



***Special
Olympics***
Pennsylvania

A GUIDE TO FUNDRAISING

REV. 10/18/18

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OVERVIEW

The purpose of this document is to help guide you through the process of fundraising for your local program. We have pulled together a simple terms guide that is easy to read and understand. We want to make your position of fundraising coordinator a comfortable and enjoyable experience. We believe that by providing you with this guide, you will be able to understand the commitment and requirements of this position and will be able to raise a great deal of funds for your athletes and your local program.

If you have any questions on this guide, please don't hesitate to contact the following Development staff members:

Eric Cushing, Vice President Marketing and Development

2570 Blvd of the Generals, Ste 124

Norristown, PA 19403

610-630-9450 ext. 229

610-630-9456 (F)

ecushing@specialolympicspa.org

www.specialolympicspa.org

Christine Anderson, Director of Foundation Relations

2570 Blvd of the Generals, Ste 124

Norristown, PA 19403

610-630-9450 ext. 222

610-630-9456 (F)

canderson@specialolympicspa.org

www.specialolympicspa.org

Demika Poole, Director of Special Events

2570 Blvd of the Generals, Ste 124

Norristown, PA 19403

610-630-9450 ext. 226

610-630-9456 (F)

dpoole@specialolympicspa.org

www.specialolympicspa.org

Kraig Makohus, Sr. Director of Individual and Major Gifts, Western PA

Cedar Ridge Business Park

200 Cedar Ridge Drive, Ste 124

Pittsburgh, PA 15205

724-375-7515 ext. 248

724-375-9183

kmakohus@specialolympicspa.org

www.specialolympicspa.org

I. RESPONSIBILITIES

As Fundraising Coordinator, you are responsible for providing guidance and direction to your local program to help ensure revenue goals are met in accordance with your program budget. **NOTE: All fundraising must occur within your local program's specified territory (county). You are not permitted to go to another county and solicit funds, UNLESS you have first spoken with the Vice President of Marketing and Development at SOPA headquarters and are working in conjunction with that County Program's Management Team.**

GOALS

- A budget is in place (via Treasurer) and subsequent fundraising plan is in place that allows for program to meet its financial needs (set your goals and identify what it is you need to accomplish).
- Establish sources of funding from events, foundations, sponsorships and in-kind donations.
- Focus your cultivation and solicitation efforts on your larger donors and prospects. It is easier to raise \$10,000 by asking 10 people to give \$1,000, than asking 1,000 people for \$10.
- The number one reason donors give is because someone asked. Once you decide the sources for your donations, prepare a timeline for each request you have done. This will help you track your goals and if they were met.
- It's all about relationships! Where appropriate call and speak with your potential donors about your projects. Invite them to your fundraisers, events and/or competitions.

Remember:

- All third party contracts are reviewed by SOPA insurance and signed and approved by Special Olympics Pennsylvania's President and CEO.
- All Planned Giving is directed to the state office for administering.
- Ensure you appropriately recognize sponsors (signage at events, web presence, etc.).

CONFIDENTIALITY STATEMENT

The state office and all county, city and area programs will at all times respect the confidentiality of all donor information. No names, addresses, or phone numbers of donors will be given to any third party without prior approval of SOPA's President and CEO and/or a member of the Senior Leadership Team (SLT).

KEY RESOURCE

When preparing certain application, LOIs or reports certain information is required by the donor. The state office can assist with providing you form language, financial information, statistics and more. We have many resources and are happy to share them. Please do not reinvent the wheel.

An important step in keeping a donor interested in your program is to keep them informed of what is happening with the program. If you receive donations, send a thank you letter or note card and/or call them. Some donors may require follow up and final closing reports, this is your chance to shine and let them know what their dollar provided.

II. TYPES OF DONATIONS

CORPORATION, CORPORATE FOUNDATIONS AND BUSINESSES

The state office may seek sponsorships or grant funding for state and local level activities. When seeking such corporate support for an event or program, Special Olympics Pennsylvania shall not solicit monetary sponsorships or outright contributions from any corporation that is a Special Olympics, Inc. sponsor.

Local programs shall solicit sponsorships only from corporations that are within their program jurisdiction (county). Local programs shall not solicit monetary sponsorships or outright contributions from corporations that are state office sponsors. This is to avoid duplicate solicitation efforts between the state office and the local program.

