



NORTHERN ARIZONA UNIVERSITY FOUNDATION

SPECIAL EVENTS POLICY March 2010

Purpose Statement

The Northern Arizona University Foundation (NAUF) operates and raises funds for the benefit of the Northern Arizona University (University) under federal, state and local laws and regulations that govern charitable fundraising, gift reporting and special events. This policy is to assist fundraising that benefits the University executed by the foundation, departments, student groups, faculty/staff, or by third parties not formally associated with NAU or NAUF. In order to avoid duplication of efforts and multiple requests to donors, all fundraising for the University, its departments, programs, student organizations and subsidiaries will be coordinated through NAUF.

Responsibilities of Event Coordinator

Step 1 – Determine if your event is a University or NAUF event

To help determine if fundraising revenue should be deposited with the University or with NAUF, please answer the following questions. If you can answer “yes” to both questions, the revenue should be deposited with NAUF. If you answer “no” to both questions, deposit the revenue to the University via the Bursar’s Office. If you answer “no” to only one of the questions, please contact Cheryl Heitz, NAUF Director of Finance and Administration, to determine the proper treatment.

1. Is the transaction purely philanthropic in nature – does the person or organization giving the money receive no guaranteed benefit in return?
2. Are you completing a reconciliation for your special event and submitting it to the Foundation so that the proceeds are properly reported in the fundraising section of the required IRS form 990?

Types of Special Events/Fundraising Activities

Activities that are not considered tax-deductible donations

Rummage sales, car washes, raffle tickets, bingo, casino night and lottery tickets.

Auctions

Auctions provide persons the opportunity to bid openly or silently for one or more items. The revenue from auctions is tax deductible to the extent that payment for the item exceeds the fair market value of the item. The purchaser must be informed of the value of the item prior to the bidding.

Conferences and Seminars

Most conferences will be considered University events. NAUF may administer funds for conferences and seminars. If there is a charitable component of a corporate

sponsorship, those will be received by NAUF and the portion that is considered revenue (e.g. free registrations that reduce the charitable component of the gift) will be transferred to the University. Only revenues relating to conferences where the corresponding expenditures are to be disbursed through the NAUF will be accepted.

Entry Fees and Ticket Proceeds

If attendees receive a benefit in return for their payment (e.g. attend musical performance for their entrance fee) the value of what they receive needs to be listed on the ticket they purchase. Statements such as “suggested donations” or “minimum donation required” are not allowed.

Raffles

A raffle is an appeal for money consisting of three parts (1) a prize, (2) the element of chance and (3) consideration or payment for the right to participate. The cost of a raffle ticket is not tax deductible; therefore it must be classified as non-gift revenue. The raffle ticket must state that the purchase price is not tax deductible. **Certain wagering transactions require the filing of Form W2G. Please see the foundation for more details.**

Sales

NAUF may accept funds for sales of merchandise. The NAUF must be notified prior to the sale. For example, the Lumberjacks Alumni Ambassadors sells homecoming t-shirts to benefit the LAA scholarship program. Only revenues relating to sales where the corresponding expenditures are to be disbursed through the NAUF will be accepted. Sales generated with University resources are not considered NAUF and will not be accepted by the NAUF.

Special Event

Special fund raising events include but are not limited to, dinners, receptions, theater programs, art and entertainment events, golf tournaments, auctions, casino night and similar activities.

Student Group Special Event

There are two types of student group fundraising activities:

1. Student groups administered through student life and have their activity processed through the NAUF Student Groups and Organizations fund - solicitations for these events must be approved by the NAU Fund prior to the event. Donations received are considered charitable gifts.
2. Student groups with bank accounts off campus – this policy only applies to funds deposited to the NAUF. Funds solicited by student groups with money deposited into an off campus bank account are not considered charitable donations to NAU and should not be solicited as such.

