Sell” bricks or plaques with your donors’ names to advertise your fund and their public support of your campaign. Gifts at a certain level can include their name in a prominent place.

## Quid Pro Quo Fundraising

Upon approval of your event, ACF will track specific information in relation to “quid pro quo” contributions where the donor receives something of value in return for part of their contribution. The IRS calls these “quid pro quo” contributions and requires a written disclosure statement be provided to the donor prior to the donation transaction. The statement



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- Informs the donor of the amount of the contribution that is tax deductible.
- Provides the donor with a good faith estimate of the fair market value of the goods or services the donor received.

Interested parties who choose to fundraise for their fund held at ACF may participate in “quid pro quo” fundraising activities provided they follow the Donor Initiated Fundraising Policy and Guidelines. Failure to adhere to disclosures required by the IRS may result in a penalty to ACF. Furthermore, failure by the fundraising group to comply with policy may result in direct billing of staff time to the fundholder.

ACF requires a four month notice from the event date for all events that will be ticketed or have a silent/live auction component. The fundraising group is required to submit a Fundraising Proposal for approval. Only one fund may benefit from the proceeds generated from event ticket sales or auction. You may direct auction proceeds to one fund and ticket sales to another fund. For events that are not ticketed or do not have an auction component ACF asks that the fundraising group alert staff no less than one month from the event date.

- Auction
  - Fundholders or fundraising groups may host an auction to raise money for their fund held at ACF. Interested parties must fill out the Fundraising Proposal Form on ACF’s website at least four months prior to the event. ACF staff will provide the auction software to track auction items, bids, and provide proper donor receipts. ACF will provide a template to use for accurately recording donated auction items.
  - The following information is needed for each item at least one (1) week prior to the event. A maximum of 15 auction items are allowed. If you accept items to be sold via auction after the one-week deadline, those items will not be available for online bidding but can be auctioned off by a paper bid sheet provided the following information is given to ACF after the auction.
    - Item Name
    - Item Description
    - Item Value
    - Min bid, buy it now, raise amounts.
    - Item Donor Name and Contact Information
  - The auction bid sheet must display the fair market value of the item as well as a statement that only the amount paid above the declared value of the item counts as a charitable deduction.



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- The auction bid sheet should be a 3-part carbon copy; original for the donor, a copy for the fundraising group, and a copy for ACF's financial records.
  - Payment for the items can be made online and it is advised that a QR code accompanies the bid sheet linking the item to the online bid platform where the donor can pay for the item via credit card. Cash and check payments can be accepted provided that the fundraising group collects final bid sheets and correctly matches the donor payment information with the items won.
  - After the event, the fundraising group will provide ACF staff with the final bid sheets, including the winning bidder contact information, and payment methods beyond credit card.
- Ticketed Events
    - Fundholders or fundraising groups may host ticketed events to raise money for their fund held at ACF. Interested parties must complete the Fundraising Proposal Form on ACF's website at least four months prior to the event. ACF staff will provide the ticketing software to track tickets, attendance, and provide proper donor receipts.
    - Tickets may be sold online and/or via paper tickets. Ticket Information must include:
      - Ticket Value
      - Ticket Price
      - Disclosure Statement
    - Donations in Lieu of Admission fee may be considered 100% tax deductible if there is no "quid-pro-quo." If the event organizers allow someone to attend who donates below the suggested donation amount or nothing at all, the donation made in lieu of admission can be considered tax deductible.
  - Alcohol at Events
    - Due to Alaska State Laws, ACF generally does NOT allow fundholders or fundraising groups to:
      - Sell tickets to an event where alcohol is served.
      - Include the sale of alcohol as part of a fundraiser.
      - Include alcohol as an auction item or prize give-away.
    - Fundraising groups must contact ACF to discuss options for events where alcohol will be served.

## Merchandise



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ACF's Donor Initiated Fundraising Policy prohibits the sale of merchandise for profit to benefit a fund at ACF unless the items are donated and not paid for by the fundraising group. Items given away or token benefit gifts are handled differently under IRS rules and are detailed below.

## Token Benefit Gifts

You may give a donor a gift in exchange for a donation if the following requirements are met:

- ACF determines the gift item is not substantial according to Revenue Procedures 90-12 and 92-49 AND adjusts for inflation using Revenue Procedures 2009-50. ACF will inform the donor how much the of the gift is deductible on the receipt letter. If the gift is substantial, the fundraising group will disclose to ACF that the donor must subtract the amount of their gift from their donation.
- The gift item must be VALUED at less than 2% of the donation or less than \$50 value – whichever is less. AND the item is considered low cost, which is the cost to produce the item is less than \$5 as determined in 1987 and the \$5 is [adjusted for inflation](#) every year after that. \$13.45 in 2023.
  - For example, ACF could produce magnets that cost \$2.50 to make and retail for \$5 and send out to donors who give \$250 or more. This cost breakdown satisfies IRS Revenue Procedures 90-12 and 92-49 and is adjusted for inflation. If ACF gives the same magnet to a donor who gives \$100, ACF would need to inform the donor that their donation is only tax deductible to \$95.