It may be permissible for local programs to solicit in-kind contributions from an SOI or a state office sponsor. However, before soliciting an in-kind contribution from an SOI or SOPA state office sponsor, contact the Vice President of Marketing and Development for approval and discussion.

The state office and local programs are responsible for informing sponsors of the requirements regarding commercial messages. (Please refer to Section V. Special Olympics Requirements - “Commercial Messages on Uniforms”).

INDIVIDUAL GIFTS

SOI, SOPA state office and local programs may seek funding from individuals. The state office and local programs may accept contributions from the parents/guardians of athletes. However, each local program must avoid soliciting or accepting such contributions under circumstances which suggest that the contribution is required in order to ensure or facilitate an athlete's admission to participate in Special Olympics.

Direct Marketing - Direct Mail is a form of solicitation by mass written correspondence to prospects and donors.

Telemarketing - a form of solicitation to prospects and donors by mass telephone contact with or without written correspondence follow-up.

Local Programs may not conduct telemarketing or direct mail solicitations.

SOI conducts massive direct mail activities within Pennsylvania. SOPA conducts massive Telemarketing activities within Pennsylvania. Local Programs may call or send mail to registered volunteers, parents/guardians of athletes, previous Local Program contributors and their acquaintances, relatives, and friends. (Please refer to Section XI for the Requirement from the Bureau of Charitable Organizations.)

PLANNED GIVING AND THE ESTATE SETTLEMENT PROCESS

Policy dictates that the state office is to review and process all documentation received on gifts from wills and other planned gifts.

If you receive correspondence or any information (including checks) from the executor/executrix of an estate or administrator (attorney, accountant, bank officer, financial planner, etc.), please forward it immediately to the Finance Department at SOPA Headquarters in Norristown.

This request is consistent with SOPA's *Planned Giving Financial Policy* passed by the Board of Directors on June 9, 1995. Be advised that local programs can be and have been the recipient of bequests and other planned gifts. However, due to the fact that only the incorporated Program can facilitate the acceptance of bequests and other planned gifts, in no case should any assets received from such gifts be deposited in a local program bank account without first receiving approval from the SOPA President and CEO and the Vice President of Finance and Administration.

All income generated by planned gifts will be administered strictly in accordance with the terms of the *Planned Giving Financial Policy*. (See attached policy)

PRIVATE AND COMMUNITY FOUNDATIONS

SOI, SOPA state office and local programs may seek grant funding from private and community foundations. Local programs must restrict their solicitations to foundations which reside in their jurisdiction (county). Local programs shall not solicit any foundation that is a state office supporter. Please contact the state office Director of Foundation Relations when soliciting new foundations to avoid duplicate requests.

RESTRICTED GIFT PROCEDURE

A gift may be given to the state office and/or a local program and may be deposited, only with the prior approval of SOPA, into a restricted account. All funds within that

account are handled as program assets, but used in accordance with agreements made with the donor.

No Special Olympics organization shall establish a separate legal entity (for example, a partnership, foundation, trust, or other endowment organization) to create, manage, or likewise control an endowment fund. All Special Olympics accounts shall follow established SOPA financial reporting procedures.

SPECIAL EVENTS

SOI, SOPA state office and local programs may seek funding from individuals, foundations, civic organizations, and corporations for special events. Please follow the aforementioned policies above and if you're unsure about soliciting, call the Vice President of Marketing and Development.

Please be aware that Special Events can be very demanding on time and resources. Events also have many insurance factors and liabilities that must be addressed in advance. Please contact your program manager or the state office prior to coordinating any new event. They will direct you to American Specialty, SO's insurance firm. Do not move forward with an event without ensuring you have taken this critical step.

- Types of State and Local Program Events
- Gala Dinners, Silent Auctions, Golf Tournaments, Runs or Walks, Bocce Bash

LETR Fundraising Events

- Polar Plunges, Plane Pulls, Tip a Cop, Beaver Stadium Run, Torch Runs

Note: LETR events are organized by the state office only, but with opportunity for local programs and the state office to work together to raise money and participate. For a full draft of revenue sharing policies and guidelines, contact the VP for Marketing and Development at the state office.