Third Party Special Event

A third party is any individual or entity other than the NAUF, the University, or the NAU Alumni Association. A third party event is any party, outing, celebration, fundraiser, online solicitation, or social gathering of any kind held by any organization other than the Foundation for the purpose of raising funds for the University to be deposited at the Foundation. Please see Third Party Special Event Guidelines for additional details.

University Events

Examples of revenue generating events through the University that are not considered NAUF special events.

Example 1: Selling any products or services to the public such as CDs or T-shirts

Example 2: Conferences – there may be a charitable component of a conference – to determine if so, contact Cheryl Heitz prior to event planning.

Example 3: Hosting a career day that generates revenue

Step 2 - Call your development officer and let them know what you are doing

They can help you avoid scheduling your event during other planned activities, give you advice about who should be invited, give suggestions about vendors to use, ensure that your event receives advance publicity, consider corporate solicitations and otherwise ensure that what you are planning is a success.

Step 3 – Complete the Special Event Application and obtain approval from the NAUF

Approved use of the NAUF logo

Any use of the NAUF logo for the event must be approved in advance by NAUF.

Requests must be made on the event application. Any advertising or promotional materials created by the group must make it clear that the monies are being raised for a fund at the NAUF.

Step 4 – Obtain the appropriate licenses and permits

Liability Insurance and Liability for Loss

In order to protect the NAUF from legal liability, insurance must be provided for each event. The organizers of the event agree to indemnify and hold harmless the NAUF or any of its staff members or officers, from any and every claim, demand, suit and payment related to or caused by the event. Any expense for such coverage, any expense incurred by NAUF in securing a rider to its liability policy to cover the event, and any expense incurred by NAUF for settlement, defense, or liability arising from the event, will be considered expenses of the event and charged to the fund for whose benefit the event was held. Under no circumstances will NAUF be liable for any loss or damage incurred at, by or because of the event.

Events that need to be covered by the Foundation Special Event Insurance:

1. Any fundraising event, on or off campus, where the funds are coming to NAUF.
2. Tailgating event where it is an invited event and the alcohol is purchased through the Foundation using Foundation funds.
3. NAU events held on campus that are not held at the Skydome, 1899 Bar & Grill or the High Country Conference center that serve alcohol.

Events that do not need to be covered by the Foundation Special Event Insurance:

1. NAU events held in the Skydome, 1899 Bar & Grill, and the High Country Conference Center.

2. NAU events that are non-fundraising and held off campus where alcohol is served and are held at an alcohol licensed business.
3. NAU events that are non-fundraising and held off campus in a home; it is the home owner's responsibility to make sure they are covered under their home owner's policy or to purchase an additional rider

Event Permits and Licenses

Event organizers are responsible for obtaining their own permits and licenses for the event. Copies must be provided to NAUF within 30 days prior to the event. If licenses are required and not obtained, the event will be cancelled.

Step 5 – Obtain financial support for your event

Corporate Sponsorships

Corporations and other organizations often give money to institutions to sponsor activities, events or projects and in return receive recognition on campus, at the event, or in accompanying publication. Advertising is not charitable. The IRS defines advertising in this instance as competitive pricing or product information displayed because of the donation. If the recognition fits this definition of advertising, the sponsorship is an exchange transaction, not a gift. Simple name or logo placement is not advertising. Approval from the appropriate Development Officer is required to ensure solicitation is a coordinated effort on behalf of NAU. Please contact the NAUF if you need additional details.

Gifts in Kind

Gifts in Kind (GIK) are generally defined as non-cash contributions, such as tickets, gift certificates, works of art, and merchandise that are to be used for fundraising purposes. Donor deductions are limited to the cost basis of the item donated. For example, an art dealer's cost for an art object donated is deductible, not any higher amount that the same art object might bring at a charitable auction. Gifts of service are not considered a charitable donation.

Complete the Special Event Gift in Kind Donor Recognition Form for all GIK and submit it to the NAUF data entry within 30 days after the event.

