

Direct URL for forms referenced in this document:

<https://www.lsufoundation.org/engage/resources-for-colleagues/fundraising-events.php>

WHAT QUALIFIES AS A FUNDRAISING/DEVELOPMENT EVENT OR ACTIVITY?

A fundraising/development event or activity is an event or activity conducted for fundraising or development purposes for which some or all of the proceeds collected are **not 100% charitable contributions**. Examples of common fundraising **events** are golf tournaments, auctions, dinners, conferences and exhibitions. Examples of common fundraising **activities** are occasional sales of promotional and commemorative items, such as shirts, mugs and note cards.

APPROVALS

Certain fundraising or development events and activities require approval of the dean- or director-level campus administrator **before** they can be conducted through LSU Foundation beneficiary accounts. This approval process is a requirement of the LSU System Office and serves as verification by the campus that the event or activity is for a fundraising or development purpose that is appropriately handled through private funding and does not involve the unauthorized use of state funding or resources.

What types of approval are needed for Fundraising/Development Events and Activities?

The LSU System Office requires approval of the beneficiary campus for any fundraising/development events and activities for which the proceeds collected are to be deposited to an affiliated organization, such as the LSU Foundation. The **Fundraising Event/Activity Campus Approval Form** should be used. Once campus approval is obtained, LSU Foundation management reviews the form to ensure that the described event or activity does not conflict with LSU Foundation fundraising/development policies or applicable laws and regulations. Examples of events and activities that conflict with Foundation policy are sales of business advertisements, raffles, sweepstakes and similar games of chance.

How will the university beneficiary be notified of approval?

The beneficiary campus forwards signed approval forms to the LSU Foundation. Once a form has been reviewed by the LSU Foundation, the university beneficiary is notified, and a copy of the approved form is transmitted to the beneficiary department.

Are there any special concerns that may require additional approvals or in-depth review?

In cases where the Foundation will be expected to make direct payment for expenses related to events and activities involving **nonstandard risks**, advance written approval must be obtained from the CFO or the CFO's designee. Examples of events and activities involving nonstandard risks include water sport-related events (such as tubing and rafting), equestrian-related events (such as horse jumping competitions and polo games) and those using chartered transportation (such as chartered aircraft and motor coaches). The evaluation of the risks during the CFO's advance review may warrant additional insurance coverage and liability waivers, so the request for written approval should be initiated by University beneficiary departments **as early as possible in the planning process**.

FAIR VALUE

In cases where funds collected are, in part, charitable contributions, the LSU Foundation's Gift Processing Manager contacts the beneficiary department to determine the estimated fair value of the goods or services to be received by the donor. For example, if a donor pays \$75 for a dinner that has a fair value of \$25, the donor is acknowledged for the receipt of the \$75, with notice that \$25 of the gift is not tax-deductible. This is per IRS requirements; in this example, \$25 is the estimated value of the benefit the donor received, referred to as "quid pro quo."

Is the estimated fair value of goods and services received equal to the beneficiary's expense amount?

The estimated fair value to the donor is **not** necessarily equal to the cost of the item or service paid by the university beneficiary, as defined by IRS regulations. For example, the cost per item from the vendor for a shirt may be \$7, while similar shirts retail in a campus gift shop for \$15. Per IRS regulations, the estimated fair value is what must be reported to the donor, and that is **not necessarily** the cost that the beneficiary paid for the item.

PROCEEDS AND REIMBURSEMENTS

Is there a special form for depositing proceeds from these events and activities?

The **Deposit Transmittal Form** on the LSU Foundation's website should be used. The form has separate columns for the "Gift Portion" and "Non-Charitable Portion" of proceeds. Therefore, if proceeds for a dinner of \$75 are deposited, and the estimated fair value of the dinner is \$25, \$50 is entered in the "Gift Portion" column and \$25 is entered in the "Non-Charitable Portion" column. The documentation accompanying the **Deposit Transmittal Form** should reference the event or activity and, preferably, include a copy of the **Fundraising Event/Activity Campus Approval Form**.

What is the difference between reimbursements and fundraising/development event proceeds?

A reimbursement is a payment that covers a specified expense directly, e.g., a payment by an alumnus attending a class reunion for a ticket to the football homecoming game. The beneficiary department purchases the football tickets, and the alumnus reimburses the department for the cost of the ticket. In those cases, there is no contribution or revenue, and the payment from the alumnus is deposited on the **Deposit Transmittal Form**, with the amount listed in the "Reimbursement" column. Since reimbursements are **not** contributions, these payments are **not** processed on the TAILS database, and **no donor acknowledgment/receipt is issued**.

SPONSORS AND SUPPORT ORGANIZATIONS

What if a volunteer group or friends-type organization is conducting the event or activity?

If the event or activity is being conducted entirely by the outside group, whereby the group deposits proceeds to its own bank account and pays for expenses directly from its own bank account (**and not through an LSU Foundation beneficiary account**), the event or activity is not considered a fundraising/development activity or event. The group usually sends all or a portion of the net proceeds in a single check made payable to "LSU Foundation." The LSU Foundation deposits the check, processes it as a gift from the organization, and issues the gift acknowledgment/receipt to the organization. Since these types of events and activities are **not considered Foundation fundraising/development events or activities**, the **Fundraising Event/Activity Campus Approval Form** is **inapplicable**.



FAQs for Fundraising/Development Events and Activities

Do fundraising/development events and activities that involve sponsorships require campus approval forms?

If the only proceeds being collected with an event or activity are sponsorship payments, and the benefits provided to the sponsor involve ***recognition and signage only***, with no other goods or services provided, then the sponsorship is entirely charitable and the event or activity does not require a **Fundraising Event/Activity Campus Approval Form**.

POST-EVENT/ACTIVITY FORMS

After the event or activity has concluded, are any additional forms or reports required?

Once all proceeds have been deposited and all expenses related to the event have been paid, the university beneficiary department is asked to submit a **Fundraising Event and Activity Financial Report** to the LSU Foundation. This financial report contains information that, per the IRS, must be included in the annual return (Form 990) for these types of events and activities.

QUESTIONS

Please contact the Foundation's Director of Bio & Gift Records at donorservices@lsufoundation.org with any questions or concerns regarding fundraising/development activities and events.