



UCF Guidelines on Handling Donor Dollars

Updated: 2014

<http://admfin.ucf.edu/handlingdonations>

Prepared by the Administration and Finance office at the University of Central Florida as a reference guide for best practices in fundraising for charities as part of official UCF activities. Special thanks to the Office of Ethics and Compliance, Finance and Accounting, General Counsel, University Audit, UCF Data Security Team, UCF Foundation, Volunteer UCF, and various focus groups for their review and guidance.

Fundraising at UCF for External Charities

This reference is a best practice tool for our faculty, staff, and students who participate in university-sanctioned fundraising activities. We hope it will assist you in your endeavors, increase your success, and provide useful information that can assist you in other business practices and fundraising activities.

Responsible handling of donor dollars is the most important function you have as a fundraiser. You are acting as a representative for UCF, as well as the charitable agency, when you ask a donor for their financial support. Experiences with you may build - or harm - a lasting relationship between that donor and the charity. These experiences may affect donor's likelihood of future financial or volunteer engagement.

Please review the topics below to view laws and requirements as well as best practice suggestions.

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6	University policies and regulations
7	Relevant laws (such as those covering prize drawings)

***An online reference of this document may be found at
<http://www.admfin.ucf.edu/handlingdonations>***

Respecting Donors

Respecting donors: Giving is a personal choice

Our university is made up of a diverse group of people, each with their own set of beliefs and priorities. This is one of our strengths. It also means, however, that not everyone will react the same way to requests to give or that they are in a position to give. It is important that we avoid putting pressure on coworkers to respond in a particular way to such situations. If you supervise employees, it is even more important that your employees do not feel any pressure and that it is clearly communicated that they are not required to give or participate. As a fundraiser you want to encourage people to give or participate, but make sure no one feels pressured to react a certain way, to give money, or provide personal time to support a cause with which they are uncomfortable. We must remember to respect each person's views and understand that they may have other priorities or may prefer to give in other ways.

This includes opportunities for fundraising events to be used for networking and teambuilding in our departments. Employees should not feel obligated to donate to a charity in order to participate in the event and their decision should remain confidential. Always use "suggested donation" language and always respect an individual's decision.

Donor Awareness

Donors should know where their money is going, and what it will be used for.

- If you are raising funds for a specific charity,
 - Offer information to the donor, such as web links and brochures, regarding the charitable agency.
 - Provide the donor with the agency's Employer Identification Number (EIN) (also called Tax I.D. Number in some places), which can be found on www.melissadata.com/lookups/np.asp, and a letter from the agency if possible.
- Suggest the donor review benefiting agencies (see under "Resources for Donors" on page 4).

Administrative Cost or Fee

- Administrative Cost: some percentage/amount of the donor dollars taken out to cover certain costs. It is up to the donor to decide if the administrative costs presented are appropriate and acceptable. Here are three examples:
 - An agency may say their Administrative Cost is 10%; that is to cover electricity, rent, employee salaries, etc., and the other 90% goes directly to programs.
 - If you use an online giving website, it may charge an administrative fee that comes out of the donor dollars.
- For student projects only: If you use some of the donor dollars to fund your event costs (as students are directed to do in Cornerstone classes), you should prepare a budget proposal in advance and inform donors up front how much of their donation is going to fund your project. You might also specifically request donations for event items.

Tax Deduction

- UCF will not provide tax deduction receipts for contributions to external charities. The donor (with the assistance of you - the fundraiser) must coordinate tax receipts with the benefiting charity.
- For tax deduction purposes, the donor needs to have two separate forms of verification of their donation. For example, they should have a receipt of donation AND a letter from the agency. It is the donor's responsibility to ensure they have the information they need for their own taxes; however, please help facilitate their acquisition of documentation.

Resources for Donors

Fundraisers should be aware of and suggest these as appropriate. It is the donor's responsibility to research charities before investing in them and to be aware of requirements for tax-deductible donations, but it is the fundraiser's responsibility to make sure the donor knows that and has the resources they need, which include the Donor Bill of Rights, Charity Navigator's Tips for the Savvy Donor, and Tax Deduction Requirements (IRS).

