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Core to the Bartlesville Community Foundation (BCF) mission is promoting charitable giving. While we provide the charitable tools and fund administration to promote giving, the Community Foundation does not have the capacity to operate fundraising events for its component funds. This policy sets forth the rules, restrictions, and procedures for the fundraising activities of BCF Component Funds. This policy does not apply to Donor Advised Funds.

Thank you for expressing confidence in the Bartlesville Community Foundation by establishing a fund with us. We are pleased to work with you and strive to provide you with the best possible service. Core to the BCF mission is promoting charitable giving. While we provide the charitable tools and fund administration to promote giving, the Community Foundation does not have the capacity to operate fundraising events for its component funds.

Component Funds are defined as funds that are owned and controlled by a sponsoring organization - in this case, the Bartlesville Community Foundation. They are part of or a component of the BCF. They are established when a person or entity gifts or transfers money or property to the BCF for some specific charitable purpose. There are five requirements for a component fund:

1. The donor must have made a completed gift;
2. The gift must be for a charitable purpose;
3. If the fund is a separate legal entity (such as a trust or corporation), then the organizational legal documents of the community foundation must meet the single entity requirements contained in the tax regulations for community trusts;
4. If the fund is a separate legal entity, it must subject itself to the common governing instrument of the community foundation; and
5. The fund may not be directly or indirectly subjected by the donor to any “material restriction” or condition (as that term is defined in the private foundation tax regulations) with respect to transferred assets.

We recognize there may be times when you would like to organize a fundraising event to benefit the fund you have established. The IRS has developed strict requirements that impact fundraising. We have developed this policy to guide your fundraising efforts and (1) share expectations of the BCF so we may comply with IRS and other governmental regulations, (2) appropriately acknowledge donors to the BCF and component funds and (3) protect the integrity of the BCF’s nonprofit status and brand identity. This policy, which applies to all current and future funds, is very important, and we are happy to help facilitate fundraising that complies with the guidelines stated herein. We reserve the right to refuse any assets that have been raised in violation of this policy.

ANY fundraising, marketing, or solicitation made on behalf of a potential component fund at

the BCF with or without the use of the BCF credentials, prior to the fund being approved or reviewed by the BCF staff and/or BCF board, may be deemed **automatically ineligible** for acceptance. Said fundholders may return to the BCF for future collaboration opportunities after 12 months. Furthermore, the BCF may terminate the relationship with any component fund and its fundholders who are unwilling to comply with the BCF's fundraising guidelines.

GUIDELINES

The following guidelines have been developed to help guide those planning fundraising events and solicitations for component funds.

When fundraising activities and solicitations are conducted on behalf of a component fund at the BCF, fundraising is being done on behalf of the BCF, and a number of significant tax and accounting issues can arise. For example, it is important that these activities be conducted under the observation and fiscal guidance of the BCF to A) appropriately recognize qualifying gifts from donors to component funds, B) help fundraising groups avoid unintended tax consequences to themselves, and C) prevent the BCF from being exposed to penalties for failing to make proper solicitation disclosures.

Before undertaking fundraising events, the individuals/committee representing the component fund may be asked to submit a written proposal (Exhibit A, Page 8), and obtain advance approval from the BCF prior to initiating fundraising activities. If requested, the proposal will be reviewed, and action will be taken within 30 days by the BCF staff and/or BCF Executive/Finance Committees.

If a proposal is requested, it should define each program, event, or other effort to raise money for the fund. If the proposal is approved, the component fund representatives may then proceed in accordance with the BCF's guidelines. All fundraising materials should make it clear, where applicable, that funds are being raised on behalf of a component fund of the BCF rather than by the BCF, the fundraising group, or an individual. An administrative fee may be charged if extra services need to be expended by the BCF.

The responsibility of the BCF will be:

1. The management of such money and property as it may be accepted into the component fund from donors, other contributors, and sources;
2. To pay all submitted costs and expenses to vendors, contingent on proper documentation and sufficient funds are available;
3. The application of income and principal to charitable uses, all in accordance with the governing documents of the BCF; and
4. The provision of appropriate acknowledgements to donors.

