



Student & Faculty Fundraising Guidelines

Development Office • University Relations

As a member of the Santa Clara community, you are encouraged to solicit gifts to the University in support of student programs, activities and scholarship resources. To ensure your success and that of future student and faculty fundraisers, please adhere to the following fundraising and sponsorship procedures. They are designed to:

- Help you be successful as a fundraiser.
- Ensure that gift accounting—thanking donors and providing tax receipts—is done in compliance with donor intent, IRS regulations and University policy.
- Prevent situations where donors or sponsors are unintentionally or inappropriately solicited (i.e., multiple asks from various student groups or departments).
- Make sure that your donors are recognized and feel appreciated.

As you begin forming plans for your fundraising effort, please contact Chiqui Tanedo in Development Gift Processing at 408-554-4994 or ctanedo@scu.edu. She'll be happy to answer your questions and help you design a program that will generate value for both the donors and those who benefit from their gifts.

Vetting Solicitation Materials and Potential Donors

Alumni, friends and corporate contacts receive a range of fundraising solicitations from the SCU community, and the University has specific giving strategies planned for many of these donors. To prevent duplication and maximize the effectiveness of your fundraising efforts, please vet your solicitation materials and donor list with Assistant Vice President for Development Mike Wallace (408-554-4981, mjwallace@scu.edu) before making contact with donors. Mike will review your plans, gather feedback from Development colleagues working with individual and corporate donors, and provide direction for refinement of your final materials and donor list.

Gifts and Donations

The University receives both outright and in-kind gifts. When accepting an outright gift in the form of cash, a check or credit card (Visa, MasterCard, Discover, American Express), the following information is required:

- Name and address of the donor
- Fund number to which the gift should be deposited
- Credit card number, expiration date, billing address and name as printed on the card

- Market value of any benefit received (see “The impact of market value” below; if there is no market value, that should likewise be stated)

Bring any outright gifts to the reception desk in the Development/University Relations Office in Loyola Hall (x4400).

When accepting an in-kind gift (computer equipment, books, door prizes, vehicles, software, food and drink, etc.), you must be certain that the in-kind gift is related to the purpose of your organization/department or the University as a whole. If you plan to accept a gift that is not related to this purpose (perhaps to sell), you must get clearance from the Gift Processing Office beforehand. The following information is required for in-kind gifts:

- Name and address of the donor
- Name and date of the fundraising event, e.g., Into the Wild Fundraiser – 12/15/2023
- Fund designation to which the gift revenue will be deposited
- Date the in-kind gift was accepted/received on campus
- Invoice or appraisal (in the absence of this, we require an estimate of whether the item is valued under or over \$5,000)
- If the item is worth \$5,000 or more, the donor is required to submit an 8283 tax form along with their tax deduction. A portion of the form must be filled out by the Director of Gift Processing.
- Market value of any benefit received (see “The impact of market value” below; if there is no market value, that should likewise be stated)

Information on in-kind gifts should be submitted to Anna Weber in the Gift Processing Office.

The impact of market value

If you provide anything to your donor in exchange for his/her gift, its market value must be disclosed to the donor (in fundraising communications and on their gift receipt) as well as reported to the Gift Processing Office. Market value is the amount that an item or event is worth if sold to the general public, and is subtracted from a donor’s total gift to determine the tax deductible amount.

The market value of an item or event is not determined by the cost of the item or event to you, but by verifying comparable value and documenting it in writing. This is done by researching a similar item or service being offered to the public. Consider all aspects, including but not limited to the market value of food, entertainment, the most expensive door prize, and table gifts; flowers and decorations are not included market value.

A donor is considered to have received a benefit—and its correspondent market value—unless that benefit is refused. If the benefit is an item, it can be refused in advance, or promptly returned to SCU by the donor.

When a gift is not

If a donor receives anything of value *in exchange* for their money, it is not a gift. For example, if a donor gives a check for \$10 to SCU and receives a T-shirt or event tickets in

return, that exchange is considered a purchase and the entire amount is not tax deductible. In such cases, do not include any tax-related language in donor letters or thank-you notes. Also note that services are not tax deductible (e.g., tutoring, massages, or cost of event servers or food preparers; see “Contributed services” below).

Acknowledgment letters

The Development Office will see that your donor receives an acknowledgment and the proper receipt for tax purposes. If you would also like to thank your donor (and we hope you will!), you must be careful to do the following:

- **Outright gifts:** Either omit the dollar amount or state, “For tax purposes, a receipt will be mailed separately.”
- **In-kind gifts:** Never disclose the dollar value of the in-kind gift. You must either omit a description of the items received or state, “For tax purposes, a receipt will be mailed separately.” Failure to comply with these acknowledgment guidelines may result in IRS fines for duplicate receipting as well as confusion for the donor at tax preparation time.

