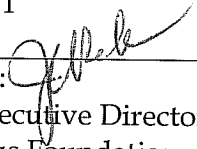

FUNDRAISING EVENTS MANUAL

CALIFORNIA STATE UNIVERSITY, STANISLAUS
FOUNDATION

CALIFORNIA STATE UNIVERSITY, STANISLAUS FOUNDATION
FUND-RAISING EVENTS MANUAL
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<u>Subject:</u> Events and Activity-Related Fundraising Guidelines and Requirements	California State University Stanislaus Foundation	<u>Effective Date:</u> August 1, 2011 Page 1 of 3
	Updated Procedure	Approved By:  Jack Reho, Executive Director CSU Stanislaus Foundation

Background:

The following procedure is intended to comply with the California State University, Stanislaus Foundation's *Events and Activity-Related Fundraising Policy*.

Events and Activity-Related Guidelines and Requirements:

Departments or units wishing to conduct a fundraising event on behalf of the University must consult with the Division of University Advancement prior to embarking on any fundraising effort. All fundraising events must be approved by the Vice President for University Advancement and the Executive Director of the Foundation through submission of a *Fundraising Event Approval Form*. The *Fundraising Event Approval Form* must be submitted for approval at least 120 days prior to the scheduled occurrence of the proposed event. If a department or unit plans to propose an event that would require greater than 120 days to properly plan and schedule, approval of the event concept should be sought as soon as is practicable. Even if an event concept has been approved in advance, the coordinating department or unit must submit the *Fundraising Event Approval Form* and all other required documentation at least 120 days before the event.

Proposed fundraising events and activities must meet the following criteria for approval:

- Offer a benefit to the University community that is consistent with the University's educational mission
- Reflect positively on the University
- Have identified on the *Fundraising Event Approval Form* the intended use of the anticipated proceeds from the event. Any change to the intended use of proceeds must be approved by the Vice President for University Advancement and the Executive Director of the Foundation. Departments that have publically communicated (via solicitation materials, marketing pieces, etc.) their intended use for event proceeds are not permitted to use the proceeds in a manner that is inconsistent with their prior communications.
- To ensure the proper accounting and uniform treatment of event activity, all income and expenses relating to the event or activity must post to an appropriate Foundation fund.
 - Transfers of event proceeds: after the event has been completed and all revenue and expenses have been reconciled to the general ledger, event proceeds will be transferred by the Foundation to the appropriate Foundation or state trust fund(s) according to the intend use of event proceeds specified by the department or unit in the *Fundraising Event Approval Form*.
- Be an effective and efficient use of campus resources
- Comply with federal, state, and local regulations
- Not expose the University or its auxiliaries to undue risk or liability
- Fulfill the University's fiduciary responsibilities to its donors
- Have the endorsement of the appropriate department head, dean, or vice president

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Approval recurring fundraising events or activities must be renewed for each occurrence of the event. Annually, the appropriate department head, dean, or vice president will provide to the Executive Director of the CSU Stanislaus Foundation a report on the use of fundraising event proceeds by their organization over the previous academic year. This report should be submitted no later than September 1 of the academic year following the fundraising event. Reports for prior year activity must be submitted before a renewal request will be considered.

Events or activities that are determined to be unrelated or in opposition to broader University objectives, or that would establish difficult or undesirable precedents will not be approved. Fundraising activities that are conducted by outside vendors, such as used car sales or programs to sell or scrip (substitute money that is given in the form of a certificate or card that can be redeemed like cash with participating retailers and service providers), are generally prohibited. Fundraising by groups outside the University is only permitted with the express, written approval of the Vice President for University Advancement and the Executive Director of the Foundation, who will determine if the fundraising program directly benefits the University and accurately represents the campus and its academic mission.

On-campus events and programs will be approved on a case-by-case basis with the following caveats:

- Gaming events – casino nights, poker tournaments – will be strictly limited to the appropriate donor base
- Events that are considered activities more than philanthropic pursuits – golf tournaments and “fun runs” – will be considered on the basis of staff time versus benefit generated, as well as suitability of the intended audience to both the event and the program for which funds are being raised.
- Consistent with the Food Sale/Distribution Policy and Procedures (dated July, 2010), all food and catering services will be provided by Campus Dining Services. Exceptions may be granted for fundraising events that rely on donated food and beverages. All requests for exceptions must be submitted to the Executive Director of the Foundation and approved by the President of the University.

At the discretion of the Vice President of University Advancement, a representative from University Advancement may serve in an advisory capacity on each event or activity’s planning committee. The Vice President of University Advancement (or designee) must review and endorse the list of prospective donors to be invited and/or solicited for each event or activity.

Once an event or activity has been approved, it is the responsibility of the organizer to ensure that the event or activity complies with all local, state, and federal regulations. Gaming events must have the necessary permits from the State Attorney General’s Office and meet the requirements of its Guide for Charities. Raffles must meet current state restrictions as identified by the Attorney General’s Office. Any event where alcohol is served or sold must meet state and local regulations and have the appropriate permits. The campus Risk Management office

<u>Subject:</u> Events and Activity-Related Fundraising Guidelines and Requirements	California State University Stanislaus Foundation	<u>Effective Date:</u> August 1, 2011 Page 3 of 3
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may require additional assurances, such as liability insurance or the presence of public safety personnel.

Publicity and printed materials for all fundraising events and activities must be in accord with campus policies, comply with Internal Revenue Service regulations and be reviewed by the Division of University prior to distribution.

Except for activities sponsored by one of the University's other auxiliaries, The Foundation at California State University, Stanislaus serves as the fiscal agent for the University's approved fundraising events and activities. Donations are to be made payable to the California State University, Stanislaus Foundation.