Step 6 – Provide a safe and secure way to handle and account for the cash you receive at the event. See University policy CMP307.

Processing of cash, checks, credit cards

Checks written as donations to the event should be payable to Northern Arizona University Foundation – "Fund Name" and delivered directly to the NAUF. Cash receipts should likewise be delivered, intact, to NAUF accompanied by a list of donors and the cash gift transmittal. Event costs should never be taken out of receipts prior to deposit with NAUF, but should instead be paid by NAUF directly to suppliers upon receipt of the proper documentation. Credit cards may be accepted for payment at the event with prior approval. Arrangements for processing are to be made with NAUF data entry supervisor.

For proper cash handling see University policy CMP307.

Step 7 – Make sure you gather the information you need from attendees who win auctions or who received raffle winnings and keep proceeds from different sources separate (raffle proceeds, outright gifts, ticket sales, purchase etc.)

Complete Special Event Auction Item Recognition Form and submit it to the NAUF data entry department within one week after the event.

Step 8 – Ensure that all vendors are paid for event activity

Payment of expenses

The event coordinator will be responsible for all expenses, and will maintain an appropriate budget, expenditure controls and records relating to the event. Expenses will be submitted to the NAUF following the Guidelines for Disbursement Policy.

Step 9 – Complete the event reconciliation and submit to NAUF within 30 days post event. See Special Event Reconciliation form.

Responsibilities of NAUF

Step 1 - Review and approve the event application

Prohibited events

- Events involving promotion of a political party, candidate or appearing to endorse a political activity
- Events which compromise the image and reputation of NAU and NAUF
- Programs that involve a professional fundraiser, or other agreement to raise funds on a commission, bonus or percentage basis

Non-compliance

Once the fundraising activity has been approved by the NAUF, the guidelines contained in this policy MUST be followed. Failure to follow these guidelines may result in the following:

- The fundraising activity will not be processed or acknowledged by the NAUF and therefore no contributions will be accepted
- Contributions may be returned to the contributor with a resignation of any tax-deduction benefits
- Fund assets may be directed to another fund with a similar purpose
- Fund may be closed and assets transferred to another existing fund in the NAUF

Step 2 - Accept donations and provide appropriate acknowledgement to donors

Tax requirements and acknowledgement

The IRS requires the NAUF to provide a receipt for contributions exceeding \$75, when goods or services are received in exchange for that donation. The event coordinator will determine the fair market value of the goods or services received by the contributor. As an example: a donor gives \$100 to attend a dinner event where the donor receives a \$40 dinner and thank you gift valued at \$15. The donor's tax deduction (\$45) is equal to the contribution (\$100) less the value of the goods/services (\$55). Noting on the ticket the tax-deductible value of the donation is a typical method for making this disclosure.

Similarly, the IRS requires the NAUF to provide a contemporaneous written acknowledgement of contributions of \$250 or more. The acknowledgement must

provide the amount contributed, the date of the contribution, and a description of the fair market value of the goods and services provided in exchange for the contribution. If contributions are collected by the fundraising group, a complete listing of all donors and sponsors with addresses, amounts and type of contribution, and description and fair market value of all goods or services furnished to the contributor must be forwarded to the NAUF. This information must be submitted no later than one week following the event.

Step 3 - Maintain a list of donors

Please contact the data entry supervisor for donor information.

Step 4 - Make expense distributions for the event with completed check request

NAUF processes checks on a daily basis. The check request form and guidelines for disbursement can be found on the NAUF webpage.

Any exceptions to this policy must be approved by the President of the Foundation.



NORTHERN ARIZONA UNIVERSITY FOUNDATION

SPECIAL EVENT APPLICATION

1. Organization Name:
Contact name and phone number:

2. Event Information
Name of event:
Description of event:
Name/number of Foundation fund to benefit from event:
Location of event:
Address of event:
Date and times of event:
Number of attendees:
Number of volunteers:
Estimated revenue generated:

3. Is alcohol being served?
By whom?
Is alcohol being purchased or donated?
Will it be sold or given away?
Has server provided evidence of liquor liability insurance?
Is liquor liability coverage desired?

