

California Polytechnic State University

Fundraising Event Administration Procedures

I. Purpose and Cited Policies

A. Purpose

Fundraising events within The California State University (“CSU”) system must comply with the CSU policy on fundraising events. California Polytechnic State University (“Cal Poly” or “University) accepts proceeds from fundraising events that are consistent with the mission and goals of the University and that confirm to the laws, regulations and policies of Cal Poly, the CSU, and the State of California. Fundraising events should have the intent to yield net usable proceeds for the University and, at a minimum, have resources identified to cover budget deficits should fundraising revenues fall short.

B. Scope

The CSU policy and these Procedures govern fundraising events with anticipated gross receipts of greater than \$5,000 which result in a charitable contribution receipt for participants by the University or an auxiliary organization, and which represent that the University will benefit from the proceeds. Benefit fundraisers which do not result in contribution receipts to participants are exempt from the CSU policy.

C. CSU System Policy

The CSU requires that fundraising solicitation meet federal, state and local laws, fundraising solicitation materials are accurate and truthful, and fundraising costs are reasonable. In compliance with CSU Policy No. 15701.00 “Fundraising Events,” each CSU campus is required to have written procedures for campus approval of fundraising events, in support of the CSU policy (<http://www.calstate.edu/icsuam/sections/15000/15701.00.shtml>). This policy requires that fundraising events with gross receipts greater than \$5,000 have prior approval from a designated campus authority. Activities requiring approval include Gaming Activities (bingo, casino and similar “controlled games”, and raffles) and Sales Activities such as auctions. The CSU policy does not apply to faculty associations, student clubs, fraternities, or sororities raising funds for their own benefit.

D. Cal Poly University Requirements

Colleges, departments and programs wishing to conduct a fundraising event on behalf of Cal Poly must comply with CSU Policy No. 15701.00 “Fundraising Events” and consult with University Advancement before embarking on any fundraising event. All fundraising events subject to the CSU policy must be approved by the Associate Vice President for Advancement Operations through submission of an Event Approval Form (<http://www.advancement.calpoly.edu/content/forms/index>).

Proposed events must meet the following criteria for approval:

- Are consistent with the goals and policies of Cal Poly and the CSU
- Reflect positively on Cal Poly’s image, including review of all collateral material through the review and approval process in place and governed by the Office of Marketing and Communications

- Comply with appropriate federal, state, and local regulations
- Avoid exposure to undue risk or liabilities
- Are arranged and conducted in a manner that supports fulfillment of Cal Poly's fiduciary responsibility to donors

II. Procedures

A. Approval of Event

1. Prior to any solicitation of funds, contractual commitments, sponsorships, literature distribution, spending, or other fundraising activities, the department or unit must obtain approval by the department's applicable Dean, senior director, or Vice President, and University Advancement.
2. Only duly authorized contracting officers may legally bind the University to an agreement. In order to ensure adherence to contracting policy and protocol, Contracts, Procurement & Risk Management should be consulted prior to making any material representations or commitments that are likely to result in a formal agreement.
3. If alcohol is to be served at an on-campus event, or if the Cal Poly Corporation's liquor license is being used for an off-campus event, a Cal Poly Alcohol Service Request Form (http://dining.calpoly.edu/docs/CPSU_Alcohol_Service_Request.docx) must be completed separately. Please allow up to 4 weeks for approval.
4. The departmental unit shall complete the Event Approval Form (<http://www.advancement.calpoly.edu/content/forms/index>) and submit to applicable Dean, senior director, or Vice President.
5. Upon approval by the applicable party in (4) above, the department shall submit the Event Approval Form to University Advancement at least 30 days prior to any solicitation of funds, request for contractual commitments, sponsorships, literature distribution, spending, or other fundraising activities.
6. University Advancement review may include examination of the list of prospective donors to be invited and/or solicited, the budget, and consideration of the intended beneficiary of the event.
7. Upon approval by University Advancement, the Event Approval Form shall be forwarded to Fiscal Services for review of fiscal procedures. For any event requiring contractual or other agreements, the form shall also be reviewed by Contract, Procurement & Risk Management. Should the event include an Auction or Raffle activity, then the form shall be reviewed by the Cal Poly Corporation as the designated agent for all auctions and raffles on campus.
8. Upon approval by University Advancement and review by Fiscal Services, CPRM and the Cal Poly Corporation (if required in (7) above), the department will receive written notification of the approval and will have authorization to proceed with the fundraising event activities. Copies of the completed Event Approval Form are provided to Fiscal Services, CPRM, and the Cal Poly Corporation as notification of the event
9. Once a fundraising event is approved, a copy of all proposed fundraising materials using Cal Poly's name, logo or trademark must be submitted to the Office of Marketing and Communications for approval.
10. A new approval must be obtained for each occurrence of the event

B. Benefit Fundraisers

Benefit fundraisers are events whose proceeds will be donated to a non-profit organization without issuance of a charitable donation receipt to any participant. Benefit fundraisers therefore are exempt from the CSU "Fundraising Events" policy. Examples include activity-focused events such as golf scrambles or fun runs. Benefit fundraisers may not include cash solicitations (e.g., passing the hat), raffles, or gambling. Auctions may be held, provided they comply with Cal Poly rules governing auctions.

