

# Fundraising and Development

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<b>PURPOSE</b> .....	<b>1</b>
<b>POLICY STATEMENT</b> .....	<b>2</b>
<b>WHO SHOULD KNOW THIS POLICY</b> .....	<b>2</b>
<b>DEFINITIONS</b> .....	<b>2</b>
<b>REGULATIONS</b> .....	<b>3</b>
1.0 SOLICITATION OF GIFTS .....	3
1.1 <i>Clearance</i> .....	3
2.0 GIFT ACCEPTANCE .....	4
2.1 <i>Restricted Gifts</i> .....	4
2.2 <i>Cash Gifts</i> .....	5
2.3 <i>Gifts of Property</i> .....	5
2.5 <i>Planned Gifts</i> .....	5
2.3 <i>Donor Responsibilities</i> .....	5
2.4 <i>Donor Recognition</i> .....	6
2.5 <i>Donor Information</i> .....	6
2.6 <i>Exceptions</i> .....	6
3.0 FUNDRAISING EVENTS .....	6
3.1 <i>Fundraising Sales</i> .....	6
3.2 <i>Admission Charges (Ticket Sales)</i> .....	7
3.3 <i>Revenue Recording and Recognition</i> .....	7
4.0 OFF-CAMPUS SOLICITATION .....	8
4.1 <i>Solicitation by Student Organizations</i> .....	8
5.0 NON-SPONSORED ACTIVITIES .....	9
<b>FORMS</b> .....	<b>9</b>

## Purpose

The Associated Students is a nonprofit corporation under Part 2 of Division 2 of the Corporations Code of the State of California and is registered with the California Attorney General as a Charitable Trust under Government Code Section 12586. ASI is tax exempt under Section 501(c)(3) of the Internal Revenue Code. Contributions made to the ASI are tax deductible under Section 170(b)(1)(A) of the Internal Revenue Code. These designations entitle the ASI to be a beneficiary of philanthropic fundraising and development activity.

Development activities provide an opportunity for the ASI to accumulate resources for needs not financed by mandatory student fees or income from operations. Such activities also provide an opportunity for members of the community to demonstrate their support of the ASI's efforts.

The purpose of the ASI Fundraising and Development Policy is to establish a clear understanding of the policies and objectives governing development activities. Among other things, this policy seeks to coordinate the ASI's development efforts with those of the University in order to minimize duplication, confusion, and internal competition for resources.

## Policy Statement

It is the policy of the Associated Students, Incorporated to actively solicit gifts and grants, including endowment funds, to further the mission of the organization. The Executive Director and the Board of Directors shall have the authority to solicit and/or accept gifts on behalf of ASI. All ASI development activities shall receive approval of the Board of Directors before implementation. This approval will typically be granted during the annual budget review and approval process. If subsequent development activities are proposed, they must be submitted to the board for consideration and approval. ASI's Policy on Fundraising and Development governs the solicitation of gifts from individuals, corporations, foreign governments and entities, foundations, and associations. Proposals for research, training, and special project grants and contracts are covered under separate policy.

## Who Should Know This Policy

- |  |  |  |
|--|--|--|
| <input checked="" type="checkbox"/> Budget Area Administrators | <input type="checkbox"/> Elected/Appointed Officers  | <input checked="" type="checkbox"/> Grant Recipients |
| <input checked="" type="checkbox"/> Management Personnel       | <input checked="" type="checkbox"/> Program Advisors | <input type="checkbox"/> Staff                       |
| <input type="checkbox"/> Supervisors                           | <input type="checkbox"/> Volunteers                  |  |

## Definitions

For purposes of this policy, the terms used are defined as follows:

Term	Definition
Annual Gifts	Any gift, regardless of size, that can be expected to recur on an annual basis. These gifts rely heavily on proper donor and prospect management.
Capital Campaigns	Fundraising campaigns designed to generate funding for long-term capital projects that are integral to ASI's long-range plans
Cash Gifts	Gifts of checks, cash, or cash equivalents (credit card transactions) that can be readily converted to cash
Corporate Sponsorships	Any request for corporate or business sponsorship or gift (cash or in-kind, including donations of food and supplies) for any ASI program or event
Direct Campaigns	A mail or telephone campaign, annual giving program or direct request for a contribution made to an individual, corporation, foundation or association
Endowment Gifts	Gifts maintained, invested, and managed by ASI to fund an initiative in perpetuity. The gift is used as principal and only investment earnings are distributed. The minimum level for an endowed account is \$10,000.
Fundraising Events	Any sale (art, craft, merchandise, baked goods, etc.) or event (car wash, dance, etc.) in which individuals outside ASI will be solicited that will support any ASI program or department; or any solicitation of CSULB faculty, staff or students which takes place on campus for the benefit of an ASI program or department. The Office of Student Life and Development must first approve such fundraising events being planned by student organizations.

Term	Definition
Major Gifts	Gifts at a level significantly above a donor's normal level of annual support. These gifts can be outright, a multiyear pledge, a planned gift or a combination thereof.
Non-sponsored Activities	Fundraising activities for which no ASI-affiliation exists whatsoever. While not regulated by the ASI, non-sponsored activities are subject to university approval and oversight.
Planned Gifts	Gifts that incorporate some element of the deferred transfer of assets, such as an income trust or a provision within a donor's will
Restricted Gifts	Gifts in which the donor specifies a specific use, for example a program, scholarship, project, etc.
Unrestricted Gifts	Gifts in which the donor does not specify a specific use.

## Regulations

### 1.0 Solicitation of Gifts

Solicitation of gifts is differentiated from other types of fundraising activities primarily because it represents an activity for which a donor may qualify for a tax deduction under Internal Revenue Service guidelines. All development activities involving the solicitation of gifts must receive prior approval of the ASI Development Associate. In all cases, solicitation of gifts must be conducted under the following guidelines:

#### 1.1 Clearance

All prospects to be solicited for gifts must be reviewed by the ASI Development Associate, the Student Services Director of Development (if over \$1,000), and the Division of University Relations and Development before any solicitation activity occurs. Requests for clearance are to be submitted to the Development Associate and should include the following:

- Proposed source(s) of the gift (e.g. individuals, groups, and corporations)
- A copy of any proposals, letters, or publications that are to be used in soliciting the gift(s)
- The planned use of the gift(s)
- When will the gift(s) be solicited
- Amount that is expected to be raised
- Who will be soliciting the donors
- How and where the gift(s) will be solicited (e.g. letter, phone, or personal approach).

Based upon the above, the Development Associate will reject the request, advise on revisions, or forward it to the Division of University Relations and Development for review and approval.

Once approval is received, donors must be instructed to make checks payable to: "CSULB Foundation/(Name of ASI Department or Organization)".

ASI shall pay no commissions or finder's fees as consideration for directing a gift to ASI or to any of ASI's affiliates.

## 2.0 Gift Acceptance

ASI's responsibility is to productively pursue gifts that will further the organization's mission, goals, and objectives. The primary consideration in the pursuit of gifts is how they can benefit the organization in the most ethical and unencumbered manner. Recognizing that the acceptance of certain gifts could compromise ASI's ability to accomplish its goals or could jeopardize its tax-exempt status, the following stipulations must be considered before any gift is accepted:

- Is the gift one that is consistent with ASI's standards, principles, and core values?
- Will the gift unnecessarily challenge ASI's ability to further its mission, goals, or objectives?
- Does the acceptance of the gift present ASI in an unfavorable light? Does it appear that there may exist a conflict of interest between the donor and ASI?
- Is there clear charitable intent and commitment to ASI?
- Will the acceptance of the gift be compatible and in agreement with other fundraising activities or gifts?
- Are the circumstances surrounding the donor and the gift believable?
- If controversy develops, will it be significant enough to weaken the organization?
- Will the nature of any in-kind contribution create problems, such as in advertising or sponsorship?
- Who is the donor? Is the gift from an individual or a corporation? Does the donor represent a perceived conflict of interest, or might the donor's objectives not fit with the mission of ASI?
- Gifts can encourage others to give or do the opposite. What effect will the particular gift have on ASI's ability to solicit other gifts?