Please refer to the following documents for additional guidance:

- Sale, Consumption, and Possession of Alcoholic Beverages Policy
- Fundraising Event Budget, Recordkeeping, and Reconciliation Procedures
- Contract Requirements & Review Procedures
- Raffle Reporting Procedures
- Satellite Cashiers – General Daily Procedures
- Sales Tax Accounting and Reporting Procedures
- Acceptance and Disposal Procedures for Gifts-In-Kind
- Special Event Safety Compliance Information Sheet

CALIFORNIA STATE UNIVERSITY STANISLAUS FOUNDATION
Fundraising Event Approval Form

Page 1 of 3

Proposed event name: _____

Proposed date: _____ Proposed time: _____ Proposed location: _____

Please provide a brief description of the proposed event: _____

Campus Department: _____ Is this a University-sponsored* event: _____

**please refer to Exhibit A. for criteria of a sponsored event*

Primary contact: _____ Phone ext: _____ Email: _____

Anticipated attendance: _____

Target audience: Students Alumni Faculty Staff Community Members
 Other (explain): _____

Will you be requesting the President's involvement? Yes / No

If "yes", in what capacity? _____

Anticipated sources of income: Event sponsors Ticket sales Auction Raffle

Other sales (please explain): _____

Will you charging guests to attend this event? Yes / No

What is the amount charged per ticket? _____

Will you be selling tickets at the door? _____

If tickets are priced at different amounts based on certain conditions (advance ticket sales vs. price at the door, sponsors, etc.) **list all conditions and price per ticket** for each condition here:

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Fundraising Event Approval Form

Page 2 of 3

Do you plan to issue any "comp" tickets to your event? Yes / No If "Yes", how many comp tickets and to whom: _____

Do you plan to collect other funds at the event, if so please describe: _____

Do event sponsors receive any benefits (event tickets, donor recognition, etc.) as a component of their sponsorship? Yes / No

** If "yes", please refer to Gift Processing Manual "Program and Event Sponsorships" for process*

Do you plan to solicit in-kind donations (please provide details)? _____

Do you plan to engage a public speaker, celebrity, or other high-profile public personality/entertainer for this event? Yes / No If "Yes", list the name here: _____

Will food be served at the event? Yes / No

If "yes", who will be providing and serving the food?

Will there be alcohol served*? Yes / No

** If "yes", please refer to Exhibit B: Sale, Consumption, and Possession of Alcoholic Beverages Policy*

What Foundation Fund will be used for the income and expense associated with this event? _____

How will the proceeds for this event be used? Please be as specific as possible: _____

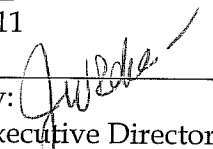
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Fundraising Event Approval Form
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Submitted by: _____

Approved by: _____
Name of Department Head, Signature Date
Dean, or Vice President

Approved by: _____
Susana Gajic-Bruyca Date
Vice President, University Advancement

Approved by: _____
John Reho Date
Executive Director, California State University, Stanislaus Foundation

<u>Subject:</u> Fundraising Event Budget, Recordkeeping, and Reconciliation Procedures	California State University Stanislaus Foundation	<u>Effective Date:</u> August 1, 2011 Page 1 of 3
	Updated Procedure	Approved By:  Jack Reho, Executive Director CSU Stanislaus Foundation

Background:

SAM Section 7920 states that each agency is responsible for completing any reconciliation necessary to safeguard assets and ensure reliable financial data.

SAM Section 20050 states that the elements of a satisfactory system of internal accounting and administrative controls include a system of authorization, as well as recordkeeping procedures adequate to provide effective accounting controls over assets, liabilities, revenues and expenditures. It further states that one symptom of a deficient internal control system is policy and procedural or operational manuals that are either not currently maintained or are nonexistent.

Responsibilities:

The Vice President for University Advancement in concurrence with the Executive Director of the California State University, Stanislaus Foundation and the University Controller are responsible for complying with these procedures.

Event Budget to Actual Recordkeeping & Reconciliation:

As noted in the *Approval and Documentation of Fundraising Events*, campus groups or individuals who wish to raise funds by hosting an event on the University's behalf or for a campus program must have approval from the Vice President for University Advancement and the Executive Director of the Foundation and submit a *Fundraising Event Approval Form*. Additionally, prior to approval of the fundraising event, a preliminary budget must be submitted along with the approval form (*Exhibit D - Budget to Actual Event Form*).

Sixty days after the event or prior to fiscal year end, whichever comes first, the department is required to complete the "actual" column of the *Budget to Actual Event Form* and complete the final reconciliation of event. Additionally, the Ticket Sales and Event Attendance Reconciliation and Raffle Ticket Sales Reconciliation (see below) must also be completed and submitted along with the completed *Budget to Actual Event Form*. If income or expenses remain unposted to the general ledger at this time, the results recorded on *Budget to Actual Event Form* should be submitted as preliminary results, with updates submitted on a monthly basis until all income and expenses have posted to the general ledger and the final *Budget to Actual Event Form* is submitted.

The reconciliation process includes running a financial report for the event listing general ledger transactions. The actual revenue and expenses are listed in the "actual" column of the *Budget to Actual Event Form*. If there are variances from the general ledger to actual revenue and expenses for the event, those should be noted as reconciliation items. Reconciling items may include sales tax differences, postage or credit card fees and accruals (expenses that have been incurred and have not yet been recorded).

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If there remain outstanding income or expenses associated with an event, at the end of the fiscal year it will be necessary to book these items as accruals. Please contact Advancement Services for assistance.

Once the Actual column is completed and tied out to the general ledger and any variances are noted, the preparer then enters name and date on page 3 "Profit - Loss Summary" on the "Submitted by" line and submits via email the completed *Budget to Actual Event Form* to the Manager of Advancement Services. When submitting the results for verification, the preparer must also carbon copy or "cc" the department head, dean, or vice president who approved the event on the *Fundraising Event Approval Form*.

The Manager of Advancement Services reviews the *Budget to Actual Event Form* and submits to Financial Services for review and reporting.

Ticket Sales and Event Attendance Reconciliation Procedure:

The department must also perform and submit reconciliations for any admissions tickets sold for the event. This reconciliation will be used to verify that the revenue recorded on the general ledger corresponding to ticket sales matches the number of tickets sold for the event as recorded by the department.

