



Guidelines for Donor-Initiated Fundraising

Community foundations offer several distinct fund types, each allowing for different fundraising activities and with associated legal/operating rules. We have developed these guidelines to assist you in your successful fundraising efforts and ensure 1) that you comply with IRS and other governmental regulations, (2) ensure that donors receive the appropriate tax acknowledgement, (3) protect ECCF's 501 (c)(3) status, and (4) protect donors/fundraising groups from unintended tax consequences to themselves or ECCF.

Understanding Fund Types and allowable fundraising:

- **Donor Advised Funds:** Acceptance of 100% tax-deductible gifts only.
- **Scholarship Funds:** Acceptance of 100% tax-deductible gifts only.
- **Designated Funds:** Acceptance of 100% tax-deductible gifts only.
- **Standard Field of Interest Funds:** Acceptance of 100% tax-deductible gifts only.
- **Specialized Field of Interest Funds:** In addition to accepting 100% tax-deductible gifts, event fundraising is allowable with ECCF prior approval. Event fundraising may be allowed for partially tax-deductible gifts, as well as allowable event expenses to be paid from the fund.
- **Nonprofit Funds:** Nonprofit agency funds sponsor their own fundraising events and only gifts given by the named agency can be contributed to a nonprofit fund. In some instances, direct donations by a donor (100% fully tax-deductible) may be accepted and will be considered on a case-by-case basis.

Types of Donor-Initiated Fundraising Activities:

100% tax-deductible donations (cash, check, credit card, wire, securities, cryptocurrency):

All component funds of ECCF can accept fully tax-deductible donations directly into the fund (note the exception of Nonprofit Funds listed above). For clarification, a fully 100% tax-deductible donation is defined as:

“A contribution/gift is a voluntary transfer of money or property that is made with no expectation of a commensurate return. If a donor will receive a financial or economic benefit in return for making a contribution/gift (dinner and entertainment, etc.), the payment is not a tax-deductible charitable contribution except to the extent that it exceeds the fair market of the benefit. This limitation on the deduction is known as a “quid pro quo” and must be disclosed.”

ECCF will provide the most up to date instructions for how to contribute gifts into a fund upon request. A few key factors to consider are as follows:

- To process a gift, ECCF must know the name, address, and contact information of the person/entity making the donation.
- To help with online giving, all fundholders (except Nonprofit Funds) can choose to establish an online fundraising page on ECCF’s website that will accept donations directly into the fund.
- **Grant Proposals to Private Foundations** (Specialized Field of Interest Funds only): On a case-by-case basis, ECCF will consider a Specialized Field of Interest Fund’s request to apply for grant funding from a Private Foundation or Government entity. Most private foundations require a 501c3 ID number in order to apply for funding. As a fund of Essex County Community Foundation, ECCF (under its 501c3 tax ID) would be the applying organization. Please discuss your plans with your ECCF Relationship Manager **prior to writing a grant proposal**.
- **Event Fundraising** (For Specialized Field of Interest Funds only): Fundraising events often include complicated fundraising tactics to raise money as well as the need to pay event-related expenses. In both cases, there are strict IRS regulations and required audit practices that ECCF must adhere to. As such, ECCF requires that all fund advisors adhere to the following Event Fundraising guidelines.
- **Crowdfunding and 3rd party platforms**: Funds raised through a third-party or crowdfunding source such as Facebook, GoFundMe, PayPal, Benevity, YouCaring, etc. are not under the fiduciary supervision of ECCF. Most of these platforms do not provide donor names/contact info for gift receipting and therefore ECCF cannot provide a donor with tax acknowledgement for gifts. Please be aware that

policies on these platforms may not comply with ECCF policies. For those reasons, ECCF does not provide banking information for donations on third-party crowdfunding platforms. While these fundraising platforms can be used, ECCF will accept check payments only from 3rd party platforms and will enter the totaled revenue gift (net proceeds) into the named Fund. Donors will not receive a tax acknowledgement for their donation from ECCF. Please make ECCF and your Relationship Manager aware if you are using a crowdfunding or 3rd party platform prior to setting up any 3rd party platform.

General Fundraising Gift Processing Guidelines:

- **Gift Receipt Process**

All gifts made to ECCF or any fund held by or administered by ECCF are, per IRS definitions, considered to be irrevocable gifts to ECCF and subject to variance power (subject to final acceptance and utilization in ECCF's exclusive authority). Checks and credit card contributions must be made out to "ECCF – Name of the Fund", or the name of the fund can be written in the memo line of the check. If the payment is not prepared in this manner, donations may be sent back to the primary donor/advisor for proper endorsement.