Gifts must be used in a manner consistent with the intent and restrictions placed on the gift by the donor. The Division of University Development will advise ASI of the intent and any restrictions on the use of the gift. ASI will be responsible for compliance with these restrictions.

ASI reserves the right to decline any financial commitment, gift, or bequest, as well as the right to determine how a gift will be credited and/or recognized except as provided below.

### 2.1 Restricted Gifts

Unrestricted gifts shall be encouraged unless the donor indicates that he or she is willing to make a restricted gift only, or the option of a restricted gift will otherwise significantly increase the chances of obtaining a gift from the donor.

In drafting instruments for the gift of restricted funds to ASI, or to any of its affiliated organizations, donors and their advisors shall be encouraged to use language that would

permit application of the gift to a more general purpose if, in the opinion of the board, the designated purpose is no longer feasible.

All receipts from unrestricted bequests, annuities, charitable remainder trusts, or charitable lead trusts shall become a part of the General Endowment, unless the board determines a particular unrestricted gift of the type enumerated in this paragraph should be deposited in a different account.

## 2.2 Cash Gifts

All cash gifts are to be deposited immediately upon receipt to the CSULB Foundation, 6300 State University Drive, Suite #332 so that the proper acknowledgements can be issued. Shortly thereafter, funds will be transferred to the ASI Business Office and credited to the recipient's Agency account or revenue account, as appropriate. If the gift qualifies for a "matching gift" program, appropriate documentation must be presented to the Foundation. Only the CSULB Foundation is authorized to sign "matching gift" forms.

## 2.3 Gifts of Property

All non-cash gifts, such as equipment and other real property, must be approved before acceptance. In order to obtain approval, a "Proposed Acceptance of Gifts" form must be completed, signed by the ASI Executive Director or designee and forwarded to the Division of University Relations and Development.

Donors are responsible for obtaining their own appraisals for tax purposes of real property or tangible or intangible personal property being given to ASI and for any fees or other expenses related to such appraisals. ASI retains the right to obtain its own qualified appraisals of real property or tangible or intangible personal property being offered as a gift at its own expense.

ASI will acknowledge receipt of gifts of tangible personal or real property in accordance with IRS requirements and will sign any IRS form or other documents necessary for the donor to obtain a tax deduction for such gifts, so long as such acknowledgment does not entail valuing the gift.

Prospective donors shall be responsible for their own legal, accounting, appraisal, transportation, and other fees related to ASI.

## 2.4 Planned Gifts

The Executive Director or his or her designee is authorized to enter into planned gift agreements on behalf of ASI and to execute all documents necessary or appropriate to consummate such agreements.

## 2.5 Donor Responsibilities

Prospective donors shall be strongly encouraged in all cases to consult with their own independent legal and/or tax advisors about proposed gifts, including tax and estate planning implications of a gift. No representative of ASI shall provide legal or tax advice to any donor or prospective donor.

Upon request, representatives of ASI may provide to the donor sample bequest language for restricted and unrestricted gifts, to ensure that a bequest is properly designated. ASI may also

provide, upon request, IRS approved specimen trust agreements for review and consideration by the donor and his or her advisors. The specimen or sample nature of such language or agreements shall be clearly indicated on all documents given to donors, and donors shall be advised that consultation with their own legal advisors is essential prior to use of such standard language or specimen agreements.

## 2.6 Donor Recognition

The Division of University Relations and Development will mail an official, serially numbered receipt from either the University or the CSULB Foundation to all donors whose gifts are valued at less than \$125. Those donors making gifts in excess of \$125 or above also will receive a personal letter of acknowledgement as well as a serially numbered receipt. No other office of the University is authorized to produce gift receipts.