In order to reconcile event attendance, the department will need to record the following data:

- Numeric range of all tickets printed for event (must be sequentially numbered)
- Cost per ticket
- Date of ticket sale
- Number of comp tickets issued
- Number of tickets remaining

After the event has finished, the department will need to present a detailed spreadsheet with the above data elements. The department will need to tie out the spreadsheet to the appropriate revenue categories on the general ledger and the *Budget to Actual Event Form* and provide an explanation of any discrepancies.

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	Updated Procedure	<u>Approved By:</u> Jack Reho, Executive Director CSU Stanislaus Foundation

Raffle Ticket Sales Reconciliation Procedure:

In a similar fashion, any department conducting a raffle will need to reconcile all income received from raffle ticket sales to the general ledger. The following detail information must be retained by the department for this purpose.

- Numeric range of all tickets printed for event (must be sequentially numbered)
- Cost per ticket
- Date ticket was sold
- Number of tickets remaining

After the event has finished, the department will need to present a detailed spreadsheet with the above data elements. The department will need to tie out the spreadsheet to the appropriate revenue categories on the general ledger and the *Budget to Actual Event Form* and provide an explanation of any discrepancies.

Fundraising Event
Ticket Sales and Event Attendance Reconciliation Form

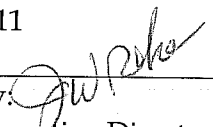


CALIFORNIA STATE UNIVERSITY STANISLAUS FOUNDATION

One University Circle • Turlock, California 95382
(209) 667-3131 Main • (209) 667-3026 Fax

Event Name			
Range of all ticket numbers:			
Price per ticket:	\$		

Date Issued	TICKETS ISSUED					TICKETS/PAYMENTS RETURNED			
	Issued By	Issued to	Range of ticket numbers issued	Quantity Issued	Quantity Sold	Quantity Returned	Cash Turned In	Date Received	Received By
			-	0			\$0.00		
			-	0			\$0.00		
			-	0			\$0.00		
			-	0			\$0.00		
			-	0			\$0.00		
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			TOTALS:	0	0	0	\$0.00		

<u>Subject:</u> Contract Requirements & Review Procedures	California State University Stanislaus Foundation	<u>Effective Date:</u> August 1, 2011 Page 1 of 1
	New Procedure	Approved By:  Jack Reho, Executive Director CSU Stanislaus Foundation

Background:

This procedure complies with The California State University Risk Management Authority (CSURMA) Auxiliary Organization (AORMA) Policy & Procedure L-5 and Executive Order 849, *California State University Insurance Requirements*,

The California State University Risk Management Authority (CSURMA) Auxiliary Organization Risk Management Authority (AORMA) *Policy & Procedure L-5* states that it is the policy of the CSURMA AORMA Self-Insured Liability Program that member organizations will protect CSURMA program assets by fully implementing the guidelines found in the Insurance Requirements in the Contracts Manual prepared by CSURMA's program administrator. This means that auxiliary organizations will require third-party contractors and vendors to provide appropriate indemnification, insurance, and documentation of coverage.

Executive Order (EO) 849, *California State University Insurance Requirements*, dated February 5, 2003, states that auxiliary organizations shall agree to indemnify, defend, and save harmless the State of California, the Trustees of the CSU, the campus, and the officers, employees, volunteers, and agents of each of them from any and all loss, damage, or liability that may be suffered or incurred by state, caused by, arriving out of, or in any way connected with the operations of the auxiliary.

The absence of appropriate indemnification provisions increases the risk of misunderstanding and miscommunication regarding rights and responsibilities and subjects the auxiliary and the CSU to potential liability.

Responsibilities:

The Executive Director of California State University Stanislaus Foundation (Foundation) is to ensure that the University Procurement manager possesses a copy of the required insurance and indemnification provision to be used in auxiliary contracts and has been instructed to ensure that all auxiliary agreements contain these terms.

The Memorandum of Understanding for Business Services between California State University Stanislaus Financial Services and the Foundation provides contract administration services to the Foundation through University Procurement. The Executive Director will follow and observe the *Consultant/Independent Contractor & Contract Checklist* in approving and executing contracts on behalf of the Foundation.

Section 1:

Name of service provider: _____

Mailing Address: _____

(street) (city, state) zip+4 (country)

Social Security or Taxpayer Identification Number: _____

Phone: _____ Fax: _____

Section 2:

Is the service provider an incorporated entity? (i.e. incorporated, inc. corporation, corp.) ____yes ____no

If the answer to this question is "yes" and is documented, the service provider may be paid as an independent contractor.

Section 3:

Please answer all questions based upon information from the Consultant or Contractor.

Enter an 'X' for each Yes or No response. (You=Contractor)

Do you determine what means or methods to use in achieving the desired results?
____yes ____no

Do you set your own priorities on time, effort, and hours of work? ____yes ____no

Do you receive little or no training, supervision, or instruction from the University?
____yes ____no

Do you provide similar services to other clients? ____yes ____no

Do you engage in entrepreneurial activities in an established business at risk for loss? ____yes ____no

Do you provide your own stationery, telephone, business forms, equipment or tools?
____yes ____no

(Attach copy of business card and/or yellow/business pages listing, along with a list of at least three clients for whom work has been performed during the past twelve months)

Do you have your own insurance for work-related injuries? ____yes ____no

Are you currently employed by any CSU campus or the CSU Chancellor's Office?
____yes ____no

Have you been employed by any CSU campus or the CSU Chancellor's Office in the past 24 months? yes no

Do you have a relative employed at CSUS? If yes, list relative's name and dept.
 yes no

Does Contractor understand that amounts received under an independent contractor/consultant agreement are subject to all applicable federal and state income taxes and self-employment taxes, and that no taxes will be withheld from any payments due to me (except for payments to nonresident aliens) since I am not an employee of CSUS. Under penalty of perjury, I certify that the above information is true and correct.

yes no

Section 4: Briefly describe the work to be completed:

Requestor of the services or contract:

Departmental contact person: _____ Phone: _____

Where a response is not consistent with proceeding with an award, provide a response on a separate document to identify how the issue will be resolved.

