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# Donor Initiated Fundraising Policy & Guidelines

March 18, 2024



## Policy and Guidelines Overview

- What are “Donor Initiated Fundraising Activities?” and why are we talking about them today?
  - Fundraising done by Affiliates and other fundholders
  - Recent revisions to the policy made by ACF Board highlight federal, state, and local laws and rules



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## Policy and Guidelines Overview

- Revisions include four main focuses
  - **“Quid Pro Quo” Fundraising Activities** (ticketed events, dinners, auctions) **ALLOWED**, but require special and early coordination with ACF to ensure appropriate receipting
  - **Games of Skill and Chance** – raffles, bingo etc. **NOT ALLOWED.**
  - Events requiring a special events permit from State of Alaska Alcohol Marijuana Control Board **NOT ALLOWED.**
  - **Sale of Merchandise** – Only **ALLOWED IF MERCHANDISE IS DONATED.**



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## Quid Pro Quo Fundraising

- “Quid Pro Quo” contributions are where the donor receives something of value in return for part of their contribution.
- A written disclosure must be provided to the donor with the donation transaction receipt and state:
  - The tax-deductible amount of the contribution
  - Good faith estimate of the fair market value of the goods or services they received
- Failure to make the disclosure may result in a penalty to ACF by the IRS.



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## Auctions and Ticketed Events

- Auction proceeds can only be directed to one fund. Tickets can be directed to another fund upon approval by ACF.
- Provide Auction item information at least one week prior to the event date. A maximum of 15 auction items are allowed.
- After the event, the fundraising group will provide ACF staff with the final bid sheets, including winning bidder contact information and payment methods beyond credit cards.
- ACF staff will provide ticketing software to track tickets, attendance, and provide proper donor receipts with at least four months prior notice.
- 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.



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## Alcohol

- Due to Alaska State Laws, ACF generally does NOT allow 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 giveaway
- Fundraising Groups must contact ACF to discuss options for events where alcohol will be served.
- [Alaska Statutes](#)
- [Alcohol and Marijuana Control Office \(AMCO\) FAQs](#)



## Merchandise and Token Benefit Gifts

- ACF 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.
- Before offering a Token Benefit Gift, the fundraising group must inform ACF of the gift value.
- A Token Benefit gift may be provided in exchange for a donation if the following requirements are met:
  - ACF determines the gift is not substantial, the gift must be valued at less than 2% of the donation or less than \$50 value, and the item production cost is less than \$5, adjusted for inflation - \$13.45 in 2024.
- If the gift is substantial, the donor must be informed of the value and the amount of their contribution that is tax-deductible.



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## Most Important Takeaways From This Session

- Fundholders who want to do fundraising activities must reach out to ACF at least 4 months prior to the event so that we can work together ensuring a successful event.
  - Contact Elizabeth or Celeste and or initiate the conversation with the completion of the fundraising proposal.
  - [Fundraising Proposal Form](#)





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## Recommended Event Types

- All fundraising groups must complete the [Fundraising Proposal Form](#).
  - Appreciation
  - Educate, Inform, and Inspire
  - Legacy Giving Cultivation
  - Benefit Concert
  - Silent Auction
  - Buy a Brick or Donor Wall Campaign



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## Event Best Practices

- Understand your target audience and tailor your event to meet their needs and interests.
  - Venue and Host
  - Guest List
  - Invitation
  - Event Program
  - Solicitation
  - Follow Up



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# Questions and Answers



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***Thank you!***

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