Charitable Events

In order to remain in compliance with IRS regulations, please consider the following when planning a charitable event.

Determine market value

Determine the market value of your event. This should include—but is not limited to—the market value of food, entertainment, the most expensive door prize, and table gifts; flowers and decorations are not included in market value, nor are event prizes to be awarded based on skill (as in a golf tournament). Remember, the market value of an event is not determined by the cost of the item or event to you, but the amount that the event is worth if sold to the general public.

Event charge

Determine what you will charge for the event. If the amount charged exceeds the market value, then the event is a partially tax deductible charitable event. Monies collected for such an event must go through the University’s gift processing system via the Development Office.

If the amount charged is equal to or does not exceed the market value, the event is a non-deductible charitable event. The monies collected will thus go through the Cashier’s Office in the Bursar’s Office.

Invitation

The invitation and all published advertisements for the event must contain a statement regarding market value or a disclaimer regarding tax deductions:

- If the event is partially tax deductible, you must state, “The market value for this event is \$...” and you may elaborate by adding, “Therefore, \$... of the event price qualifies for a charitable tax deduction.”
- If the event is not tax deductible, you must make one of two statements: “The market value for this event is \$...” or “The cost of this event does not qualify for a charitable tax deduction.”

Contributed services

The Financial Accounting Standards Board (FASB) and the Government Accounting Standards Board (GASB) recognize certain contributions of professional services as assets to an institution, which are therefore entered as such on the accounting books of the institution. However, contributions of said services are *not* charitable contributions in the eyes of the IRS and CCRA.

Special notes

- If a donor does not attend the event, he/she is still considered to have received the market value for that event unless he/she refuses the tickets or informs the University that he/she will not attend prior to the event. Simply not attending the event does not exempt the donor from having received a benefit from an IRS perspective.
- If a donor does not attend the event but requests that someone else be given the tickets instead (e.g., a student or faculty member), the donor is still considered to have received market value for the event. This is based on the fact that someone received a benefit associated with the payment.
- A Casino Night event requires a California gaming permit. This event format also impacts the tax deductibility of several elements, so please meet with Anna Weber before planning a Casino Night.
- Auctions are the most cumbersome fundraising events to hold from an IRS perspective, and SCU discourages the use of auctions as fundraisers because of the labor-intensive tracking involved and the burden of requirements for donors. If your group must hold an auction, meet with Anna Weber well in advance to review all requirements before you begin planning and accepting donations for the event.
- In the case of a golf or other tournament, prizes based on skill (e.g., hole-in-one) do not need to be counted in the event’s market value since each participant does not have an equal chance of winning and there is no guarantee that anyone will win the prize. Competition prizes (like best score on a hole), however, are different from skill prizes: since competition prizes *will* be awarded at the event no matter what, their values must be included in the overall market value computation.

Working with Gift Processing in University Relations

The Gift Processing Department in the Development/University Relations Office is charged with keeping track of University events from an IRS records perspective, and must receive the following for all charitable events:

- Market value statement: What the market value is and how it was determined
- Charge statement: What the event charge will be

- Invitation, program and advertisements: A copy of each item used to promote the event

Opportunity Drawings

According to California state law, a drawing cannot be called a “raffle” or “lottery,” as the state has the sole right to run these. Instead, the term “opportunity drawing” is acceptable.

The imprinted ticket for an opportunity drawing (or flyer, if only pre-printed numbered tickets are being used) must state that a free ticket can be obtained either by phoning or writing to a representative, or by picking it up at a specific location. The related contact phone number or address must also be on the ticket or flyer. Any person selling opportunity drawing tickets must be able to provide the information on how to obtain a free ticket.

Money given for the “chance” to win something is not tax deductible unless the amount charged for one drawing ticket exceeds the value of the top prize. In that case, the difference between the value of the top prize and the amount charged is tax deductible. The IRS considers that the market value of the benefit received for each ticket purchased for an opportunity drawing is the value of the top prize. The ticket or flyer must either state the prize’s market value or state that the requested amount is not tax deductible.

The University must record as gifts the donation of prizes for an opportunity drawing that are not purchased at their full market value. To record such prizes, the following information is required:

- Donor’s name and address (if the donor is a business, provide the name of the business along with the name, phone number and address for the associated contact person)
- If the prize is worth over \$500, include the donor’s social security number or tax ID number.
- Description of the prize
- Date prize was accepted
- An invoice or receipt for the value of the prize. If no invoice has been provided, submit an estimate of the value of the gift.
- If purchased at a discount, provide an invoice showing the actual market value of the item and the amount paid by the institution.

If your opportunity drawing is offering a prize valued at \$5,000 or more (cash or an item), you must contact Anna Weber to obtain the proper IRS forms before the drawing takes place. After the opportunity drawing is conducted, you must have the winner fill out the IRS forms before granting them the prize.