Is the work performed by the service provider integral to the functioning of the University? yes no

Will the service provider supervise or direct University employees as part of the service provided? yes no

Is the relationship between the University and the service provider limited in duration? (back-to-back, recurring contracts could be considered to be a continuing relationship rather than separate, finite relationships) yes no

Does this service provider perform essentially the same service as an employee of the University? yes no

Has this service provider previously been paid as a University employee to perform essentially the same tasks? yes no

Is the Scope of Work Complete and Clear: yes no

Is the term of the contract identified: yes no

Is the Schedule for completing the work attached and does it meet the required completion date: yes no

CALIFORNIA STATE UNIVERSITY STANISLAUS FOUNDATION
Consultant/Independent Contractor & Contract Checklist

Page 3 of 3

Are the Payment terms consistent with Auxiliary and CSU Policy: ____yes ____no

Is the Indemnity Section consistent with Auxiliary or CSU Policy: ____yes ____no

Is the Insurance Provision consistent with Auxiliary or CSU Policy: ____yes
____no

Are the terms relating to default or breach within guidelines provided by the CSU or
other related authority for the Auxiliary: ____yes ____no

Has an attorney been consulted: ____yes ____no

If Yes, Who _____ When: _____

Why _____

Is this item in an approved operating or capital budget: Yes/No If No, what steps
will be taken for approval: _____

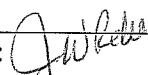
Contract: APPROVED/DISAPPROVED:

California State University, Stanislaus Foundation Executive Director

Signature

Date

Procurement Services Representative Handling this assignment: _____

<u>Subject:</u> Raffle Reporting Procedures	California State University Stanislaus Foundation	<u>Effective Date:</u> August 1, 2011 Page 1 of 5
	New Procedure	Approved By:  Jack Reho, Executive Director CSU Stanislaus Foundation

Background:

This procedure complies with Penal Code Section 320.5. *Charitable Raffles*, the California Code of Regulations Title 11, Division 1, Chapter 4.6. *Non-Profit Raffle Program Regulations*, the Internal Revenue Publications 3079, *Tax Exempt Organizations and Gaming* and Notice 1340, *Tax-Exempt Organizations and Raffle Prizes – Reporting Requirements and Federal Income Tax Withholding*.

In California, charities and certain other private nonprofit organizations may conduct raffles to raise funds for beneficial or charitable purposes in the state.

This exception to the general constitutional prohibition against lotteries requires that at least 90 percent of the gross receipts from these raffles go directly to beneficial or charitable purposes in California.

Unless specifically exempted, a nonprofit organization must register with the Attorney General's Registry of Charitable Trusts prior to conducting the raffle and file financial disclosure reports on each raffle event.

Adequate procedures for raffles increase accountability for the achievement of fundraising goals, decreases the risk that the raffle funds will be lost or misappropriated, and decreases the risk of potential non-compliance with government regulations.

Organizations must report a payment of winnings, including raffle prizes, when the amount paid is \$600 or more and at least 300 times the amount of the wager. Each time an organization pays reportable winnings, the organization must complete a Form W-2G, *Certain Gambling Winnings*, to report the winnings to the IRS and to the person receiving winnings. Additionally, organizations must withhold income tax from a payment of winnings in raffle when the proceeds from the wager are more than \$5,000.

Sales Tax applies to ticket charges for raffles, games, or game booths where every ticket purchaser is guaranteed to win a prize, even though the prizes may have very little value. Sales tax does not apply to the price of raffle tickets where prizes are not guaranteed to every ticket purchaser.

<u>Subject:</u> Raffle Reporting Procedures	California State University Stanislaus Foundation	<u>Effective Date:</u> August 1, 2011 Page 2 of 5
	New Procedure	Approved By: Jack Reho, Executive Director CSU Stanislaus Foundation

Definitions:

For purposes of these procedures, "raffle" means a scheme for the distribution of prizes by chance among persons who have paid money for paper tickets that provide the opportunity to win these prizes, where all of the following are true:

- (1) Each ticket is sold with a detachable coupon or stub, and both the ticket and its associated coupon or stub are marked with a unique and matching identifier.
- (2) Winners of the prizes are determined by draw from among the coupons or stubs that have been detached from all tickets sold for entry in the draw.
- (3) The draw is conducted in California under the supervision of a natural person (a human being, as opposed to a corporation or other legal entity) who is 18 years of age or older.
- (4) At least 90 percent of the gross receipts (50-50 raffles are not allowed) generated from the sale of raffle tickets for any given draw are used by the eligible organization conducting the raffle to benefit or provide support for beneficial or charitable purposes, or it may use those revenues to benefit another private, nonprofit organization, provided that an organization receiving these funds is itself an eligible organization.
- (5) In general, a raffle is considered a form of lottery. As such, a raffle generally refers to a method for the distribution of prizes among persons who have paid for a chance to win such prizes, usually determined by the numbers, or symbols, on tickets drawn.
- (6) Approved ticketing for raffles includes a flat rate per ticket or discount for the purchase of a set multiple of tickets (1 ticket per dollar vs. 6 tickets for \$5).
- (7) Disallowed ticketing practices include sale of raffle tickets on the Internet. It is illegal to sell, trade or redeem raffle tickets over the Internet.

<u>Subject:</u> Raffle Reporting Procedures	California State University Stanislaus Foundation	<u>Effective Date:</u> August 1, 2011 Page 3 of 5
	New Procedure	Approved By: Jack Reho, Executive Director CSU Stanislaus Foundation

Revenue Subject to Reporting :

Generally, an exempt organization must report raffle prizes if:

- a) the amount paid reduced, at the exempt organization's option, by the wager (the amount a person paid for the chance to win a prize), is \$600 or more, and
- b) the payout is at least 300 times the amount of the wager

When both "a" and "b" listed above are true, the organization uses IRS Form W-2G to report.

