



Northern New York Community Foundation

Fundraising Guidelines for Charitable Funds of the Northern New York Community Foundation

PURPOSE: To ensure that all fundraising efforts to build charitable funds at the Northern New York Community Foundation are conducted in compliance with IRS and New York State regulations and Community Foundation policies to protect your fund, your donors, and the Foundation.

OVERVIEW:

It is important to the Community Foundation that the following guidelines are properly followed to protect the fund you've created. All charitable funds are assets of the Community Foundation and therefore fall under nonprofit status of the Foundation. When fundraising activities or solicitations use the Foundation's name, or the name of the fund, the IRS views the fundraising event as being conducted by the Community Foundation. Therefore, the Community Foundation is legally responsible for the activity, and it as well as the donor face serious penalties and liabilities if careful procedures are not followed: Donors may be denied a tax deduction, the fundraising group may be unexpectedly subjected to tax on the funds raised, and both the Community Foundation and the fundraising group may be subject to penalties.

There are two ways to raise funds for a charitable fund at the Community Foundation:

1. **Direct Fundraising in the Name of the Fund** — Donors will receive a tax deduction for their gift to the designated charitable fund at the Foundation. This type of fundraising includes direct solicitation (letters, mailings, etc.) as well as fundraising events. More details are provided on page 2.

***Please note:** The Community Foundation must approve the activity, and all materials associated with the activity, prior to distribution. The Foundation also advises receiving all individual contributions to properly acknowledge donors who wish to receive a tax deduction for their gift.

2. **Independent Fundraising** — Fundraising is completed by an outside group without the endorsement or participation of the Community Foundation. The Foundation does not need to approve the activity or materials. The outside group executes the fundraiser and contributes a lump sum donation to the fund at the Foundation.

***Please note:**

- Neither the fund name nor the Community Foundation name is used in connection with the event; however, a statement may read: ***The net proceeds of this event will be contributed to the "Named Fund" of the Northern New York Community Foundation.***

Administration of Monies:

- Donors will not receive a charitable deduction for monies transferred to the Foundation as part of the lump sum donation.
- Fundraiser expenses should be paid prior to the contribution of the lump sum donation to the Foundation.
- Monies must be delivered to the Foundation preferably within two weeks — but no later than 30 days — after the fundraiser's completion.
- The Foundation will accept a check or money order.
- If the lump sum is cash, please take it to a bank and have a bank check issued to submit to the Foundation in a timely manner.
- Accounting of monies received and expenses incurred should be provided to the Foundation.

***Important:** If you fail to comply with any of these fundraising guidelines provided by the IRS, the Northern New York Community Foundation may not be able to accept monies raised and/or provide appropriate acknowledgement and tax deductions to donors.

FUNDRAISING EXAMPLES:

It is important to the Community Foundation to provide guidance on specific examples related to independent fundraising. Following these steps will ensure appropriate stewardship of charitable gifts made to the charitable fund you wish to support.

1. Direct Solicitation (Mailing, Brochures, Website, Etc.)

It is common for groups to raise monies for a charitable fund at the Foundation through creative outreach, such as marketing, promotion or fundraising to benefit the fund. Some other examples include websites, brochures, direct solicitation letters and events.

Donors will receive a tax deduction for their gift made directly to a charitable fund of the Community Foundation. The Foundation will steward the contribution and provide acknowledgement with a gift letter to the donor. This is an important part of our service to fund holders. The Foundation will accept gifts for the charitable uses outlined in the fund's agreement with the Foundation. No donor restrictions other than those for the purposes of the fund will be accepted.

Gifts can be made directly to the fund through the Foundation:

- Checks can be made payable to:
Northern New York Community Foundation
131 Washington Street, Watertown, NY 13601
Place "*Named Fund*" in the memo line and mail to address above
- Online gifts may be received at nnycf.org.
- Contact the Foundation at 315-782-7110 for further details on other types of gifts.

The Community Foundation advises review of all materials (print, digital, or other), website content, and radio and television announcements prior to public distribution. Please contact **Ken Eysaman**, Foundation communications director, at **315-782-7110** or **ken@nnycf.org**.

Materials for direct solicitations must satisfy the following requirements:

- All materials must state that the fund is "a component fund of the Northern New York Community Foundation."

- Contact the Foundation to encourage online donations through the Community Foundation’s secure online giving portal. This is an encouraged alternative to other online giving platforms (i.e. GoFundMe, etc.). It will ensure proper recognition and stewardship of each gift. The Foundation can provide an accurate online giving link to direct donors and contributions.
- Solicitation disclosures are required under New York State law. All solicitation materials must disclose the purpose for which the solicitation is made and note that “a copy of the Northern New York Community Foundation’s latest annual report may be obtained by contacting the Foundation’s office at 315-782-7110.”