Charity Research can be reported through Melissa Data, Better Business Bureau, and Charity Navigator (charities must pay to be included on this site).

Handling of Donor Dollars

Handling of Donor Money

As a fund-raiser, you are making a commitment to ensure that every donor dollar received by you gets into the hands of the person responsible for depositing and distributing the funds as the donor wishes. Before you receive any donor's contribution, you should be very familiar with the appropriate and/or required procedures for handling donor funds.

Handling of Donor Information

- The university is committed to protecting the privacy of all individuals. Engaging in fundraising may necessitate the collection of donor's personal information (such as personal checks, addresses, phone numbers, etc). It is your responsibility to research all relevant guidelines, policies, regulations, and laws.
 - University fundraisers may not collect any written credit card information, and online donor sites must be approved by UCF Finance and Accounting prior to use.

Events & Random Donations

- **Holding an Event.** Money collected during the event should be counted at the close of the event, in the presence of all involved team members (or a number of team members agreed upon by the group). If at all possible, count the proceeds so that the total can be publicly announced at the event.
- **Receiving donations from individuals at random.** Donations that come in one by one over time (rather than all collected at a single event) should be counted as noted below in "best practice suggestions" for EACH donation submitted, and a log kept.

“Best Practice” Suggestions:

- If you are given cash, always double-check with the donor the amount you are being given. If you receive a check, verbally confirm that the amount spoken is consistent with the dollar amount written, and that the check is filled out properly (dated, signed, and made payable to the proper recipient [charity, or umbrella agency]).
- Have at least two people count the money as it comes in, and each sign for the amount received. At least two people should be present at all times where cash is being handled, counted, or transported.
- Money collected should be placed in a sealed envelope and brought directly to the agency/ drop-off, or be kept in a secure location (like a safe) until that transfer is possible.
 - Some agencies or campaigns can provide a locking deposit bag. When placing money (which has been double-counted with a witness) into a locked bag or box, always have a second observer and maintain limited and controlled access.
- The money is counted again during the transfer to the agency, both parties signing off for the amount that is transferred. This way you have a clean and documented chain-of-custody for the donor’s investment.
- If you are given checks or other forms of personal information about the donors, make reasonable effort to protect their information.
- Always issue a receipt for the donation. Remember that with the new tax laws, donors will need two forms of verification for charitable deductions. Their second form can be their check copy, a letter from the charity, etc.
- Make deposits regularly - do not permit funds to accumulate.

References and Resources for Fundraisers

Links to these references and resources can be found at www.admfin.ucf.edu/handlingdonations

- ◆ Fraud Magazine article on fundraising (part 1) (July/Aug. 2013)
- ◆ Fraud Magazine article on fundraising (part 2) (Sept/Oct 2013)
- ◆ Association of Fundraising Professionals Resource Center
- ◆ Institute of Fundraising Code of Fundraising Practice
- ◆ Catalog of Nonprofit Literature

Methods of securing money

- Appoint an individual to serve as a fiscal officer for the event or for all events related to a specific fundraising cause.
- If possible and appropriate for the campaign (check with the campaign supervisor or team leader), deliver donations directly to the charity.
- Identify a safe location, agreed upon by the entire team, for the cash to be kept. This may include a safe, a bank account, or delivery to the fundraising headquarters office.
- Set up appropriate accounting that identifies all money collected (donations), and all money that is used to support events (expenses – for non-United Way functions only) and shows the total being contributed to the charity by the fundraising effort.
- In the event that the fiscal officer's personal bank account is used for storing donations, all members should agree upon this **in writing**. In many cases, a separate savings account can be

set up at no cost to keep the accounting separate and distinct from personal transactions.

- Create a cash reconciliation sheet for each event or fundraising activity which includes a description of the event, the name of the event coordinator, the name of the fiscal officer, and the signatures of both the coordinator and the fiscal officer upon completion of the event/activity verifying the cash income.

