

Fundraising Events

Fundraising Events

I. Purpose

To establish responsibilities, policies, and procedures for the appropriate accounting, processing and expenditures related to a fundraising event.

II. Definitions

- *Crowdfunding*: Fundraising many small gifts from a large number of people.
- *Quid pro quo*: a payment made partly as a contribution and partly for goods or services provided to the donor by the University.
- *Sponsorship*: Funds or resources given to the University for an event or program in exchange for a specific promotional benefit.
- Additional definitions can be found in [E-22-1 Soliciting, Receiving, Recording and Acknowledging Gifts](#).

III. Responsibilities

- A. The Vice President for Philanthropy and Alumni Engagement is responsible for the management, planning, stewardship, and coordination of all University philanthropy efforts and for fundraising services to the University. The Vice President for Philanthropy and Alumni Engagement works closely with the President and the administration in identifying and achieving fundraising priorities of the University.
- B. UK Philanthropy and Alumni Engagement (UKPAE) shall:
 1. Process and acknowledge all gifts from private sources in compliance with Internal Revenue Service regulations.
 2. Determine, in consultation with AFRS, if funds received are gifts rather than payments for goods or services and ensure that gifts are credited to the correct cost objects.
 3. Maintain documentation for fundraising events and gifts received including letters and copies of checks.
- C. Accounting and Financial Reporting Services (AFRS) shall:
 1. Coordinate the accounting for gift and endowment funds.
 2. Provide financial reporting in accordance with University policies, GASB, GAAP and federal and state regulations.
 3. Review and approve journal vouchers for gifts and fundraising transfers and corrections.
 4. Assist with the credit card payment process (through Merchant Card Services).
- D. The college, department, program or affiliate conducting the fundraising event shall:
 1. Manage expenditures from restricted gifts and endowment fund spending distributions in accordance with the limits imposed by the donors and other external agencies.
 2. Reconcile gifts received to the University's accounting system in accordance with BPM [E-17-6 Reconciliation and Review of Financial Transactions](#).
 3. Coordinate fundraising activities and guest lists with UKPAE.
 4. Establish a fundraising event gift cost/funds center.
 5. Provide documentation (e.g., flyer, invitation, web description, purpose of fundraising event and define whether endowed or not, fair market value (quid pro quo) benefit donor will receive has to be stated on invitation).

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6. Accept payment for registration by credit card (contact Merchant Card Services for assistance at treasury.services@uky.edu).

IV. Policy

- A. The University will utilize gifts only for the purpose stated by the donor in compliance with regulations, restrictions, or limitations imposed by donors providing such funds.
- B. The University assesses a one-time [advancement fee](#) on non-endowed gifts to support its advancement initiatives and those of the college(s) or program(s) to which the contribution is directed.
- C. The minimum level for endowment funds and categories of endowment funds are established by [Administrative Regulation 8:4](#).
- D. All gifts for deposit to the University must be made payable to the University and managed in accordance with [BPM E-2-1 Treasury Operations Manual](#).
- E. No member of the administration, faculty or staff shall form, or assist in forming, any entity, corporate or otherwise, for the purpose of soliciting or receiving any gift, without prior written approval of UKPAE.
- F. No member of the administration, faculty or staff shall establish any account on behalf of the University in a banking institution into which gift funds are, or may be, deposited.
- G. Due to specific IRS regulations and case law regarding private inurement, University employees cannot donate to funds over which they have expenditure authority and receive a charitable gift tax acknowledgment.
- H. Crowdfunding should not be hosted by external platforms (e.g., GoFundMe or Facebook Fundraiser). If interested in raising funds, contact UKPAE Gift Receiving at philanthropygiftreceiving@uky.edu.

V. Procedures

- A. The following procedures must be adhered to prior to public dissemination of material for a fundraising event.
 1. The purpose of the fundraising event and the program, endowment, research or scholarship to receive the proceeds from the event must be clearly defined.
 2. A restricted gift cost center must be established for each fundraising event prior to receiving any gifts or contributions.
 3. A budget must be established to include anticipated revenues and expenses.
 4. If the fundraising event includes receipt of goods or services by a donor attendee, the fair market value of donated goods or services to be received in return for purchase of a ticket to the event must be identified.
- B. Invitations to a fundraising event shall state the fair market value of the benefit to be received by the attendee donor (i.e., the quid pro quo amount) and shall indicate the amount paid by the donor that exceeds the value of the benefit received.
- C. Sponsorships are unique. To determine their eligibility as gifts, contact UKPAE Gift Receiving at philanthropygiftreceiving@uky.edu. Additionally, UKPAE Gift Receiving will work with Gift and Estate Planning and Legal Counsel to determine whether a contribution is a qualified sponsorship payment under IRS rules.
 1. Sponsorships eligible as a gift will not offer the sponsor any marketing or advertising opportunities.

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2. Sponsorships eligible as a gift are subject to the quid pro quo.
- D. All gifts received will be processed in accordance with the procedures outlined in [BPM E-2-1 Treasury Operations Manual](#). Acceptance of credit cards for fundraising events must be coordinated with the appropriate unit business officer and Merchant Card Services.
 1. The gift portion and quid pro quo amount from each ticket should be separately recorded in the fundraising cost/funds center using the appropriate general ledger accounting codes.
 2. Funds received from internal sponsors should be separately recorded in the fundraising cost center using the appropriate transfer general ledger transfer codes. Internal funds will not be recorded as a gift by UKPAE.
 3. If planning a silent auction, contact UKPAE Gift Receiving prior to the event for guidance.
- E. Silent Auctions
 1. Items donated for the purpose of a silent auction at a fundraising event will be acknowledged as a non-cash gift only if the item is sold. Documentation on the gift and the amount for which the item was sold shall be submitted to UKPAE Gift Receiving.
 2. Services offered by an individual or business shall not be acknowledged as a gift.
 3. If planning a silent auction at an event for which the primary purpose of the event is not to raise funds, contact UKPAE Gift Receiving prior to the event for guidance.
- F. UKPAE will send the donor acknowledgement of the donation per the procedures outlined in BPM [E-22-1 Soliciting, Receiving, Recording and Acknowledging Gifts](#).
- G. Discretionary expenditures related to a fundraising event must follow the procedures outlined in BPM [E-7-10 Discretionary Policy](#).
- H. After all the fundraising event expenses have been paid, funds remaining in the fundraising event cost center from quid pro quo funds should be transferred, when applicable, to the beneficiary account. Documentation for the gift revenues, expenses and quid pro quo amounts should be submitted to Accounting and Financial Reporting Services with the journal voucher.
 1. Documentation should include a copy of the flyer, invitation, web description, purpose of fundraising event and define whether endowed or not, and the fair market value benefit the donor will receive has to be stated on the invitation.
 2. Any corrections on JVs with sponsorship should include documented communication with UKPAE Gift Receiving.
- I. Funds received from internal sponsors cannot be transferred to a gift cost/funds center or endowment fund but can be used to pay fundraising event expenses.
- J. If the purpose of the event is not fundraising for a gift cost/funds center or endowment fund that supports the University's mission (e.g., a workshop, seminar, etc.), ticket sales for the event should not be treated as gift revenue.