4. Will there be gaming at the event?
Gaming includes (but is not limited to): bingo, pull tabs/instant bingo (including satellite and progressive bingo) Texas Hold-Em Poker and other card games, raffles, scratch-offs, charitable gaming tickets, break-opens, hard cards, banded tickets, jar tickets, pickle cards, lucky seven cards, Nevada Club tickets, casino nights, Las Vegas nights, and coin operated devices.
These activities are considered gaming by the IRS and will be reported separately on the NAUF tax return (990). You must track these proceeds separate from other activity for your event.

5. Do you wish to use the NAUF logo for publicity?

6. Will you be using a professional fundraiser?

7. Will you be selling tickets? If yes, what price?

8. Will you be selling tables? If yes, what price?

9. Information required for insurance coverage
Seating capacity at venue:
Who is supplying security at venue?
Describe the safeguards to prevent injury:

Describe first aid/medical arrangements:

Is the event limited to the venue grounds?

Are you required to provide certificates of insurance to any other entity?

Applicant's Statement and Declarations

The applicant declares to the best of their knowledge the information contained in this application and all supplements attached to be true that no material facts have been suppressed or misstated. The applicant further understands that any false or fraudulent statements or misrepresentations could result in termination or voidance of any insurance contract issued from the information stated herein.

Printed name and signature:

NAUF Approval:



NORTHERN ARIZONA UNIVERSITY FOUNDATION

THIRD PARTY SPECIAL EVENT POLICY

Purpose Statement

The Northern Arizona University Foundation (NAUF) operates and raises funds for the benefit of the Northern Arizona University (University) under federal, state and local laws and regulations that govern charitable fundraising, gift reporting and special events. These guidelines are to assist fundraising that benefits the University, but is not executed by NAUF. The purpose of these guidelines is to provide guidelines to third parties (defined below) regarding their fundraising efforts, and to identify if, how, when, and in what form the NAUF will offer support to and receive donations from events sponsored by third parties. The NAUF assumes no responsibilities or liability for the planning or execution of third party events. This policy applies to events that are held on a regular basis for funds that are already established at NAUF.

Any event that is held, hosted or sponsored by NAUF is not a third party event. Where the NAUF seeks to provide assistance for, hold, host or sponsor an event in coordination with a third party, the Development Officers/Stewardship Coordinator will present any such proposed events to NAUF to ensure all event planning, tax, insurance and liability concerns are addressed.

The Foundation reserves the right to deny approval of any special event that subjects the Foundation to excess risk as determined by the Foundation President.

Definition of Third Party

These guidelines apply to all third parties who desire to hold events for the benefit of NAU and direct the donations to the NAUF. A third party is any individual or entity other than the NAUF or the University. A third party event is any party, activity, outing, celebration, fundraiser, or social gathering of any kind held by any organization other than the NAUF for the purpose of raising funds for the University to be deposited into the NAUF.

NAUF Responsibilities:

Development Officer/Stewardship Coordinator: Development Officers (DO) or the Stewardship Coordinator (SC) are responsible for educating third parties about these guidelines and the requirements for holding events that may result in donations (regardless of whether they are tax deductible) to the NAUF. Upon notice of a third party event, the DO/SC shall inform the NAUF. If the DO/SC wishes to be involved with a third party event or utilize NAUF resources, the DO/SC must secure prior approval.