Responsibilities:

The Vice President for University Advancement, in concurrence with the Executive Director of the Foundation and the University Controller are responsible for complying with these procedures.

Reporting to the Attorney General:

Nonprofit Raffle Registration Form - CT-NRP-1 (Foundation)

- Request to conduct a raffle. (Department)
- Identify cost/ticket, raffle prize details (what?, how many?, how much?)
- Identify fund to benefit from raffle
- Ticket log to be maintained for all raffle tickets – must balance to budget
- Assurance that Raffle expenses will not exceed 10% of proceeds of event (90/10 rule)
- Department must identify fund source for covering expenses if over 10% of net proceeds

Nonprofit Raffle Report CT-NRP-2 (Completed by Dept., Submitted by Foundation)

- A nonprofit organization that registered to conduct a raffle must file a separate nonprofit raffle report for each raffle held during the reporting year (September 1 through August 31)
- Complete Part A: General Organization Reporting Information
- Complete Part B: Raffle Information which includes the total funds received from the sale of raffle tickets and the total expenses for conducting the raffle
- Complete Part C: Certification by Fiduciary of Reporting Organization which includes signature of fiduciary who prepared the report
- Completion of non-profit raffle report (must tie to the General Ledger and completed *Event Budget to Actual Event Form*)
- Completed Nonprofit Raffle Report CT-NRP-2 must be sent to the Manager of Advancement Services for review and submission 30 days after raffle

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	New Procedure	Approved By: Jack Reho, Executive Director CSU Stanislaus Foundation

Reporting to the Internal Revenue Service:

Completion of the Form W-2G

Box 1 - Gross Winnings

Enter payments of \$600 or more if the payment is at least 300 times the wager.

Example: Wendy purchased a \$1 ticket for a raffle conducted by X, an exempt organization. On October 31, 2004, the drawing was held and Wendy won \$900. X must file Form W-2G with the IRS and give a copy of Form W-2G to Wendy.

Box 2 - Federal income tax withheld

Enter any federal income tax withheld, whether regular gambling withholding or backup withholding.

Box 3 - Type of wager

Enter "Raffle".

Box 4 - Date won

Enter the date that the winner was selected not the date that the price was paid.

Box 5 - Transaction

Not applicable for raffles.

Box 6 - Race

Not applicable for raffles.

Box 7- Winnings from identical wagers

Not applicable for raffles.

Box 8 - Cashier

Not applicable for raffles.

Box 9 - Winner's taxpayer identification number

This is required information. Enter the TIN of the person receiving the winnings. For an individual this will be the social security number (SSN) or individual taxpayer identification number (ITIN). If the winner fails to give you a TIN, backup withholding applies.

Box 10 - Window

Not applicable for raffles.

Box 11 and 12 - First I.D. & Second I.D.

Enter the identification numbers from two forms of identification as verification of the name, address, and TIN of the person receiving the winnings. The identification may be from a driver's license, social security card, or voter registration. Enter the number and the state or jurisdiction. In some instances, the number may be the same number as in box 9.

Subject: Raffle Reporting Procedures	California State University Stanislaus Foundation	Effective Date: August 1, 2011 Page 5 of 5
	New Procedure	Approved By: Jack Reho, Executive Director CSU Stanislaus Foundation

Box 13 - State/Payer's state identification no.
For the CSU Stanislaus Foundation enter "CA/C2091869"

Box 14 - State income tax withheld
Enter the amount of state income tax withheld.

Signature line and date
Instruct the raffle winner to sign and date each copy of form W-2G.

Form Retention

Retain the following copies of from W-2G for the CSU Stanislaus Foundation:

- Copy A - to forward to the IRS
- Copy 1 - for the Foundation's records
- Copy D - for the Foundation's records
- Instructions for the Payer

Provide the raffle winner(s) with the following copies of form W-2G:

- Copy B
- Copy C
- Copy 2
- Instructions to the Winner

Completion of Form 1096

Use this form to transmit paper Forms 1097, 1098, 1099, 3921, 3922, 5498, and W-2G to the Internal Revenue Service. Do not use Form 1096 to transmit electronically. For electronic submissions, see Pub. 1220. File Form 1096 with forms 1097, 1098, 1099, 3921, 3922, or W-2G, by February 28th.

Completion of Form 945

If any federal income tax, whether regular gambling withholding, or backup withholding is withheld from the raffle winner's prize either paid by the recipient or the organization, the withholding must be reported annually on the Form 945 *Annual Return of Withheld Income Tax*. Form 945 must be filed by January 31st. Financial Services is responsible for preparing this form annually.

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Satellite Cashier Responsibilities:

A CSU Stanislaus employee at the satellite location will be designated in writing as the Satellite Cashier (cash custodian). The Satellite Cashier is responsible for ensuring that Cash Management policies and procedures are followed. Tasks can be assigned to other staff at the satellite location but the Satellite Cashier has the ultimate responsibility.

1. At start of business day (or event), remove cash fund drawer/box from secure storage.
2. Verify that opening balance of the cash funds reconcile to the amount assigned to the specific Satellite Cashier and cash drawer/box.
 - a. If amount does not reconcile, immediately notify supervisor and resolve discrepancy. If discrepancy cannot be resolved, immediately notify the University Police of potential loss and need for possible additional investigation.
 - b. If amount reconciles, place cash drawer in service counter, locking the drawer. The drawer/box is to be locked anytime the Satellite Cashier is away from the service counter and unable to adequately safeguard the cash.
3. If a satellite cashier receives funds from ticket sales from an event, tickets available for sale will be numbered and have the ticket price imprinted on the ticket to facilitate reconciliation of sales revenue at the end of the event, regardless of the method used to create the tickets. If the ticket price varies for particular participants (e.g. adult, child, senior citizen, student, staff, alumni, etc.) the appropriate cost will be identified on the ticket.
4. At the conclusion of the event, the Satellite Cashier will prepare an accounting reconciliation of ticket sales and related revenue.
5. At the end of the business day, the Satellite Cashier will reconcile the cash drawer/box to the opening balance.
6. All funds (opening cash balance plus revenue received) will be stored in secure storage at the satellite location by the Satellite Cashier. If no secure storage is available, the Satellite Cashier will transport the cash drawer/box to the University Cashiers Office with assistance by the University Police if necessary.
7. During the next available business day, the Satellite Cashier will transport the revenue from the satellite location to the University Cashiers office for deposit into the appropriate account. University Police should be asked to assist in securing the safety of the Satellite Cashier while transporting cash.
8. The University Cashiers will verify the deposit, issue a receipt and process the transactions in the appropriate Financial System (CashNet, PeopleSoft).
9. Secure Storage/Safe:
 - a. Secure storage will be provided at the satellite location.