UNITED WAY

The state office and local programs may receive funds from United Way campaigns, provided they are designated to Special Olympics only through the donor option program. Local programs may not become member agencies of the United Way. When someone wants to donate to your local program you must give them the donor number assigned by the United Way.

<u>Programs</u>	<u>Area</u>	<u>UW Codes</u>
SOPA – State Office	Philadelphia	578
	Allegheny	2362
SOPA – Allegheny	Philadelphia	6245
	Allegheny	379

SOPA – Bucks	Philadelphia	3460
	Allegheny	N/A
SOPA – Butler	Philadelphia	N/A
	Allegheny	3950
SOPA – Chester	Philadelphia	7572
	Allegheny	N/A
SOPA – Delaware	Philadelphia	5897
	Allegheny	N/A
SOPA – Lancaster	Philadelphia	9337
	Allegheny	N/A
SOPA – Montgomery	Philadelphia	8930
	Allegheny	N/A
SOPA – Philadelphia	Philadelphia	579
	Allegheny	N/A
SOPA – Westmoreland	Philadelphia	N/A
	Allegheny	381
SOPA – Washington	Philadelphia	N/A
	Allegheny	2619

Reminder: local programs may not conduct telemarketing or direct mail solicitations.

III. LEGAL REQUIREMENTS

IRS REQUIREMENTS

Taxpayers can no longer rely on a canceled check to support a tax deduction for a charitable contribution of \$250 or more. Under the current law, taxpayers must obtain a written substantiation from the charity to support deductions for contributions of \$250 or more.

Furthermore, the written substantiation must state the value of any goods, services, or privileges received by the taxpayer in return for the donation. The IRS refers to substantiation of “any contribution of \$250 or more,” and says that annual contributions to any one organization are not to be aggregated for applying the \$250 threshold.

In the case of *quid pro quo* payments of over \$75 to a charity (that is, payments made partly as a contribution and partly in return for goods and services, such as banquet tickets), the charity must provide a written statement that:

- Informs the donor that the amount of the payment that is deductible as a charitable contribution is limited to the excess of the amount of any money contributed over the value of goods or services furnished in return (*quid pro quo*) by the organization; and
- A good faith estimate of the value of the *quid pro quo*.

Example:

<u>2011 Hall of Fame</u>	
Ticket Price	\$250
<u>Quid Pro Quo (cost of meal) Value</u>	<u>\$100</u>
Tax Deductible Donation -	\$150

This disclosure may be furnished either in connection with the solicitation or with the receipt of payment.

BUREAU OF CHARITABLE ORGANIZATIONS REQUIREMENT

Pennsylvania’s Solicitation of Funds for Charitable Purposes Act, specifically Section 13 (c) of the act states the following:

(c) **Notice on printed solicitation** - On every printed solicitation or written confirmation, receipt, and reminder of a contribution, the following statement must be clearly printed verbatim:

“The official registration and financial information of Special Olympics Pennsylvania, Inc. may be obtained from the Pennsylvania Department of State by calling toll free, within Pennsylvania, 1-800-732-0999. Registration does not imply endorsement.”

This act requires that Special Olympics Pennsylvania’s state office and its local programs include this written statement on ALL printed solicitations. Any solicitations which do not contain this disclosure could be considered a willful and deliberate violation of Pennsylvania law and may result in further action by the Office of Attorney General.

PENNSYLVANIA’S SOLICITATION OF FUNDS FOR CHARITABLE PURPOSES ACT

Specifically Section 15 of the Act prohibits the following:

“Any charitable sales promotion utilizing any representation that implies a contribution is for a charitable organization, or utilizing any emblem, device, or printed matter belonging to, or associated with, a charitable organization, without first being authorized in writing to do so by the charitable organization.”