Third Party Events:

1. **Special Event Application:** The NAUF requests that third parties submit a completed special event application to the NAUF at least 30 days prior to the expected date of the third party event.
2. **Event Name:** Because third party events are not held directly by the NAUF, they should only refer to the University and/or the NAUF as beneficiaries. For example, an event should not be named the “Northern Arizona University Golf Outing.” Instead, the event may be named the “Golf Outing to benefit Northern Arizona University.”
3. **Use of Logo:** Use of the logo is reserved for University sponsored events. In order to recognize the event is supporting NAU you are required to include the following statement: “All proceeds from the event will be directed to the Northern Arizona University Foundation to benefit _____.”
4. **Donor Intent:** In order for the NAUF to accept donations from third parties, the event publication/solicitations should clearly indicate the donor’s intentions. The NAUF requires including the statement “All proceeds from the event will be directed to the Northern Arizona University Foundation to benefit _____.” The NAUF requires an indication of a specific University program, department, college, or a specific NAUF fund toward which donations from the event will be directed and any potential alternative use of the gifts.
5. **Publicity:** Third parties are responsible for independently generating publicity for their event. Flyers must be reviewed and approved by NAUF prior to the event.
6. **Sponsorship/Expenses:** Third parties are responsible for finding sources of funding for the event, if necessary. In-kind donations for a third party event may be considered a tax-deductible gift to NAUF with a written request to the Foundation and additional reporting requirements. Permission must be obtained prior to planning the event. Certain businesses may be able to treat such donations as business expenses in accordance with their own tax obligations.
7. **Gift Funds Collection:** Third parties are responsible for collecting gift funds for or generated by their event.
8. **Event Planning:** Third parties are responsible for securing the appropriate venue, staff, and/or volunteers, and services including, but not limited to, food, beverages, and entertainment desired for the event. The NAUF will not provide third parties with funding or reimbursement for event expenses, staff, students, or volunteers to support a third party event, and cannot guarantee that alumni, students, donors, volunteers, or employees of the University or NAUF will be in attendance at the event.
9. **Tax Treatment of Donations:** NAUF is a nonprofit 501(c)(3) organization and, as a result, if a donation made directly to the NAUF is claimed by a donor as an itemized deduction on a tax return, then that donation is tax deductible to the extent allowable by law. However, donations to third parties, regardless of whether any portion of those donations is used to defray event expenses, may not be classified as gifts to the NAUF. For example, checks made out directly to NAUF may be classified as gifts to NAUF, but payments to a third party to participate in events are not gifts to NAUF and are, therefore, not tax deductible by the NAUF. NAUF will not provide receipts for items donated or event fees collected by a third party for an event, unless the checks are made payable directly to the NAUF.
10. **Event Insurance:** Third parties are responsible for independently obtaining any desired or necessary insurance for their event. A copy of the policy must be sent to the foundation 10 days prior to the event.

11. **Event Permits and Licenses:** Third parties are responsible for obtaining their own permits and licenses for the event, including liquor licenses. Copies must be sent to the foundation 10 days prior to the event.
12. **Event Taxes:** Third parties must pay all applicable federal, state, and/or local taxes incurred during the planning and execution of the event. Third parties may not use the NAUF tax identification number. Additionally, the NAUF does not utilize the University's sales tax exemption and cannot extend it to third parties.
13. **Proceeds:** The NAUF expects that third parties will not keep any portion of the event proceeds as profit or compensation for organizing the event. If event expenses are greater than the revenue generated, the third party is responsible for those costs. All checks must be sent to the foundation within 7 days after the event.
14. **Reconciliation:** An event reconciliation must be sent to the foundation within 30 days after the event.

NAUF Assistance:

The NAUF may provide the following assistance for third party events, so long as such events are consistent with the purpose and mission of the NAUF.

1. **Recognition:** Even though donations to a third party in its fundraising efforts are not tax deductible by the NAUF, the NAUF may provide gift recognition to the third party and other individuals or entities, as appropriate.
2. **Donations:** The NAUF may provide assistance to the third party in directing the proceeds and/or donations from the event to the appropriate University program, department, college, or fund within the NAUF.
3. **Receipts:** The NAUF will provide receipts to donors who have made their checks payable directly to the NAUF.

Any exceptions to this policy must be approved by the President of the Foundation.