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- b. Access to secure storage will be limited exclusively to authorized personnel. If access cannot be limited due to the physical layout of the work area, then secure storage must remain locked and secure at all times except for the times it is accessed by authorized personnel.
- c. Combinations to the safe or keys to the secure storage are to be limited to as few people as necessary to facilitate normal business operations. If combination or key access is compromised and becomes known or accessible by unauthorized personnel, the Satellite Cashier or manager in the area must immediately notify the University Police and the University Cashiers Office to obtain other secure storage until access can be secured. In addition, a request must be made that the safe combination be changed and/or the secure storage be rekeyed. In the interim, the Satellite Cashier must obtain other secure storage or assistance from the University Cashier Office. If a change in satellite cashier personnel or other authorized personnel occurs, the Satellite Cashier or manager must immediately obtain a change in the safe combination and/or re-key the secure storage.

10. University Police Security for the Transport of Cash:

- a. University Police personnel are to escort the Satellite Cashier in the transport of cash to the University Cashiers Office upon request.
- b. University Police assistance should be requested if the amount of cash to be transported is over \$500.00.
- c. Request for escort is to be made no later than 4:00 pm in order to arrive at the University Cashiers Office prior to closing.
- d. If the University Police are unable to provide escort service, cash should remain in a secure location at satellite office until escort service is available.

11. Audit:

Financial Services will provide appropriate audit personnel to perform a cash fund audit in accordance with State Administrative Manual (SAM) section 8111.2.

<u>Subject:</u> Sales Tax Accounting and Reporting	California State University Stanislaus, Foundation	<u>Effective Date:</u> January 1, 2011
	Quarterly Procedures	Approved By: Jack Reho Executive Director CSU Stanislaus Foundation

This procedure complies with the California Board of Equalization Publication 18, *Tax Tips for Nonprofit Organizations*.

Background:

In California, sales tax applies to the sale of tangible personal property (referred to as “merchandise” or “goods”) unless the sale is covered by a specific legal exemption or exclusion. Individuals, businesses, and groups that sell taxable merchandise in California must pay sales tax on their taxable sales. Sellers may charge their customers for sales tax reimbursement (referred to as “sales tax”).

Tax generally applies regardless of whether the items you sell or purchase are new, used, donated or homemade. Although many nonprofit and religious organizations are exempt from federal and state income tax, there is no similar broad exemption from California sales and use tax. Generally, nonprofit groups’ sales are taxable, as are their purchases. In other words, nonprofit and religious organizations, in general, are treated just like other California sellers and buyers for sales and use tax purposes.

Criteria:

Sale of merchandise or goods is generally taxable unless it’s covered by a specific exemption or exclusion. Nonprofits commonly conduct a variety of activities that are considered sales. These include (but are not limited to) the following:

- Sales of food, meals, beverages, and similar items under a number of different circumstances.
- Sales of tickets that buyers will exchange for food, beverages, or other physical products.
- Sales of booklets, books, pamphlets, and so forth.
- Sales of tickets for fundraising events when the ticket price includes amounts for food or beverages.
- Sales of items at rummage sales, bazaars, carnival booths, community events, and other fundraisers.
- Sales of merchandise in Internet, live, and silent auctions.
- Sales of tickets for game booths where *prizes are guaranteed* to each ticket purchaser, even when the prizes have little value. Examples include white elephant, fish pond, grab bag, and “pitch-’til-you-win” games.

Revenue Subject to Sales Tax and Reporting:

Event ticket pricing

Special events administered by the Foundation may include both taxable and nontaxable activities. Special attention is needed when providing food, drinks, prizes, admission to entertainment, and so forth, for a single amount designated as a donation. Generally, if you charge a single donation for a fundraising event involving taxable sales, the *entire ticket charge* will be taxable unless you do both of the following:

- List the taxable charges separately on the event tickets. **If the organization chooses to sell the fundraising tickets for an event at a “tax-included” price, it needs to let its customer know that they are paying a price that includes tax and that language should be included on the ticket and other literature provided to the attendees at the event.**
- Keep separate records of taxable and nontaxable charges. *Example:* You hold a fundraising dinner, where the \$75 ticket price includes dinner and drinks (which are taxable—see below) and entertainment (which is non-taxable). If your tickets list only one price, that full amount is taxable. However, if the tickets state “Ticket price includes \$35 for dinner and drinks” and your event income records reflect this breakdown, tax would apply only to the \$35 charge for dinner and drinks. Amounts you receive from tickets sold, but not used, are not taxable. You should keep records that show the difference between any advance sales you make and the number of tickets actually turned in at your event.

Meals served at fundraising events

Tax generally applies to charges for drinks, food, and meals included in the ticket price of fundraising dinners or special events. The business or organization that *serves the meals* at a fundraising event is responsible for reporting the taxable sales and paying the tax due. If your organization serves the meals at your event, you are liable for the tax. This is true whether the meals are furnished by members of your organization, purchased or donated to you. Tax is due based on the ticket price for the meal. **If the charge for the meal is not separately listed on the event ticket, the entire ticket price is taxable.**

If the Foundation contracts with someone else to serve the meals at your event, you generally are not responsible for paying tax on your ticket sales. Instead, the business that serves the meals must report the sale of the meals and pay the tax due; based on the amount they charge you. For example, your organization might contract with a restaurant or hotel to provide and serve meals for a certain price. The food server would be liable for the sales tax, based on the amount the server charged you for the meals.