- **Gift receipts/Notification of Tax Deductibility**

All donors making tax-deductible gifts of \$250 and above will receive a gift acknowledgement letter from ECCF indicating that the gift is tax-deductible. For gifts under \$250, donors may use their cancelled check or online credit card receipt to verify the tax donation. The appointed fund advisor will have access to the online donor portal (if requested) to keep track of gifts to the fund. Contributions will be processed within seven to ten business days of receipt of the gift.

The Foundation will provide the appropriate acknowledgement to donors only if it receives certain detailed information. Specifically, the fundraising group must provide the 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 online donation.
4. If property, a description of the type of property and a good faith estimate of its fair market value (examples: auction items, donated goods, etc).

5. A detailed description of any goods and services provided in exchange for the contribution.

- **Gift Processing Timeline**

For all checks received at calendar year-end, the gift will be posted/acknowledged on the date the gift was mailed, as evidenced by the postmark date. Credit card donations are posted/acknowledged based upon the date the charge was registered.

Contributions of stocks are generally sold within twenty-four hours of notification and receipt of stock in negotiable form. ECCF receives the settlement information within ten days of the sale and acknowledges the gift. Contributions of mutual funds may require up to six weeks to complete.

Please contact your ECCF Relationship Manager when contributions of non-monetary assets are planned as part of a donor-initiated fundraising activity, as all such gifts are subject to ECCF's Gift Acceptance Policy, shared upon request.

EVENT Fundraising Guidelines

With ECCF's prior approval, Specialized Field of Interest funds may be permitted to host or operate a fundraising event that may include fully tax-deductible gifts and partially tax-deductible gifts such as tickets/registrations, auction items, etc.

If an advisor from a Specialized Field of Interest Fund is interested in planning a fundraising event, please meet with your ECCF Relationship Manager prior to solidifying event plans. He/she will review and discuss Addendum A: Event/Ticket Fundraising Guidelines and ask you to complete Addendum B: Fundraising Activity Form and Budget.

Types of Event Fundraising:

- **Tickets/Registrations:**

What it is: When hosting an event, fundraising groups may choose to charge a ticket price or a registration price to attend. It might take the shape of an entry to a party, gala, speaker series, road race, etc. Typically, the ticket/registration includes goods/services that is considered a financial benefit to the donor. This may be all or a portion of ticket/registration value.

What you need to know: The fundraising group will determine taxable and non-taxable value of the ticket/registration and will provide the value to ECCF for gift processing purposes to ensure legal and tax considerations.

When choosing an event that contains tickets/registrations, the fundraising group must choose from the approved option(s) of online software to track tickets/registrations (example: Eventbrite, OneCause - see Addendum A).

- **Auction Items:**

What it is: Auctions are often used by fundraising groups and may take shape as a silent auction, live auction, or online auction. There are legal and tax considerations for this type of fundraising as all or a portion of the item has value that is not tax deductible.

What you need to know: When hosting an auction, fundraising groups must use the ECCF approved software (Addendum A) option(s) to ensure proper donor information is collected and IRS regulations are followed.

ECCF requires that the fundraising group utilize appropriate and legally compliant means to determine the value of donated items for tax-deductibility considerations.

Valuation of Tickets/Auction Items

The Fundholder is responsible for defining and providing the Fair Market Value (FMV) of each ticket or auction item to determine the amount of the donation that is tax deductible (tax deductible portion = Amount Paid – FMV). Fair market value (FMV) is the price that property would sell for on the open market. It is the price that would be agreed on between a willing buyer and a willing seller, with neither being required to act, and both having reasonable knowledge of the relevant facts. This is not the same as the expense to the fundholder.

For most auction items, the easiest way to determine fair market value may be to see how much similar items sell for at an online auction site such as eBay, or to check with local resale stores. For event tickets, the easiest way is to see how much a similar meal + entertainment would cost at a restaurant or entertainment venue. Some online tax preparation services also help you determine the value of commonly donated items.

Fundraising Restrictions

1. Because raffles are heavily regulated at the state and local level, and are not tax-deductible contributions, ECCF does not approve raffles at events. This includes raffle tickets, penny raffles and item raffles.
2. Revenue from the sale of merchandise is not tax deductible, therefore any revenue generated from the sale of merchandise will be collected and recorded as a

singular cash donation to the Fund.

Approvals for Event Fundraising

A fundraising group needs to submit a written proposal and budget to their ECCF Relationship Manager at least 120 days in advance of the fundraising event (see Addendum B & C) and obtain advance approval before undertaking fundraising events. ECCF will process the proposal and contact the fundholder within ten business days of receiving the fundraising proposal.

Note: Contracts for fundraising events (e.g.: venue, entertainment, rental equipment, etc.) are the responsibility of the fundraising group.