Departments and organizations are encouraged to send their own letters of acknowledgement as well. Copies of acknowledgement letters should be sent to the ASI Development Associate, USU-220. Acknowledgements should NOT include the estimated value of gifts of equipment and/or real property.

## 2.7 Donor Information

All information about donors and prospective donors, including but not limited to their names, the names of their beneficiaries, the nature and amounts of their gifts, and the sizes of their estates will be kept strictly confidential by ASI and its representatives, unless the donor grants permission to release such information. All requests by donors for anonymity will be honored, except to the extent that ASI is legally required to disclose the identity of donors.

## 2.8 Exceptions

Any exceptions to these gift acceptance policies may be made only in exceptional circumstances, on an individual basis, and shall require the approval of the Board of Control.

## 3.0 Fundraising Events

### 3.1 Fundraising Sales

All fundraising sales, including bake sales, tee-shirt sales, and raffles must be conducted in accordance with Regulations VIII and IX of the CSULB Regulations for Campus Activities, Organizations, and the University Community. The Office of Student Life and Development can advise interested parties of the policies and procedures one must observe in order to schedule and conduct such activities on campus.

Funds raised through sales activities that are not financially supported by ASI may be deposited directly to an Agency Account. Such funds may be used for whatever legitimate business purposes the organization or department desires. The ASI does, however, prohibit the use of these funds for the purchase of alcoholic beverages for off-campus events. Proceeds from fundraising sales that are financially supported by ASI, either directly or indirectly, must be deposited to the budget area's revenue account.

It is the position of the Associated Students that the purchase of goods or services in connection with a fundraising sale is NOT a charitable contribution for which the buyer would qualify for a tax deduction.

### 3.2 Admission Charges (Ticket Sales)

Every time admission is charged for an event supported either directly or indirectly by ASI, admissions must be accounted for by the use of tickets. Ticket sales must be conducted under the supervision of the ASI Vault Teller who must be contacted at least 15 working days before the date upon which tickets are to be sold.

Tickets may be either roll tickets or custom-designed. Roll tickets may be obtained from the ASI Business Office and are usually used for "at the door" ticket sales. Organizations that need to design tickets specifically for an event must have the ticket design approved by the ASI Vault Teller before printing. All such tickets must bear the ASI logo or other form of acknowledgement.

Once printed, tickets must be delivered directly to the Vault Teller along with the original ticket manifest. The Vault Teller will verify the design and numbering of tickets. Only the Vault Teller may release tickets for sale. The Vault Teller must likewise be informed of any tickets given away as complimentary. All off-campus promoters must coordinate with ASI to have tickets printed.

Organizations may arrange to have tickets sold at the University Student Union Information Booth by completing and submitting a "Request to Sell Tickets" no later than 15 days before the event. The Information Booth will sell tickets only for 10 days before an event and only on a cash basis. The Assistant Director, U.S.U. Services must approve any advertising for an event that states availability of tickets at the Information Booth before its being published.

Funds raised through ticket sales for events that are not financially supported by ASI may be deposited directly to an Agency Account. Proceeds from tickets sales for events that are financially supported by ASI must be deposited to the budget area's revenue account, unless the sponsor is a student organization. In these cases, proceeds MUST be deposited to an Agency Account.

Due to the complexity of current tax laws, it is the position of the Associated Students that admission charges to events are NOT charitable contributions for which the participant would qualify for a tax deduction.

### 3.3 Revenue Recording and Recognition

Funds generated through development activities that are financially supported by ASI must be accounted for and maintained in the sponsoring budget area's revenue accounts. Funds generated through activities that are NOT financially supported by ASI may be accounted for and maintained using an Agency Account.

Deposits of revenue from fundraising activities must take place within two working days after funds are collected. Income from sales activities and admission charges may be deposited directly with the ASI Business Office, USU-220. Donation and contributions must be deposited to the ASI Clearing Account #06-0625 held with the CSULB Foundation.

Expenses incurred in conjunction with a development activity should not be paid from cash proceeds. Payment of such expenses must be requested after cash has been deposited.

