**Guideline for Fundraisers**

When planning a fundraising “special” event that will benefit a university department or program, it’s helpful to answer a few questions up front, so that we may determine whether to place funds in Foundation accounts, or with the University.

1) Determine what type of event you want to have. Dinner, golf tournament, 5K run, silent auction, bake sale, etc.
2) Will event participants be making tax deductible gifts, and therefore expecting gift receipts? (A gift receipt would be provided to a donor who receives no goods or services because of the gift...or, makes an additional contribution above and beyond the cost associated with the goods or services received).

In most circumstances, once we have discussed the above and determined the answers, then we can appropriately direct the funds received/proceeds to either Foundation or University accounts. There are occasions, where it gets a little more complex, however, where events may yield both gift income and non-gift income. Some events, for example silent auctions, may require additional discussion in order to set up properly. Please call Denise Kettering, Director of Advancement Services (6-4143) with any questions you may have.

Another reason for better understanding the fundraising events, is so that if money is deposited into the Foundation, certain IRS tax reporting guidelines have to be met. So, in order for Foundation accounting to be able to properly collect and report this activity on the Form 990 (Non-profit organization tax return), we must have each fundraising event tracked individually, and report the following information, along with depositing the money received, to the Foundation.

1) Gross receipts
2) Charitable contributions (including for each donor: names, addresses, and amounts)
3) Cash prizes (if any awarded – W-9 may be required)
4) Non-cash prizes (if any awarded – W-9 may be required)
5) Rent/facility costs
6) Other direct expenses

Please note, if the fundraising event is a RAFFLE, there are other reporting requirements and information needed from the winner that we would need to discuss as well.

See page 3 and 4 for a few simple examples
Special Note: Joint Non-Profit Organization Fundraisers

Recently, there have been programs on campus that have partnered with other non-profits (non-university) for fundraising events. All have been for very worthy causes. However, we are experiencing difficulties and challenges with regard to accounting and gift receipting procedures. For tax purposes for the organizations, and the donors or participants, we must comply with providing detailed accounting reports of monies received (whether it be entry fees or donations), costs associated with the fundraising events, prizes awarded, and whether or not there were actual charitable contributions in which a receipt for the donor must be generated. And, once all of that is determined, then, we must be very transparent and disclose the distribution of the percentage of proceeds to the other charity. These funds raised for other non-profits must remain separate from any reporting we do for the University or Foundation, and disclosed appropriately. And, it is difficult to disburse money to other charities once we receive it (normal vendor documentation and procedures will apply).

So, with that being said, if you must partner with another non-profit organization, let’s discuss up front, a way that we can manage the receipt of monies that will benefit each organization and the participants/donors and comply with accounting and tax guidelines. Contact Denise Kettering, Director of Advancement Services with questions.
Example #1  Walk-a-thon

P.E. Department has students or employees walk laps around the track. Donors “pledge” a certain dollar amount per lap, or make a lump-sum contribution. Donor makes check payable to the Missouri State University Foundation. In the memo portion of the check, indicates P.E. Walk-a-thon. Donor receives no prizes or benefits from making this gift/pledge. This is ALL gift income. Deposits are made into the appropriate P.E. Department Foundation account. Foundation sends gift receipts to all donors.

Department provides the following report to the Foundation:

- Gross receipts: $10,000
- Charitable contributions: $10,000
- Cash prizes: None
- Non-cash prizes: None
- Rent/facility costs: $100
- Other direct expenses: $500 (printing pledge cards)

Example #2  Dinner to raise money for a scholarship

The English department wants to have a retirement dinner for a retiring professor, and also raise money for a scholarship in her honor. Price of the ticket for the event is $50 per person. $25 of that cost will be the reimbursement for the dinner expense, and the other $25 will be considered a gift to that scholarship. The donor may also have the opportunity to make an additional gift to that scholarship.

Donor writes the check to the Missouri State University Foundation. Indicates Dr. Professor in the memo portion of the check and returns a RSVP card indicating number of attendees for the dinner and amount of additional gift (if any). The Foundation will process this into the designated English Foundation account. Gift portions will be placed in either the restricted or endowed part of the fund (if it is an endowed fund), and the non-gift portion will be placed in the restricted portion of the fund, but not recorded as “gift.” The Foundation will send a receipt to the donor indicating the amount of the check, and what was tax deductible and what was not (or benefit received = dinner).

Department provides the following report to the Foundation:

- Gross receipts: $12,500
- Charitable contributions: $7,500
- Cash prizes: None
- Non-cash prizes: None
- Rent/facility costs: None
- Other direct expenses: $6,000 (dinner expense, invitations, etc)
Example #3  5K run

A 5K run is being held with proceeds to benefit a departmental general fund. Participants will submit entry fees. T-shirts are provided. There is no donor intent here, so no tax deductible contributions will be made and no gift receipts will be issued. Checks should be made payable to Missouri State University with a note in the memo for the 5K run. Checks may be deposited into a University account. No deposits will be made into the Foundation, and no extra reporting for IRS purposes necessary.