Raffles and Auctions

Tax applies to ticket charges for raffles, games, or game booths where every ticket purchaser is guaranteed to win a prize, even though the prizes may have very little value. Sales tax does not apply to the price of raffle tickets where prizes are not guaranteed to every ticket purchaser.

Tax generally applies to the sale of any “tangible” items sold at auctions, silent auctions, rummage sales, bazaars, carnival booths, community events, and other fundraisers. The sales tax is calculated on the retail selling price of the auction item. *Example:* You sell an auction

item that has a fair market value of \$200.00. The item sells for \$100.00 at the auction. The sales tax is calculated on the sale price of \$100.00. **If the organization chooses to sell a tangible auction items at the event at a “tax-included” price, it needs to let its customer know that they are paying a price that includes tax and that language should be included on the ticket and other literature provided to the attendees at the event.**

Responsibilities:

The Vice-President of University Advancement in concurrence with the Executive Director of the Foundation and the University Controller are responsible for complying with these procedures.

Recordkeeping:

Departments should identify as soon as possible the account to which revenue resulting from an event will be receipted. All charitable and non-charitable revenue should be identified and tracked through the donor ledger system. Departments generally work with Advancement Services prior to an event to determine the appropriate accounting treatment of various revenue types.

Sales Tax Calculation & Reporting:

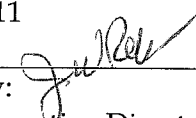
The Foundation is required to calculate and report taxable sales and sales tax liability on a quarterly basis to the State of California Board of Equalization on Form BOE-401-A2. The calculation and remittance of sales tax has been outsourced to the University’s Financial Services Department. On a quarterly basis the Foundation communicates the appropriate sales information to Financial Services so that the return can be prepared and timely filed.

Step 1 A general ledger report for the quarter is generated for revenue account that may have received taxable income “YTD Statement – Management Summary” by general ledger account number for all funds and departments.

Step 2 A file is generated from the donor ledger system by general ledger account number and verified against the general ledger report. Each transaction is reviewed to determine if it is taxable or non-taxable.

Step 3 The taxable and non-taxable amounts portions are then summarized by account number and fund on a worksheet entitled “Taxable and Non-Taxable Income for the Quarter Ended”.

Step 4 The “Taxable and Non-Taxable Income for the Quarter Ended” is emailed to Financial Service and the Form BOE 401-A2 is prepared and submitted to the BOE electronically.

<u>Subject:</u> Acceptance and Disposal Procedures for Gifts-in-Kind	California State University Stanislaus Foundation	<u>Effective Date:</u> August 1, 2011 Page 1 of 5
	Updated Procedure	Approved By:  Jack Reho, Executive Director CSU Stanislaus Foundation

Background:

Gifts-in-kind are generally defined as non-cash contributions of materials or long-lived assets given to support the mission of the University or Foundation through its direct use or by its liquidation. Gifts-in-kind are an important source of support to the California State University, Stanislaus and the California State University, Stanislaus Foundation. Examples of gifts-in-kind include:

- Equipment/furniture for use in a classroom, lab, or office
- Musical Instruments
- Paintings, sculptures or other objects of art
- Books
- Food or other materials used to host an event
- Gift certificates that are not redeemable for cash
- Items donated to be auctioned or raffled

Gifts of real estate are not considered to be gifts-in-kind and are not included in the following procedure. Additionally, contributions of partial or limited use of property are generally not considered to be gifts-in-kind because such contributions are not deductible under current tax law. For example, the use of a donor's vacation home for one week for use as an auction item is not considered a tax-deductible gift and, therefore, would not be counted as gift-in-kind. However, such gifts may be entered into the development database with a value of \$.01 for tracking purposes.

Donations of personal or professional time/service(s) are generally not considered charitable contributions and, as such, not countable as gifts-in-kind. Examples of gifts of services include:

- Volunteer labor
- Advertising
- Professional services - accounting, legal, consulting
- Printing or design work (though the cost of materials is countable)
- Donated services for auction/raffle prizes when the donor is the same entity that will be providing the services

Important Note: While gifts of professional time/service(s) do not constitute a gift on behalf of the donor and may not be claimed as private support by the Foundation, accounting standards (SFAS No. 116) direct that in some instances it is appropriate to recognize contributed professional services. Please contact Advancement Services should you need guidance or more information.

As with other gifts to the Foundation, the California State University, Stanislaus Foundation Board or its designee may accept or decline gifts-in-kind on an individual basis based on whether the gift supports the mission of the University or other determining factors. It may be necessary to consult with departments prior to the acceptance of any gift-in-kind intended for use by that department in order to ensure that the gift is wanted and can be utilized.

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With the exception of items to be auctioned as part of a fundraising event, used as a prize for a raffle or similar activity, or consumed/disposed of during the course of a fundraising event, gifts-in-kind are received through the California State University, Stanislaus Foundation and ownership is then transferred to the University.

IRS Publication 526, Charitable Contributions, states that if an organization, within three years after the date of receipt of a contribution of property for which it was required to sign a Form 8283, sells, exchanges, or otherwise disposes of the property, the organization must file Form 8282, Donee Information Return, and send the donee a copy of the form. However, if the appraised value of the donated item is \$500 or less, the organization is not required to report the disposal.

IRS Form 8282, Donee Information Return, states that original and successor donee organizations must file Form 8282 if they sell, exchange, consume, or otherwise dispose of (with or without consideration) charitable deduction property (or any portion) within three years after the date the original donee received the property. The organization (donee) must give a copy of Form 8282 to the donor and send the original to the IRS within 125 days after the date of disposition.