#### 4.0 Off-Campus Solicitation

Pursuant to Long Beach Municipal Code 5.28, all organizations conducting solicitation activity off-campus in the City of Long Beach are required to obtain a Charitable Solicitation Permit. In order to obtain a permit, an organization must:

- Have Tax Exempt Status determination letters from both the IRS and the California Franchise Tax Board; and
- Be registered with the California Attorney General's Registry of Charitable Trusts.

All requests for Charitable Solicitation Permits by ASI-supported budget areas must be coordinated through the ASI Development Office. No organization or individual is authorized to utilize ASI's tax-exempt status for solicitation purposes without the written permission of the Executive Director or designee.

Budget areas wishing to conduct charitable solicitations in cities other than Long Beach are responsible for obtaining the necessary permit information and applications. These materials must be presented to the Development Associate for review at least thirty (30) working days before the date by which any application is due.

#### 4.1 Solicitation by Student Organizations

By themselves, most student organizations do NOT meet the above requirements and are therefore prohibited from conducting solicitation activity off-campus in the City of Long Beach. The City of Long Beach will, however, permit student organizations to conduct development activities if they are acting under the authorization of the Associated Students, Incorporated.

To obtain ASI authorization, organizations must contact the Development Associate no later than thirty (30) working days before the date by which the Charitable Solicitation Permit application must be filed. Working with representatives of the organization, the Development Associate will complete and sign the application. The organization is then responsible for proper filing of the application with the Long Beach Police Department.

In exchange for this authorization, organizations must agree to the following:

- All funds received from the solicitation will be deposited to the ASI Clearing Account #06-0625 held at the CSULB Foundation. Funds will subsequently be transferred to the organization's agency account(s) with the ASI Business Office.
- The ASI Business Office will maintain custody and accounting control of all funds raised and subsequently expended.
- The organization shall complete and file the "Report of Results of Activity Conducted for Charitable or Philanthropic Purposes" and submit it to the Development Associate.

Failure to comply with these conditions will result in the following:

- Cancellation of the solicitation permit;

- Reporting the cancellation to the Long Beach Police Department;
- Suspension of the organization's ASI recognition and related privileges.

## 5.0 Non-Sponsored Activities

ASI does not regulate development activities for which no organizational affiliation exists between the ASI and the sponsoring organization. Nonetheless, these activities are subject to university approval and oversight. Failure to abide by established university regulations might have serious legal and administrative consequences for offending organizations.

Official recognition of an organization by the Associated Students does not entitle the organization to use of the ASI's tax-exempt, nonprofit status for development activities. It is important to recognize that campus organizations are NOT tax-exempt, charitable entities unless they have received a determination of such from both the Internal Revenue Service and the Franchise Tax Board. Otherwise, campus organizations are charitable organizations ONLY when they work under the auspices of the Division of University Relations and Development or one of the campus' auxiliary organizations.

If an organization develops resources without any affiliation with the ASI or the University, the organization is not required to deposit these funds to an account in the ASI Business Office. Nonetheless, organizations are encouraged to do so for safekeeping and to provide an accurate audit trail of how these funds were subsequently spent. Otherwise, the funds and/or property received are considered the organization's responsibility.

## Forms

The following forms are to be used in the execution of this policy.

Form Name	Purpose	Responsible Office	Approved By	Timeline for Submission
Solicitation Sponsorship Request	To request ASI sponsorship of an off-campus fundraising event for which a City of Long Beach Solicitation Permit is required	Development Office	Executive Director	Submit at least thirty (30) calendar days prior to the date on which the city's application is due
Proposed Acceptance of Gifts	To request the official acceptance by ASI of property, equipment, or other non-cash contributions for which the donor can claim a charitable contribution	Development Office	Executive Director, subject to CSULB approval from the Vice President for Student Services, the Associate Vice President for Financial Management, and the Vice President for University Relations and Development	Approval must be obtained prior to the actual acceptance of the gift