Special Considerations

- For the United Way Campaign at UCF, the central office is located in Millican Hall, Suite 384. All campaign donations are processed through that office.
- For the Relay for Life and HeartWalk initiatives, each fundraising team has a Team Captain who is the fiscal officer for that group. That fiscal officer will provide guidance to the team regarding securing and depositing received donations.

Policies and Regulations at UCF

Below are some campus resources regarding events, solicitation, identity theft, and other important information. Please be familiar with each of these resources before proceeding with fundraising activities.

- UCF SAFE Form: www.safe.sdes.ucf.edu/
- 2-105 Identity Theft Prevention: www.policies.ucf.edu/documents/2-105.1IdentityTheftPreventionFinal.pdf
- 4-008 Data Classification and Protection: www.policies.ucf.edu/documents/4-008DataClassificationFINAL.pdf
- UCF-4.010 Solicitation on Campus: www.regulations.ucf.edu/~regs/pdf/notices/4.010SolicitationonCampus_finalMar09.pdf
- 4-002 Use of UCF Technologies and Resources: www.policies.ucf.edu/documents/4-002UseofInformationTechnologiesandResourcesFINAL.pdf
- UCF Privacy Policy: www.ucf.edu/internet-privacy-policy/

Campaign-Specific Guidelines

UCF United Way Campaign Sponsorships and In-Kind Donations to Support Campaign Activities: <http://admfin.ucf.edu/handlingdonations/United%20Way%20Sponsorships-InKind%20Policy.pdf>

Statutes and Laws

Relevant Laws and Statutes regarding drawings, chance prizes, prize pulls, raffles, etc.

Florida laws prohibit gambling and games of chance.

You CANNOT SELL chances to win prizes, for any cause/agency.
 You CANNOT have a drawing for a for-profit cause/agency.
**You CAN have a drawing to raise funds for a charitable cause,
 provided the following guidelines are strictly followed.**

It doesn't matter what you call your fundraiser "prize pull"; what matters is that you understand that you cannot SELL chances to win prizes. You are permitted to accept donations - and even suggest a donation amount - for a verifiable charity and pull prizes, provided you allow individuals who do not wish to make a donation (or match your suggested donation) to participate, and clearly indicate in all advertising and outreach that purchase is not necessary for participation. That is the spirit of the laws referenced below.

Sales Tax & "sales" of baked and other goods for charity

[CLICK HERE for Florida State Tax Reporter, Regulation, Florida, Rule 12A-1.0115, Sales of Food Products Served, Prepared, or Sold](#)

* 12A-1.0115(12)(a) Food or drinks sold at fundraisers and similar types of events are subject to tax, unless such sales qualify as occasional sales, as provided in Rule 12A-1.037, F.A.C.

* use "suggested donation" language rather than "sell" language, and adhere to the spirit of "suggested donation" by accepting amounts other than your suggested donation amount.

FS 849.0935: <http://www.flsenate.gov/laws/statutes/2011/849.0935>

Notes:

- All brochures, advertisements, notices, tickets, or entry blanks used in connection with the drawing will disclose, among other key information, that there is no purchase or contribution necessary to enter.
- Verbal communication of this information is not permissible; it must be in writing and included in all outreach.
- Under no circumstances can a purchase price, ticket price, entry fee, or donation amount be require o a person who wants to partake in the chance to win. The chance to win cannot be attached or embedded to an item of purchase.
- Donations to a chance to win program are not eligible to be deducted as a charitable contribution by the purchaser on their income taxes. There are no exceptions or partial deductions to this rule since the IRS assumes that someone who purchases a ticket or pays to enter a contest that awards a prize has received value for their contribution.

849.08 <http://www.flsenate.gov/laws/statutes/2011/849.08> --

Whoever plays or engages in any game at cards, keno, roulette, faro or other game of chance, at any place, by any device whatever, for money or other thing of value, shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083.

Other References:

- ◆ Laws regarding gambling: <http://www.gambling-law-us.com/State-Laws/Florida/>

- ◆ UCF United Way Campaign procedure for accepting sponsorships and in-kind donations in support of campaign activities: http://ucf.edu/liveunited/pdf/sponsorships-inkind_policy.pdf