C. Sponsorships

The department shall consult with University Advancement to determine if a sponsorship agreement will be required. If a sponsorship agreement is required, the agreement must be reviewed and signed by the Contracts, Procurement and Risk Management Office. Sponsorships may be acknowledged by Advancement Services but are not considered donations for tax purposes.

D. 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 the Office of Marketing and Communications so that the most accurate information appropriate to a particular fundraising effort is reflected. University Advancement is responsible for maintaining a master calendar that incorporates the schedule of all fundraising mailings and solicitations. Samples of event invitations must be provided to University Advancement for review to ensure compliance with IRS regulations, including clear statement of the value of event attendance and the estimated gift portion.

E. Cash Receipting

1. Cal Poly and CSU policy requires that:

- Cash and cash equivalents be collected and documented in a timely, controlled and cost-effective manner.
- Adequate segregation of duties for any cash handling activity, see (2) below.
- A Staff or Faculty member must be responsible for all cashing events and transportation of deposit(s) to University or Auxiliary Cashiers Office. It is recommended that finger printing / a background check be performed for anyone handling cash. This service is available through the University Police Department. The Live Scan Office can be reached at (805) 756-6663.

2. Segregation of duties:

- Segregation of duties must be maintained when cash is received and no single person should have complete control over the entire process of receiving funds, preparing the bank deposit and verifying the deposit.

- Two (2) or more qualified and authorized persons must be involved in the process of collection, handling, depositing, and accounting processes for all cash/check transactions.
- The person collecting cash, issuing receipts, and preparing the deposit should be someone other than the person reconciling the receipts and verifying the deposit.

3. Physical Security:

- The collection station should be situated so that the cash handlers are in a secure environment or have a wall or other barrier behind them. When possible, it is recommended that a campus security officer be involved to help safeguard the personnel and assets.
- All cash and checks should be physically protected from loss at all times. Cash and checks should be locked in a secure receptacle at all times to which only the cashiering personnel have access.
- Transport of deposits must be accomplished jointly by at least two employees. When deposits exceed \$2,500, employees shall be escorted by campus police. When determined necessary, armored car service or police escort should be used. Note: University Police do not handle the deposit at any time, they serve as security escort only.
- Transporting deposits must be accomplished in a secure manner in order to protect the financial assets and individuals involved in transport.
- If it is anticipated that the event proceeds will exceed \$2,500 University Police should be contacted prior to the event to make escort arrangements at (805) 756-2281.

4. Acceptable forms of payment:

- Cash (only U.S. currency and coins)
- Credit Card (where appropriate security measures are taken upon receipt of this information)
- Check (must be drawn on a U.S. bank account)
 - Check requirements:
 - ✓ Checks must be payable to: “Cal Poly”, “Cal Poly State University” or reasonable variations thereof, or payable to the University auxiliary responsible for receipt of the funds. All invoices or other documents requesting payment must clearly advise payers of this requirement.
 - ✓ Checks, including mailed remittances, must be restrictively endorsed for deposit as soon as possible but not later than the close of business on the day of receipt or the next business day if the event is held outside of business hours.
 - ✓ Endorsement stamps may be checked out from the appropriate University or Auxiliary Cashiers Office.
- Money Order
- Cashier’s Check
- Traveler’s Check

- Wire (please contact University or appropriate Auxiliary Cashiers Office for arrangements)

Please review the University procedure guide, “Cash Handling Procedures”, at <http://afd.calpoly.edu/fiscalservices/forms.asp#Cashiers> for additional information and requirements, including establishing change funds, receipting and recording cash at events, and preparing and transporting deposits, as well as contact information for University cashiers.

F. Auctions

1. Special accounting and gift processing treatment is needed to track auction sales. All sales must be reported to the Cal Poly Corporation. The sponsoring unit must summarize the auction transactions and provides necessary information such as:
 - a) Fair market value (FMV) of the donated item
 - b) Event purchase price
 - c) Buyer gift portion
 - d) Sales tax portion, if applicable
 - e) Summary accounting of all the auction transactions
2. Auctions which include the sale of tangible personal property must charge the applicable state sales tax rate based on the auction sale price. Contact Fiscal Services for the current sales tax rate.

G. Raffles

Raffle fundraising events take special planning and consideration due to strict legal requirements and laws surrounding raffles. Raffles on behalf of Cal Poly are managed solely through Cal Poly Corporation fundraising accounts (<http://www.calpolycorporation.org/procedures/RaffleFAQ.asp>). Under no circumstances shall any department conduct a raffle without full approval in advance from the Cal Poly Corporation.

H. Donor Acknowledgement Letters

1. Tax-deductible gifts
 - a) Donor acknowledgement letters and official tax receipts shall only be issued by University Advancement
 - b) Donor thank you letters may be issued by the college or department
2. Non tax-deductible gifts
 - a) Donor thank you letters may be issued by the college or department

I. Tax Deductibility of Donor Gifts

1. 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:
 - a) Wording used to describe the event and the gift associated with it in promotional literature, advertising, and at the event
 - b) The fair market value of any benefits that the donor receives (e.g. food, entertainment, auction item purchased, rounds of golf, etc.)
 - c) Intent to make a gift vs. fee for service
2. University Advancement should be consulted regarding the tax deductibility of the donor gifts, assist with the determination as to the tax deductible portion, if any, and will issue an official tax acknowledgement letter, where applicable.