POLICY

The University shall accept fundraising proceeds for support of accepted programs that are consistent with the purpose and goals of the university and that are deemed consistent with the laws, regulations, and policies of the university, state of California and the federal government. Except for events sponsored by one of the University’s recognized auxiliary organizations, the University serves as the fiscal agent for Sonoma State’s approved fundraising events and activities.

Fundraising events should have the intent to yield net proceeds to the University (i.e. yield a surplus after subtracting the expenses of conducting the event from the revenues collected), or have sufficient funds from other appropriate resources to cover any anticipated deficit in the case where the intangible benefits justify proceeding with the fundraising event.

All departmental fundraising events shall be registered with and approved by University Development prior to any solicitation of funds, contractual commitments, sponsorships, literature distribution, or other fundraising event activities.

SCOPE

This policy applies to all departments of the University and the Sonoma State University recognized auxiliary organizations. Fundraising events held by student clubs are not included in the scope of this policy and should be coordinated through the Center for Student Leadership, Involvement and Service (CSLIS) office.

DEFINITIONS

Fundraising Events

Fundraising events are defined as distinct events with philanthropic intent whose purpose is to raise funds and/or visibility to support the University.

Common examples of fundraising events are:

- Auctions, raffles, concerts*, dinners, and car washes

(* Concerts/Performances which provide benefits to a 3rd party require presidential approval)

Examples that are not considered fundraising events are:

- Sport camps and other events whereby the University is providing a service to an individual for a fee whereby the fee is intended as payment for the service and not as a charitable donation.
Capital campaigns

Ongoing solicitation

Alumni relation events

Raffle

A raffle is a type of lottery in which prizes are awarded to people who pay for a chance to win and must be approved by the Chief Operating Officer of the Foundation, Chief Financial Officer of the University, and the Vice President for University Development.

Acknowledgement Letter

An acknowledgement letter is the official tax-deductible receipt issued to a donor by University Development.

RESPONSIBILITIES

Departmental Unit

The Departmental Unit responsibilities are to:

- Submit the Fundraising Event Request Form for approval to applicable Dean or Senior Director
- Plan, conduct, and administer the fundraising event
- Ensure the fundraising event has the intent to yield net proceeds to the University (i.e. yield a surplus after subtracting the expenses of conducting the event from the revenues collected) or have sufficient funds from other appropriate resources to cover any anticipated deficit in the case where the intangible benefits justify proceeding with the fundraising event
- Ensure compliance with university procurement rules, sales tax remittance requirements, and all other applicable university policies and procedures
- Create and submit a detailed budget report of revenues and expenses with the request form
- Ensure appropriate chartfields are used on all transactions
- Review and analyze the fundraising event revenues and expenses and compare to the budgeted revenues and expenses
Dean/Senior Director

The Dean/Senior Director’s responsibilities are to:

- Review and approve all fundraising events using the Fundraising Event Request Form
- Ensure departmental units are aware that fundraising events may not occur without proper approval from the Dean/Senior Director and University Development

Vice President University Development

The Vice President of University Development or designee’s responsibilities are to:

- Approve all university fundraising events

University Controller

The University Controller’s responsibilities are to:

- Meet with the applicable department to ensure appropriate fiscal procedures and chartfields are used for all fundraising events
- Request and assign project chartfield to track revenues and expenses for fundraising event
- Review and sign-off on the submitted Fundraising Event Request Form

PROCESS FLOW

Department proposes fundraising event — Submit Fundraising Event Request Form to Dean/Senior Director

Dean/Senior Director approves fundraising event — Submit form to University Development

University Development approves fundraising event — Submit form to University Controller

University Controller reviews form and signs-off — Form is scanned and emailed to department to communicate that the event has been approved
### APPROVAL AND REVISION HISTORY

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PROCEDURES

1. Planning Stage
   A. Departments wishing to conduct fundraising events should start by considering various aspects related to the event such as:
      1. Purpose, plans, and goals of the event
      2. Date, time, and location of the event
      3. Number of individuals needed to run the event
      4. Preparation of a profit and loss budget for the event
      5. Number of participants and participant fee, if applicable
      6. Outside agencies/sponsors expected to be utilized in event
      7. Preparation of literature to be distributed in connection with the event
      8. Facility rental and/or food catering agreements
      9. Coordination with Police & Parking Services. See Officer/Staff Request Form at http://www.sonoma.edu/ps/forms/.

2. Approval of Event
   A. Prior to any solicitation of funds, contractual commitments, sponsorships, literature distribution, spending, or other fundraising activities, the departmental unit must obtain approval by the department’s applicable dean or senior director, University Development, and the Controller’s Office.
   B. The departmental unit shall complete the Fundraising Event Request Form and submit to applicable dean or senior director.
   C. Upon approval by the applicable dean or senior director, the department shall submit the form to University Development at least 4 weeks prior to any solicitation of funds, contractual commitments, sponsorships, literature distribution, spending, or other fundraising activities.
   D. Upon approval from University Development, the form shall be forwarded to the University Controller for review of fiscal procedures and chartfield assignment.
   E. Upon approval by University Development and review by the Controller, the department will receive written notification of the approval and will have authorization to proceed with the fundraising event activities.