Responsibilities:

The Vice President for University Advancement, in concurrence with the Executive Director of the Foundation and the University Controller are responsible for complying with these procedures.

The Vice President for Advancement should be consulted prior to the acceptance of any unusual gifts-in-kind or if there is a question about restrictions attached to a gift offered to the University. Careful consideration must be given to any special requirements associated with the gift including: storage, display, insurance, or security. The exact placement of furniture, artwork, or equipment cannot be guaranteed. Transportation and appraisal costs related to the acceptance of a gift-in-kind are to be borne by the donor.

Valuation for the Donor:

IRS requirements for gift substantiation direct that it is the donor's sole responsibility to determine a gift-in-kind's value for tax purposes. Receipts for gifts-in-kind provide for the donor proof of gift acceptance by the Foundation and include a detailed description of the gift but no monetary value is stated. The IRS requires donors to complete IRS form 8283 "Noncash Charitable Contributions" if they intend to claim a total deduction greater than \$500 for all contributed property. All IRS forms 8283 should be routed to Advancement Services for verification and completion.

Subject: Acceptance and Disposal Procedures for Gifts-in-Kind	California State University Stanislaus Foundation	Effective Date: August 1, 2011 Page 3 of 5
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Internal Valuation:

All gifts-in-kind are recorded and assigned a monetary value within the development and gift processing database with the donor receiving recognition credit for the determined valuation. Gifts-in-kind are recorded at their educational discount value (price the University would have paid to acquire the item had the item not been donated) if an educational discount value exists. If no educational discount value exists, the gift is recorded at the fair market value exclusive of sales tax, shipping costs, appraisal fees, or other similar charges.

The method of valuation may depend on the estimated value of the gift and documentation available. A representative of the department or unit benefitting from the acceptance of the gift-in-kind should follow the guidelines below when determining a value.

Gifts-in-kind valued at \$5,000 and less:

- Value placed by a qualified independent appraiser
- Value declared by donor – a copy of receipt, cancelled check, or credit card statement is preferred
- Value determined by a qualified expert of the faculty or staff for whom no conflict of interest would be created by providing the value
- Value established by a purchaser’s winning auction bid at a charity auction run by the Foundation if the fair market value was unknown and unpublicized prior to the auction
- Estimated value determined through reputable and established independent pricing sources found on the internet or other media

Gifts-in-kind valued at greater than \$5,000:

- Value placed by a qualified independent appraiser
- University/Foundation value for insurance purposes

Procedure for Accepting Gifts-in-Kind:

- Potential gifts-in-kind must be assessed as to whether the gift can be used to advance the mission of the University or Foundation through its direct use or could be readily converted to cash. If there is any question as to whether the contribution meets either of these criteria, the recipient (representative of CSU Stanislaus or CSU Stanislaus Foundation) should contact the Division of University Advancement for advisement.
- If the gift meets the above criteria the donor should be asked to complete a Gift-In-Kind Contribution Form. It is the sole responsibility of the donor to determine the value of a contributed item for the donor’s tax purposes. If the donor is unable or unwilling to complete the form, the recipient may complete the form and supply an estimated value (and back-up for how estimated value was arrived at) for internal crediting purposes.
- Recipient completes the Gift-in-Kind Acceptance Form and obtains the signatures required for formal acceptance.
- Recipient forwards the completed Gift-In-Kind Contribution Form, the Gift-in-Kind Acceptance Form and all additional backup documentation (IRS Form 8283, formal appraisal (if available), correspondence with donor, copy of donor’s receipt, cancelled check,

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or credit card statement for purchase of donated item, etc.) to Advancement Services for processing.

- Advancement Services enters the gift-in-kind in the development database and files all related documents in the donor files.
- Advancement Services issues formal gift acknowledgement letter to donor describing the items donated. The value of the gift-in-kind is not included in the gift acknowledgement letter.
- On a monthly basis Advancement Services provides a report to Property Control detailing all gifts-in-kind received in the month prior for entry into the University's Property control system.

Procedure for Processing IRS Form 8283 Non-Cash Charitable Contributions:

- The donor should complete IRS Form 8283 if the value exceeds \$500 and he/she desires a tax deduction for the gift; no formal appraisal is required up to \$5,000.
- Gifts with a fair market value exceeding \$5,000 will be reported at the values placed on them by qualified independent appraisers as required by the IRS for valuing non-cash charitable contributions. It shall be the donor's responsibility to secure and pay for the qualified appraisal. In accordance with IRS guidelines, the appraisal cannot be made earlier than 60 days prior to the gift. If the value of the gift in the appraisal is listed as a range of values, the gift will be valued at the midpoint of the range.
- Donor submitted IRS Form 8283 should be forwarded to Advancement Services for processing and recording.
- Advancement Services secures signature on IRS Form 8283 from the Executive Director of the Foundation.
- Advancement Services retains a copy of the Form 8283 for the Foundation's records and returns original to donor via mail.
- The donor is responsible for submitting IRS Form 8283 to the IRS.
- If form 8283 is not received with the gift, donor should be informed to download latest version of the form at www.irs.gov.

Procedure for Reporting Disposition of Certain Gifts-in-Kind to the IRS and Donor:

IRS Form 8282 - Donee Information Return

- For all gifts-in-kind with a value greater than \$500 that have been sold, transferred, exchanged or otherwise disposed of within three years of the date of receipt of the property, Advancement Services prepares IRS Form 8282 for signature by the Executive Director of the Foundation.
- IRS Form 8282 must be filed within 125 days of the date of disposition.
- Advancement Services mails completed form to the IRS, a copy of the form is mailed to the donor.

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References

- IRS Publication 526 - Charitable Contributions
- IRS Publication 561 - Determining the Value of Donated Property
- IRS Form 8283 - Noncash Charitable Contributions
- IRS Form 8282 - Donee Information Return (Sale, Exchange, or Other Disposition of Donated Property)
- CASE Reporting Standards & Management Guidelines for Educational Fundraising - 4th Edition