The fundholders or committee members representing the component fund will retain responsibility for all fundraising events and matters related to them including:

1. Presentation of a plan to the BCF prior to the event for pre-approval (if requested);
2. Adherence to the plan in implementing the event (if a plan is requested);
3. Ensuring all fundraising expenses and documentation are submitted to the BCF for payment in advance of payment deadlines;
4. Maintaining appropriate financial controls and records related to fundraising expenses;
5. Adherence to all relevant local, state, and federal laws;
6. Assessing the need for liability insurance coverage;
7. Reporting to the BCF, as requested by the BCF or required by an approved proposal; and
8. Application or securing of any special certificates or licenses, ABLE Commission, for example.

Payment of Expenses

The component fund organizers may be asked to establish a budget for submission to the BCF prior to any events or fundraising campaigns. The BCF asks that invoices for goods and services be submitted within 30 days of the event and will pay expenses directly from the fund. If individuals representing the component fund pay for expenses directly, receipts must be provided to the BCF and approved by authorized signers for any reimbursement to be paid or acknowledged. Payment of grants, invoices, or reimbursement will be made at the next available date for BCF check processing following the receipt of all necessary/requested supporting documentation.

In accordance with IRS regulations, the BCF is prohibited from reimbursing expenses to a donor, advisor, or related party from a **Donor Advised Fund**.

Designation of Checks and Receipt of Cash

Incoming checks related to the event must be made **payable to the Bartlesville Community Foundation** with the name of the fund designation in the memo line. Cash receipts are to be delivered to the BCF intact and any cash received should not be used to pay expenses by the fundraising group or individual at/during a fundraising event. All proceeds must be delivered to the BCF, along with an accounting of all monies received, the next business day following the fundraising event unless other arrangements have been made. BCF has the following materials available to be checked out by authorized component fund signers to help facilitate cash handling at the event:

- Cash counting sheets
- Cash Box with Key
- Cash/Bank Bags
- Square readers for electronic payment

All materials checked out by authorized component fund contacts must be returned to the BCF the next business day following the event unless other arrangements have been made. These items are limited and available on a first come first serve basis.

Money raised electronically should be done using BCF approved methods and linked to BCF accounts unless otherwise approved. No settings or BCF information should be changed or updated in tools checked out to component fund representatives by anyone other than BCF staff – for example, Square account.

Tax Requirements and Acknowledgments

The IRS has imposed strict requirements which impact fundraising. If the steps outlined below are not taken, donors may be denied a tax deduction and the fundraising group or individual may find itself unexpectedly subject to tax on the funds raised; and/or either the BCF or the fundraising group may be subject to penalties. Any tax and/or penalties assessed on the BCF due to the fundraising activities on behalf of a component fund will be the responsibility of the component fund.

Eligible donations of \$250 or more will be recognized by a written or digital tax acknowledgement from the BCF. Donations of less than \$250 may be recognized by the BCF at its discretion. The BCF will provide the appropriate acknowledgement to donors, but may request certain detailed information from the donor or fund contact to do so. Specifically, the component fund representatives may need to provide the Community Foundation with:

1. The donor's complete name and address;
2. The date and amount of the contribution;
3. Whether the contribution was in cash or property;
4. If property, a description of the type of property and a good faith estimate of the fair market value; and
5. A detailed description of any goods and services provided in exchange for the contribution, with any associated value to be appropriately considered non-deductible.

Contributions of services, while appreciated, are generally not deductible. If the component fund representatives provide goods or services in exchange for a donation, certain disclosures are required to be made upon solicitation. For example, if the component fund is sponsoring a dinner, only the excess of the ticket price above the fair market value of the dinner may be deductible. This limitation on the deduction, known as a "quid pro quo disclosure", must be disclosed at the time of solicitation. Disclosure on the event ticket is a typical method for making this disclosure.

The BCF may be able to assist the component fund in determining the fair market value amounts and the appropriate disclosure language for the event. To do this, the fundholder must work with

the BCF *prior* to the solicitation activity and will need information pertaining to the event, such as the ticket prices and the value of the goods or services donors are to receive. Those associated with any fundraising activities are responsible for providing the required quid pro quo disclosure information to the BCF, and for ensuring the appropriate information is disclosed to donors.

Other Types of Fundraisers

The BCF will not facilitate raffles. Rummage sale purchases are not tax-deductible by the purchaser and those purchasers will not be provided a tax acknowledgement. The BCF will not assist with determining the value of items for an auction and may not provide acknowledgements for items valued under \$250 donated for an auction.

Liability Insurance and Liability for Losses

The component fund event organizers are responsible for contacting the BCF prior to having a fundraising event to assess the need for liability insurance. A copy of insurance coverage related to the fundraising event and/or activities conducted by the component fund must be provided to the BCF prior to the event.