3. Preparation and Approval of Fundraising Literature
   Any literature, including brochures, booklets, and letters used to solicit funds to the university shall be reviewed and approved through University Development so that the most accurate information appropriate to a particular fundraising effort is reflected. Accordingly, University Development will be responsible for establishing and maintaining a master calendar that
incorporates the schedule of all fundraising mailings and solicitations. Mailers that are not associated with a particular fundraising event are not included in the scope of this policy, however, all mailers should still be coordinated with University Development.

4. Sponsorships
   A. The department shall consult with Financial Services and/or University Development to determine if a sponsorship agreement will be required. If a sponsorship agreement is required, the agreement must be signed by the Contracts and Procurement Office or a representative authorized to sign contracts on behalf of the University.

5. Cash Receipting
   A. All cash, checks, and credit card receipting must be receipted through one of the following methods:
      1. Cash register: cash receipts collected shall be entered into a cash register assigned to one individual where a receipt is issued to the payer upon collection of funds.
      2. Cash box: cash receipts collected shall be written on a pre-numbered, multiple-part cash receipt and placed in a lockable cash box which is assigned to one individual where a receipt is issued to the payer upon collection of funds. An exception to the multiple-part cash receipt requirement is if pre-numbered tickets are sold and where a ticket control log is utilized.
      3. Mail: cash receipts collected through the mail shall be logged onto the Cash Receipts Mail Log.
      4. Phone: Credit card information obtained via the phone must be submitted with the deposit. Credit card information shall not be retained by the department in electronic or physical copy.
      5. Webpage portal: Only University approved portals shall be used. Please contact the CMS office to assist in the development or use of any webpage portals.
   B. All departments conducting fundraising events must be established as official cash collection points of the University prior to collecting any funds.

6. Involvement of Volunteers in Fundraising Events
   A. Whenever volunteers will be participating in fundraising events, it is the responsibility of the department to ensure the CSU Volunteer Policy and Sonoma State University guidelines are followed, including the completion of the Non-Faculty Volunteer Appointment Form. Volunteer employment policies, guidelines, and forms can be located under the Volunteers section on the Employee Services webpage.
7. **Accounting**
   A. Accounting for fundraising expenses and cash receipts shall be recorded in the University’s general ledger records, except for raffles which must be recorded in the Foundation’s general ledger records.
   B. Fundraising events shall be coded to a unique project chartfield which is provided by Financial Services. Coding event revenues and expenses to a project chartfield provides for an efficient method to track the profit and/or loss of an event.
   C. Expenses and revenues of an event should all be recorded in the same business unit. Expenses should not be recorded in one business unit and revenues in another business unit.

8. **Auctions**
   A. Special accounting and gift processing treatment is needed to track auction sales. All departments who conduct an auction must complete the Auction Worksheet. The Auction Worksheet summarizes the auction transactions and provides necessary information such as:
      1. Fair market value (FMV) of the donated item
      2. Department purchase price
      3. Buyer gift portion
      4. Sales tax portion, if applicable
      5. Chartfield summary accounting of all the auction transactions
   B. Auctions which include the sale of tangible personal property must charge the applicable state sales tax rate based on the auction sale price. Contact Financial Services for the current sales tax rate.
   C. Upon completion of the Auction Worksheet, the department shall submit the worksheet to University Development.

9. **Raffles**
   A. Raffle fundraising events take special planning and consideration due to strict legal requirements and laws surrounding raffles. The Foundation Chief Operating Officer must obtain prior approval from the California Attorney General’s Office to perform any raffles. Under no circumstances shall any department conduct a raffle without full approval from the Chief Operating Officer of the Foundation, Chief Financial Officer of the University, and the Vice President for University Development. Upon approval, the Chief Operating Officer of the Foundation will designate the office to coordinate the raffle.

10. **Donor Acknowledgement Letters**
    A. Tax-deductible gifts
       1. Donor acknowledgement letters shall only be issued by University Development
2. Donor thank you letters may be issued by the department.

B. Non tax-deductible gifts
   1. Donor thank you letters may be issued by the department

11. Tax Deductibility of Donor Gifts
   A. None, some or all of the revenue received from an attendee (donor) at a fundraising event may be a tax deductible contribution for the donor. Tax laws, IRS rules and other regulations can make this a complex subject. There are a number of factors that affect the tax deductibility of the gift, including:
      1. Wording used to describe the event and the gift associated with it in promotional literature, advertising, and at the event.
      2. The fair market value of any benefits that the donor receives (e.g. food, entertainment, auction item purchased, rounds of golf, etc.)
      3. Intent to make a gift vs. fee for service
   B. University Development will advise you regarding the issues that affect the tax deductibility of the donor gifts, help you make the determination as to the tax deductible portion, if any, and will issue an official tax acknowledgement letter, where applicable.

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