The IRS Procedures do not govern items given out for free at events or to donors as long as there is no exchange for goods and services for a donation.

## Out of State Non-Ticketed Cultivation Events

- Before proceeding with an Out of State Cultivation or Fundraising event please refer to The Alaska Community Foundation's Donor Initiated Fundraising Policy for the most current ACF guidelines on fundraising for a component fund of ACF.
- It's important to note that each state has its own requirements for fundraising activities, and it is crucial to adhere to local and federal laws.



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- In many states, nonprofits must register with the state before any fundraising can take place. ACF, as the nonprofit entity which your fund is part of, will complete the registration process when necessary and provide fundholders with links to information on pertinent regulations.
- Because of the additional work involved, Affiliates and other fundholders planning to fundraise in person outside Alaska must notify ACF staff at least **four** months in advance of the event.
- Out of state fundraising efforts may be subject to additional fees and additional reporting requirements.
- Affiliates and other fundholders planning to fundraise in person outside Alaska must notify ACF staff at least **four** months in advance of the event date.

## Hosting an Event Out of Alaska Best Practices

- Host
  - When organizing an out of state event, it is essential to find a homeowner or host who has ties to the local community.
  - Request the host's assistance in coordinating catering and beverages.
  - Note that certain cities may require a special license for serving alcohol at fundraising events. The caterer is usually familiar with the necessary requirements.
  - Clarify responsibilities between the host and Affiliate/Fund representatives prior to the event. Determine whether the host will cover the catering/beverage expenses or if reimbursement will be arranged.
  - It is a nice touch to bring a small gift from Alaska for the host and program speakers.
- Guest List
  - Consult with your host to determine their preferences regarding the guest list. Some hosts may leave it up to you, while others may want to curate the list from their own contacts or your initial list.
  - Create the guest list by reaching out to individuals in the area who have ties to your fund, community, or Alaska. This may include former Alaska residents or individuals who have conducted business in or have family ties to your community/fund. Collecting names and email addresses is particularly important.
- Invitation
  - Utilize Greenvelope or other e-vite software to send invites and track the RSVP list. Collecting names and email addresses during guest list curation facilitates this process.



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- Send the invitation at least four weeks before the event, including the following details:
  - Event Date, Time, Location
  - Event purpose
  - Homeowner/Host information
  - Dress code
  - Map and/or parking instructions
  - Light or heavy menu options
- Send weekly reminders to those who have not responded. Consider making phone calls if necessary.
- One week before the event, send a reminder to those who have RSVP'd "yes," reiterating important details.
- On the event day, send a final reminder to "yes" respondents, providing updates on arrival time and parking instructions/directions.
  
- Event Program
  - Arrange your speakers in advance. A typical program for ACF follows this format:
    - Homeowner/Host welcomes guests.
    - An Affiliate/Fund representative provides an overview of the gathering's purpose, your Affiliate/Fund, and updates on your impact.
    - A fund donor or legacy donor shares why they contribute and what the affiliate means to them.
    - An Affiliate representative makes the formal ask.
    - Homeowner/Host closes program with invitation for all to continue to enjoy each other's company and food and beverage until X:XX (end time of event.)
  - Bring Affiliate/Fund brochures and any other written materials.
  - It is also a nice touch to bring a small gift for each guest from your community like a box of one or two chocolates from a local business or notecards from a local artist.
  
- Solicitation
  - Two powerful asks of your guests:
    - What will your legacy be for (Affiliate town/Fund/Alaska)
      - No actual commitment necessary night of event
      - Follow up with individuals and couples after event
    - Current Gift to be made at event or shortly after
      - Via credit card on your donation page



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- Via check written to ACF/Fund name
  - Ensure you have pens (for check writers)
  - Consider using a QR code to directly link a guest to your donation page. ACF's Communication can assist you.
- Event Follow Up
  - Schedule a Greenvelope or email thank you message to be sent the morning after the event.
    - Send one to the attendees and a separate email to those that couldn't attend.
    - You may include a fundraising ask in the email.
  - Assign advisory board members/volunteers to personally follow up with all attendees after the event thanking them for attending, thanking them for their donation if applicable, asking them if they have any questions.



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