The component fund event organizers will be responsible for all losses incurred by events. The BCF will not be held responsible for such losses.

Fundraising Options

1) Independent fundraising by an individual or group (not a 501(c)(3)) for which donors are not offered a tax deduction

Gifts may be made to the component fund from the proceeds of an event/solicitation for which donors were not offered a charitable tax deduction, and where the BCF was not listed as a sponsor of the event.

Fundraising may be conducted by an individual, a group of people, or an organization for the benefit of a component fund at the BCF. Generally, the person or group that plans and executes the fundraiser (for example: dinner; golf tournaments; walk-a-thons; auctions; sales of products or services; requests for money from individuals or organizations through mailings, advertisements, or oral solicitations) makes one lump sum donation (net of expenses) to the fund. Unless the event is sponsored by a qualified charitable organization which accepts and acknowledges the contributions, the donor may not take a charitable tax deduction for the contribution. The BCF will not acknowledge the individual contributors.

Guidelines applicable to non-tax-deductible fundraising:

- An individual or group that plans and executes a fundraising event may state that the net proceeds will benefit the general purpose of the fund.
- The individual or group may not use the BCF's tax exempt number in connection with the event. Individual contributions made as a result of an event/solicitation will not qualify as a tax-deductible charitable gift to the BCF.
- Event organizers are responsible for applying for, obtaining, and paying for any necessary insurance, permits, licenses, approvals, etc. Events or activities that include games of chance must comply with all applicable federal, state, and local laws.
- Fundraising events often require certificates of insurance or signed contracts. When events are sponsored independently of the BCF, the name of the BCF or the fund name must not appear on any contract or agreement.
- Individual participants in the event (ticket purchasers, sponsors, golf players, etc.) should make their payments to the organizing individual or group, not to the BCF or the fund. The organizers may record the contributors' names and addresses, and provide a courtesy acknowledgement. The acknowledgement letter may not include any language stating that the letter serves as an official receipt for IRS purposes or include any reference to tax deductibility.
- Event organizers will pay all expenses and provide the net proceeds of the fundraiser to the BCF for the benefit of the fund. The BCF will record the gift as coming from unnamed third-party donors. Please note that the BCF is prohibited by law from reimbursing the event organizers for their expenses, therefore, the group must deduct its/their expenses before providing the net proceeds to the BCF.

2) Independent fundraising event or solicitation by a 501(c)(3) organization with proceeds to benefit a fund at the Community Foundation

This type of fund consists of gifts from the proceeds of an event or solicitation that is sponsored by a 501(c)(3) organization which has a fund at the BCF for the benefit of that organization.

Organizations with their own 501(c)(3) status may sponsor a fundraising event or solicitation promoting their organization and deposit the net proceeds into the organization's fund at the BCF. The organization will issue its own acknowledgement letters to donors because the organization has its own charitable tax-exempt status and accepts gifts from donors. In cases where gifts are sent directly to the BCF, the BCF will send a gift acknowledgement indicating the gift is tax-deductible, minus any quid pro quo benefit to the donor.

Organizations should ensure they are in compliance with all applicable IRS and State of Oklahoma laws and regulations regarding solicitation, acknowledgement, and tax deductibility of gifts.

3) Direct gifts to a fund at the BCF that are or may be tax-deductible

Funds may be promoted through various forms of passive marketing including brochures, website, information sessions, or a request for money through an appeal letter.

In response to those marketing efforts, a donor may make a gift directly to the component fund. Checks should be made payable to the BCF with the name of the fund in the memo line and sent directly to the BCF. The BCF may also accept gifts of cash, online credit card donations, securities, and complex gifts. The donor will receive a gift acknowledgement letter from the BCF if any portion of the gift qualifies as a deductible contribution.

Additional Fees

Additional fees may apply in certain situations. For example:

1. No event is planned and only direct solicitations are being conducted.
2. A fundraising event is held (may include an auction, golf tournament, dinner, direct mail solicitation, etc.) with the proceeds contributed to a fund.

Component funds will be charged for credit card and stock transaction fees, in addition to the standard administrative fee. ** Donor Advised Funds cannot be used for any of the above purposes**

EXHIBIT A

PROPOSED FUNDRAISING ACTIVITY APPLICATION FORM AND BUDGET

A minimum of 30 days prior to initiating fundraising activities, please provide the Bartlesville Community Foundation with: A) a description of the project and budget including information on anticipated revenues and expenses (including donated items to the event and their value), B) the number of people expected to be in attendance, C) the individuals acting on behalf of the component fund, and D) the fair market value of the goods and services a donor may receive when they participate in your event/project and/or, what they will receive in return for their contribution. For example, the fair market value of a dinner.