Credit Card Donations — The Community Foundation can create a custom online giving link to efficiently collect credit card gifts for your fund. The link may be placed on a website, email or social media. Donors will receive a gift acknowledgement letter from the Foundation upon receipt. To set up a custom online giving link, please contact Director of Finance **Michele Jeican** at **michele@nnycf.org**.

2. Fundraising Events (Golf tournaments, races, dinners, etc.)

It is common for groups to raise monies for a charitable fund at the Community Foundation through special events.

- **The Community Foundation advises review of all materials (print, digital or other), website content, and radio and television announcements related to fundraising events prior to public distribution.** Please contact **Ken Eysaman**, Foundation communications director, at **315-782-7110** or **ken@nnycf.org**.
- **Event materials must include a statement as to the tax deductibility of participation in the event.** If goods or services are provided in exchange for a donation, certain “quid pro quo” disclosures are required on the solicitation materials, including a good faith estimate of the value of goods or services provided. For example, if a solicitation level of \$100 includes a shirt valued at \$35, the materials should read, “*Your gift in excess of \$35 is tax deductible to the fullest extent allowed by law.*”
- The individual or group organizing the event is responsible for the outlay of any expenses associated with conducting the event. This includes necessary insurance, permits, licenses, approvals, etc.
- If attendees of the fundraising event wish to receive a tax deduction for their participation, checks should be made payable to Northern New York Community Foundation with “*Named Fund*” in the memo line. Attendees may also give online at **nnycf.org**. Tax deductibility of their contribution will be determined based on whether any goods or services were received as part of their gift.
- The individual or group organizing the event is also responsible as the registrar for events.
- The Community Foundation will not be held responsible for any losses incurred by fundraising events or efforts.

3. Grant Applications (to other Foundations and funding sources)

Groups may wish to apply to other foundations or funding sources to secure charitable support for a fund at the Community Foundation. These are considered independent fundraising activities.

Prior to submission, Community Foundation staff must review and approve the grant application or fundraising opportunity being pursued.

***Please note:** The Northern New York Community Foundation will not serve as the fiscal agent for state or federal funds.

4. Gaming & Raffles (Bingo, lotteries, wagering, and other games of chance)

Groups may wish to implement games of chance to raise monies for a fund at the Community Foundation. Due to the level of regulation imposed by the IRS and New York State Charities Bureau, charitable funds and affiliates of the Northern New York Community Foundation are prohibited from conducting raffles or any other fundraising activity in which gaming activities are involved. This method of fundraising is planned and executed without endorsement, involvement or mention of the fund or Community Foundation.

If a group decides to deploy this event type (game of chance), the Foundation requires that:

- Neither the fund name nor Community Foundation is used publicly in connection with the event.
- However, the following statement may be used: *“The net proceeds of this event will be contributed to the “Named Fund” of the Northern New York Community Foundation.”*
- No donors will receive a tax deduction from the Foundation.
- No acknowledgements will be provided by the Foundation.

If this fundraiser event is completed, the group may make one lump sum donation to the fund at the Community Foundation. No acknowledgements will be made by the Foundation.

5. In-Kind Donations

The Community Foundation is not able to receive in-kind donations to a fund. If an individual or business wishes to donate goods or services for a fundraising event, the organizer is required to note that the Foundation will not provide a tax receipt for the donation. The organizer may recognize the amount of the in-kind donation as a sponsorship acknowledgement.

6. Social Media/Online Fundraising (Facebook, GoFundMe, etc.)

It is strongly encouraged to contact the Community Foundation if there are plans to raise monies for a charitable fund at the Foundation through social or online giving platforms. We can provide direction on proper stewardship and suggest best practices to maximize efforts. Please contact us at ken@nnycf.org.

REIMBURSEMENTS:

Expenses tied to fundraising activities must be paid from the proceeds of the fundraising activity. The Community Foundation will not separately reimburse expenses or “charge” them to a Community Foundation charitable fund.

***Please note:** Individuals may not be reimbursed for expenses from Donor-Advised Funds. Also, the Community Foundation will not reimburse sales tax. A tax-exempt certificate may be provided should you require one.

NON-PERMITTED FUNDRAISING ACTIVITIES:

Under **no circumstances** may a charitable fund at the Community Foundation or the Northern New York Community Foundation be named to raise money for activities/events that are in direct opposition to the Community Foundation’s bylaws, including but not limited to, those that might endorse or oppose political candidates or events where proceeds are directly supporting religious purposes.

SUMMARY:

The Northern New York Community Foundation believes in the responsible stewardship of each charitable fund with our organization. These guidelines are provided to give you and the Community Foundation proper protection as charitable support is raised for funds under our administration. It is our responsibility to ensure that all fundraising activities are in compliance with IRS and other government regulations to avoid unintended tax consequences or possible penalties. Please contact the Community Foundation's office at **315-782-7110** should you have further questions.

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