Potential Additional Fees

In most cases, the fees assessed annually by the Foundation are sufficient to support the administrative responsibilities associated with approved 100% tax-deductible gifts. However, when hosting events, the Foundation reserves the right to assess additional fees. This may include, but are not limited to the following:

- Credit card donations will be charged the Foundation's or 3rd party platform credit card processing fee.
- Fee(s) associated with third-party software license/set up of platform, along with any transaction fees charged.
- Should additional insurance be required for the fundraising event, this expense will be charged to the Fund.
- Based on the complexity of your fundraising event, ECCF will assess the gift processing requirements and may assess an additional fee. This will be discussed with your Relationship Manager.

Other Event Fundraising Details/Legal Obligations

- **Payment of Expenses**
ECCF will pay for event expenses for Specialized Field of Interest funds that are in pursuit of the charitable purpose of the fund, are permissible by regulation, and are pre-approved by ECCF. Expenses that have been pre-approved in the budget during the approval process will be paid, but any other expenses require review by ECCF before payment is approved. A W-9 form is required for any reimbursement or vendor payment.
- **Grantmaking from the Fund**
Grant recommendations made from a fund that conducts donor-initiated fundraising, especially event fundraising, must wait until the event income and

expenses have been fully posted and all event/credit card fees/ECCF admin/etc. fees have been posted. This generally means at least 10 days after the close of the prior month's financials.

- **Tax Requirements and Acknowledgments (where applicable)**

The IRS imposes strict requirements on nonprofit fundraising. Compliance responsibility for IRS regulations rests with the fundraising group initiating the fundraising activity and failure to comply may result in donors being denied a tax deduction, tax liability applied to the fundraising donor or group, and fines and other penalties applied to the fundraiser(s) and potentially to ECCF.

- **Quid Pro Quo Disclosures**

If the fundraising group provides goods or services in exchange for a donation of \$75 or more, certain disclosures are required to be made upon solicitation. For example, if the group is sponsoring a dinner, the donor can only deduct the excess of the ticket price above the fair market value of the dinner. This limitation on the deduction, known as a "quid pro quo disclosure," must be disclosed at the time of solicitation. Disclosure on the ticket to the event is a typical method for making this disclosure.

The fundraising group must ensure the required quid pro quo disclosures are made.

- **Liability Insurance and Liability for Losses**

The fundraising group will contact ECCF prior to a fundraising event to assess the need to secure liability insurance for itself and for the Foundation. Insurance coverage must be reviewed and approved by the Foundation and its insurance carrier, and in special cases, the fundraising group may need to secure and pay for additional coverage as an expense of the fundraising event. When liability insurance is needed, ECCF must be named as an additional insured.

The fundraising group will be responsible for all losses incurred by events. The Foundation will not be held responsible for such losses.

- **Event Promotional Materials and Use of ECCF:**

All published materials, event invitations, and website information for the event must be approved by ECCF in advance of any event and must note that the monies are being raised **on behalf of "Name of the Fund, a component fund of the Essex County Community Foundation."** Where appropriate, the ECCF logo may be included, but may not be altered in any way from the image supplied by ECCF. The communication should contain any disclosure of the tax deductible and non-deductible portion of admittance fee, ticket or registration.



Addendum A: Event/Ticket Fundraising Software Platforms

Updated: November 1, 2022

When a Field of Interest Fund is approved for operating a fundraising event or selling “tickets” to an event, fund advisors have the following approved software/application options for collecting full or partial tax-deductible contributions. These platforms interface with ECCF’s gift-receipting and grant administrative software.

Registration Software:

Non-Tax-Deductible Tickets/Registrations:

Eventbrite: If an event (virtual or in-person) charges a fee (non-tax-deductible) this free online software application can be used. ECCF will download a report from Eventbrite and will take collected and totaled revenue (minus fees) and record as a single gift to the Fund.

Partial or Fully-Tax-Deductible Tickets/Registrations:

OneCause: If an event (virtual or in-person) charges a fee that contains a partial or full tax-deduction amount, this software must be used. It interfaces with ECCF’s financial software and allows the identifiable collection of the donor’s name, address and gift/non-gift amount of the registration or ticket.

This software application charges fees for use, as well as transaction and credit card processing fees. These fees will be charged to the Fund.

The fundraising group will be responsible to set up OneCause for the event processing and ECCF staff will review set up to ensure all details for tax receipting are correct. Donors will receive their tax receipts through

OneCause, not ECCF finance department. At the completion of the fundraising event, ECCF will pull OneCause reports and deposit summed total revenue into the Fund.

Eventbright: This software platform can also be used to collect partial or fully-tax-deductible tickets/registrations. It's important that the fundraising group communicate, to the Relationship Manager, the ticket price and fair market value PRIOR to Eventbright being set up by the fundraising group.