If some time before the event there are substantial changes to the purpose or type of event, such changes will require re-approval by the BCF. Following the event, the BCF requires a final report listing the actual revenue/expenses and number of people who attended and made contributions. The check/contribution amounts deposited into the fund should correspond with the information provided.

Please complete the form below (items 1-10 should be answered on a separate document), and submit to the BCF for consideration and approval.

- 1) Purpose of fundraising effort
- 2) Description of event
- 3) Date of event
- 4) Location of event
- 5) Group or individuals who will conduct the fundraising event. Indicate those who will authorize expenditures (minimum of three individuals conducting event and eligible to authorize expenditures)
- 6) Primary Contact People (minimum of three)
 - a. Name, Address, Phone, Email (of each)
- 7) Do any of the above-named individuals expect to gain monetarily from conducting the event? Do any of these persons have connections to a business that will benefit from the proposed event? If so, explain.
- 8) Have these individuals or this group organized previous fundraising events? If the answer is yes, please give date, place, and brief explanation.
- 9) Is alcohol being served at the event?
- 10) Proposed project budget (NOTE: Unauthorized expenditures will be the responsibility of the fundraising group).
 - a. Expected Revenue: \$
 - b. Expected Expenses: \$
 - c. Net Proceeds (Revenue less Expenses): \$

d. Number of Event/Project Participants/Donors

- 11) Please provide the name and contact information of the agent providing event insurance and proof of insurance once secured.

Proposed Budget

- I. Please describe and list sources of event/project revenue (Attach separate sheet if necessary)

_____ \$ _____
_____ \$ _____
_____ \$ _____

- II. Please describe and list sources of event/project expenses (Attach separate sheet if necessary)

_____ \$ _____
_____ \$ _____
_____ \$ _____

- III. Items donated for the fundraising event (for example food and/or cases of soft drinks) must be recorded at fair market value and included in the calculation determining the value of the benefit received by the donor for his/her contribution to the fund. Please describe and list donated goods/services to the event/project and their fair market value (note: fair market value is the amount the item/service would be worth if sold to the general public in the ordinary course of a trade or business) (Attach separate sheet if necessary).

_____ \$ _____
_____ \$ _____
_____ \$ _____

- IV. Will any individual be paid for services from this Fund? Yes No

If yes, list who will be paid and explain the service(s) rendered along with a request for payment and a completed W-9 form for each individual who receives compensation and the amount paid. The BCF can provide W-9 forms if needed.

- V. Description of event/project and contribution levels (Please detail what benefit(s) a donor receives when they contribute to your event/project). Are there different benefits associated with different levels of contribution? What does a corporate sponsor receive for contribution, and are there different benefits for corporate sponsors? (Attach separate sheet if necessary).

A contribution/gift to the fund is a voluntary transfer of money or property that is made with no expectation of a commensurate return. If a donor receives a financial or economic benefit in return for making a contribution/gift (dinner and entertainment, etc.), their payment is not a tax deductible charitable contribution except to the extent that it exceeds the fair market value of the benefit. Therefore, for the Community Foundation to properly acknowledge charitable contributions to the fund from a fundraising event, the information in the proposed/actual budget and the corresponding value assigned to the contributions must be provided. Without this information, the Community Foundation cannot appropriately acknowledge the donor for his/her charitable contribution to the fund.

I have read the Community Foundation's Donor-Initiated Fundraising Policy, agree to abide by it, and attest that all information presented here is true to the best of my knowledge.

Print and Signature of Primary Contact

Date

Print and Signature of Secondary Contact

Date

Submit this form to:

Bartlesville Community Foundation
321 SE Delaware Avenue
Bartlesville, OK 74003
918.337.2287

BCF OFFICE USE ONLY

Date of application received: _____

Application approved by: _____
(BCF Controller AND President/CEO OR Director of Operations. BCF Executive Committee may also be consulted.)

Date application approved: _____

Fundraising Group has supplied (check all that apply):

_____ Proof of liability insurance covering the Community Foundation (if applicable)

_____ Proof of Charity Liquor Permit (if applicable)/ ABLE Commission Special Event Registration

_____ Other: _____

_____ Other: _____

_____ Other: _____

_____ Other: _____