

South Texas College

Fundraising and Gift Acceptance Procedures

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Fundraising and Gift Acceptance Procedures**

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South Texas College

Fundraising and Gift Acceptance Procedures

Introduction

Faculty, staff and administrators at South Texas College are encouraged to pursue fundraising activities to support the College. These procedures are intended to provide a controlled approach in soliciting funds or other gifts from the general public.

The objectives of the fundraising procedures are:

- to ensure that prior approval is obtained for fund raising activities
- to ensure that the fund raising activity will aid in the accomplishment of the mission of the college and further the strategic initiatives of the College
- to control duplicate fundraising efforts
- to control multiple solicitation of gifts from the same donor(s)
- to identify priorities
- to ensure proper accounting for all funds and gifts receipts by the college
- to ensure an effective fundraising plan
- to ensure compliance with Internal Revenue Service rules and regulations

The coordinated fundraising effort is vital for both the achievement of the College's fundraising goals and the continuation of favorable donor relations. It is expected that all employees of the College will comply with these procedures.

The following guidelines are meant to give direction to South Texas College concerning fundraising activities, exclusive of grants and/or contracts. These guidelines will provide a coordinated structure by which all solicitation efforts will be appropriately initiated within the college's high standard of community service and public confidence.

For the purpose of this procedure, a donation or gift is a voluntary transfer of property without expectation of return.

Board Policies

Board Policy #5910 - Acceptance of Gifts and Bequest.

According to Board Policy #5910, the College may accept gifts and bequests of land; facilities; items of personal property such as books, equipment, training aids, money, stocks and bonds which may be converted into money, materials or other items of value which may aid in the accomplishment of the mission of the College.

The Board policy includes guidelines on types of donations to be accepted, accounting for the donations and appropriate acknowledgment.

Fundraising Procedures on Business Office web page

These procedures can be downloaded from the Business Office web page at:

<http://www.southtexascollege.edu/businessoffice/procedures.htm>

Fundraising Authorization

Prior approval is required for all fundraising activities. The Fundraising Authorization Form No. 4000 must be completed and submitted to the Financial Manager and appropriate Vice President for approval. In addition, the Alumni & Fundraising Associate or the President must approve the activity, as follows:

| Required Approval | Source of Solicitation | Amounts |
|--------------------------------|------------------------|------------------|
| Alumni & Fundraising Associate | Internal/External/Both | Under \$1,000 |
| President | Internal/External/Both | \$1,000 and over |

Once the fundraising proposal has been formally approved, any solicitation must conform to the college policies and procedures.

Departmental Responsibilities

The Department hosting a fundraising event is responsible for the following:

1. Ensure proper prior approval by completing the Fundraising Authorization Form (#4000).
2. Develop a fundraising plan.
3. Ensure fundraising events have the intent to yield net proceeds to the event.
4. Plan, conduct, and administer the fundraising event.
5. Ensure compliance for college policies and procedures including the design and operation of effective internal controls, especially over the cash revenue receipt function.
6. Ensure compliance with the specific procedures set forth in these procedures. The department must submit the approved fundraising authorization form and other documents to the Business Office. The department must meet with the Business Office to review the fundraising plan.
7. Identify the portion of the revenue that is not a potentially tax-deductible gift (i.e., the fair market value of goods and services, the non-gift component of the event admission/registration fee, to be received.
8. Identify the beneficiary of the gift.
9. Ensure all individuals having responsibility for the fundraising event are trained on cash handling procedures, if applicable.
10. Coordinate with the Cashiers Office if the department is accepting credit card payments.
11. On a daily basis, deposit all associated funds at the Cashiers Office.

12. Record and maintain a complete listing of all receipts and donors for the fundraising event. The list shall include the legal name(s) of each donor (as on the check), mailing address, date of receipt, non-gift dollar amount, and, for company donors, the contact name.
13. If the fundraising event includes prizes or awards, then maintain the listing of all recipients.
14. Provide acknowledgment letters to the donors.
15. Provide a listing of these donors or copies of the donor forms to the Business Office for receipting and accounting purposes.
16. Ensure that unrelated business income is not generated.
17. Complete the Department Accounting Report of Donations and submit to the Business Office, for functions other than fundraising events.

Business Office Responsibilities

The Business Office will record all gifts and will deposit all funds to assure donors that proper accounting and stewardship procedures are being maintained. All checks are to be made payable to South Texas College and sent to the address below:

Cashiers Department
P.O. Box 9701
McAllen, Texas 78502-9701

(the specific purpose of the payment may be noted on the envelope, on the check or on the accompanying fundraising form)

The Business Office is responsible for the following:

1. Review the documentation of the fundraising event in order to assess risk and determine compliance issues.
2. Act as a resource to the hosting department relative to College policies, procedures, forms and internal controls throughout the course of a fundraising event.
3. Review all submitted documentation and provide any needed changes in order to ensure compliance with policies and procedures.
4. Provide receipts to all individuals included on the donor listing or donor forms submitted by a department.

Sponsorships

The College may solicit sponsors for an item or for an activity. The following procedures apply to solicitation of sponsors:

- Only the sponsor's name and logo may be shown on any material.
- The sponsor cannot advertise by showing some type of statement such as "the best printing company in town".

- If the company's link is placed on the College's website, the link must be to their home page, not to their sales prices or customer service.
- On any flyer or brochure that includes their sponsorship notice, only their name and logo should be shown.
- Any type of advertisement done by the sponsor should be reviewed for unrelated business income.

Two Tax Free Days

Two days a year are allowed by the State Comptroller Office to sell items, such as t-shirts or tacos, etc, without having to pay tax on the sales. A sale lasting more than two days a year (like our cafeteria), is considered a retail operation, and sales taxes must be paid. The two days are per organization of the college, including student organizations.

IRS Disclosure Requirements

IRS's substantiation and disclosure requirements are as follows:

- A written disclosure on the Donation Disclosure Statement Form (No. 3900) is required to the donor.
- A written acknowledgment to the donor and include the following: name of organization, amount of cash contribution, description of the non-cash contribution, statement that no goods or services were provided by the organization in return for the contribution, if that was the case, description and good faith estimate of the value of goods or services, if any, that an organization provided in return for the contribution, and statement that goods or services, if any, that an organization provided in return for the contribution consisted entirely of intangible religious benefits, if that was the case. It is not necessary to include either the donor's social security number or tax identification number on the acknowledgment.
- The college must provide the donor the value of the quid pro quo contribution, the amount of the contribution that is deductible for federal income tax purposes, and a good-faith estimate of the fair market value of the goods or services.
- The acknowledgment may be on a letter, postcard or computer-generated form.
- The acknowledgment may be a paper copy or an electronic acknowledgment to the donor.
- A penalty is imposed on the organization for failure to comply. The penalty is \$10 per contribution, not to exceed \$5,000 per fundraising event or mailing.

Accepting and Acknowledging Gifts

Upon receipt of a gift the department acknowledges the donor as follows:

- A complete record of every individual donor's contributions shall be maintained.
- The department must prepare acknowledgement letter for the President to sign.
- The President shall send personal letters acknowledging all gifts as per Board Policy No. 5910.