Silent or Live Auction Software:

OneCause: In order to meet IRS guidelines and auditing requirements, ECCF must be able to capture donor name, address and contact information, as well as the taxable portion of each auction item for gift receipting. This software accomplishes those requirements and interfaces with ECCF's gift-receipting software. This software application has fees that are charged for use, as well as transaction and credit card processing fees. These fees will be charged to the Fund.

Reminders:

Note 1: ECCF can provide "squares" to help with event on-site credit card processing upon request by the Field of Interest Fund advisor.

Note 2: ECCF does not approve of raffles for events under our 501c3 ID number.

Note 3: Merchandizing sold is not a tax-deductible gift to the fund, therefore any collected revenue will be totaled and recorded as a single cash gift.

ECCF reserves the right to alter and change these required platforms over time, should there be any limitations in recording donor information or gift-receipting into ECCF's financial system.



Addendum B:

OneCause Platform Details/Fees

Updated: November 1, 2022 (fees may change at any time, based on the current contract with OneCause)

Fundraising Software Use (charged by ECCF to the Fund)

A fundraising software fee, plus Online Learning Tools and Reporting & Analytics – is a \$500 fee, per event set up and will be charged to the Fund.

Ticket Fees

OneCause will invoice for ticketing fees (2.5%) generated from activity on the Customers "Giving Center" (event as set up in OneCause). The invoice will be sent to ECCF post-event and the fees will be charged to the Fund. Ticketing Fees are capped at \$7.50 per ticket. The Fund has the option to turn on "patron pay" technology which will pass the fee to the ticket purchaser.

Service Fee Schedule

This fee is paid by ECCF directly to the Third Party Processor, as calculated based on total transaction volume. Automatically deducted from's ECCF bank account and will be charged back to the Fund.

Mastercard, Visa, Discover	3.5%
American Express	3.9%
Transaction Fees	\$0.35 per transaction
Monthly Merchant Account Fee	\$10

*DDA/DBA Change Fee (\$35) and Return Draft Fee (\$30) may also apply

Please note: Fees may change at any time, based on the current contract with OneCause.



Addendum C: Fundraising Activity Form/Budget for ECCF Approval

Before planning a fundraising event, please complete the form below and submit to your ECCF relationship manager **for review and approval at least 120 days prior to holding a fundraising event.**

Only certain expenses may be eligible for reimbursement subject to applicable regulations and based on the fundraising plan, special software applications (see addendum A) may be required for processing partial or full- tax-deductible gifts.

Please remember that all event logistics are the responsibility of the fundraising group including adherence to relevant local/state/federal laws, securing needed liability insurance, and recording monies collected.

Note: The fundraising group will be responsible for any losses incurred by the event.

Name of Field of Interest Fund: _____

Date of event: ____ / ____ / ____ Location of event: _____

1. Purpose of fundraising effort:

2. Description of event/fundraiser:

3. Group or individuals who will conduct fundraising event. Indicate those who will authorize expenditures.

4. Is alcohol being served? Yes No

5. Primary Contact Person:

Name: _____

Address: _____

Phone: _____ Fax: _____

Email: _____

6. Might any of the persons identified above be reasonably expected to receive direct or indirect monetary benefit from their affiliation with this event? Do any of these persons have connections to a business that will benefit from the proposed event? If so, explain?

7. Proposed project budget (note: Unauthorized expenditures will be the responsibility of the fundraising group.)

Expected Revenue \$_____ Expected Expenses \$_____

Net Proceeds (Revenue less Expenses) \$_____

Number of Event/Project Participants/Donors _____

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. Please describe and list donated goods/services to your 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 trade) (Attach separate sheet if necessary)

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

*Items donated for your fundraising event (e.g. food and/or cases of soft drinks) must be assessed at fair market value and included in the calculation determining the value of the benefit received by the donor for his/her contribution to your fund.

IV. Will you be paying any individual for services from this fund? Yes No

If yes, whom and explain service(s) rendered:

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.)

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Please note: ECCF requires a final report (downloaded from software application) listing the actual revenue/expenses and number of people attending and making contributions no later than 2 weeks after the event.

- I have read the guidelines for Donor-Initiated Fundraising at ECCF, agree to abide by them, and attest that all information presented here is true to the best of my knowledge.
- I understand, depending on the size and complexity of my event and the software application(s) needed to host my event, there may be additional fees applied to my fund as an expense prior to making grants from the fund.

_____ Date _____
 Signature of Primary Contact

_____ Date _____
 Signature of person who authorizes expenditures (if different than above)

Submit this form to:
 Essex County Community Foundation
 175 Andover Street
 Danvers, MA 01929
 978-777-8876
 F 978-777-9454
 www.eccf.org

 OFFICE USE ONLY

____Date application approved

Fundraising group has supplied:

____City or Town application(s) required for licensing ____Date Filed

____Proof of additional liability insurance covering ECCF

____Proof of dram shop insurance (if alcohol is to be served)

____Other:_____