SMALL GAMES OF CHANCE (SGOC) – REPORTING REQUIREMENTS STARTING 1/1/13:

- **Gross Revenue** collected from **each** small game of chance
 - Coded to account 4350 on your monthly financial report's Receipts Summary page
- **Operating expenses to operate the games *minus* the cost or cash value of prizes**
 - Coded to the appropriate event code (*i.e.*, 660-*raffle*) on your monthly financial report's Disbursements Summary page
 - Expenses include tickets, pull tabs or punch boards, etc. necessary to run the SGOC
 - Expenses do NOT include facilities costs, food or other expenses not associated with the running of the SGOC.
- **Names & addresses of all prize winners of \$100 or more**
 - **Include Tax ID # of winners of one or more prizes totaling \$600 or more (cumulative for the entire year).**
 - In determining whether the \$600 threshold is met, you may reduce the winnings by the amount(s) of the wager(s)
- **Cash value of prizes** (if the prize is cash, then it is the same as the cash value)
- **List of merchandise prizes** & supporting receipts (sales or In-Kind receipts)
- **Proceeds** which is calculated by deducting Operating Expenses + Actual Amount of Prizes Paid from Gross Revenue.

Proceeds Calculation Example:

\$1,000	Sale of 1000 tickets
-\$50	Printing cost of tickets
<u>-\$500</u>	Prizes Paid
\$450	Proceeds

- **Amount of proceeds used for public interest purposes**, which should be 100% if the proceeds are used for the local program's competitions, training or education, not for picnics or dances, etc.

If you are unsure if your local program is in compliance, please contact Roberta Melnyk, Local Programs Staff Accountant at rmelnyk@specialolympicspa.org or 1-800-235-9058 ext. 228.

IV. THIRD PARTY CONTRACTS

Accredited local programs can enter into fundraising contracts with third parties, if the contract satisfies the following criteria:

1. The contract does not involve either direct mail or telemarketing solicitation.
2. All contracts with third parties for designing, conducting, or managing comply with the guidelines specified in the Third Party Business Agreement.
3. Any fundraising contract with a third party must provide that the local program will receive net income from the fundraising totaling at least 65% of the gross revenue, before deducting the costs and expenses (including third party fees), so that the actual cost of the fundraising does not exceed 35% of its gross revenue.
4. If the local program intends to rely on a third party to design, manufacture, or distribute materials or merchandise that contains the Special Olympics name, logo, or other proprietary symbols, the local program's contract with that third party must give SOPA the right to review and approve, in advance and in writing, the appearance, design, and content of all such materials and/or merchandise. Also, the contract must require the third party to destroy or to return to the local program all unused materials or goods upon the completion or termination of the contract, or otherwise dispose of them in a manner authorized by the local program and/or the state office.
5. The fundraising contract will not violate either SOI's policies regarding the display of commercial messages on uniforms at Special Olympics competitions, or SOI's policies regarding the association of the Special Olympics name and logo with tobacco products or alcoholic beverages.
6. The fundraising contract does not require or contemplate any fundraising activity of any kind outside the local program's jurisdiction and/or territory.
7. The fundraising contract must be consistent with and supportive of the Special Olympics image, goals, and policies.
8. Any agreement with a person or organization to place Vending Machines, Honor Boxes, or Coin Containers that are retained for financial consideration needs to be in writing, approved, and signed by SOPA's President and CEO.

NOTE: All contracts must be in compliance with all applicable local, state, and federal laws including those imposed by the Pennsylvania Bureau of Charitable Organizations. All contracts need to be approved and signed by SOPA's President and CEO. If this procedure is not complied with, all terms of the contract are null and void.

PROCEDURES

Third Party Business Agreement (Product)

SOPA requires the following protection in all fundraising contracts with third parties. It will be the responsibility of the third party to provide a written contract to correspond with the following guidelines:

1. A written and detailed summary of the who, what, where, and when of the fundraising project with corresponding revenue and expenditure projections.
2. A written acknowledgment by the third party of SOPA's exclusive ownership of and legal and proprietary interests in its name, logo, and all other proprietary symbols. The third party will not use, reproduce, or distribute any material or objects that contain the Special Olympics name or symbols without prior inspection and written authorization from SOPA.
3. A written provision stating that SOPA reserves the right to require the third party to provide a list of prospective supporters of the fundraising project in advance of solicitation.
4. A written provision granting SOPA the right to inspect all financial records pertaining to the fundraising project.
5. A written provision protecting SOPA from any liability for any fees or expenses that are the responsibility of the third party.
6. A written provision that requires the third party to obtain adequate insurance coverage. If deemed necessary by SOPA, the third party may be required to list SOPA as an additional insured on their policy.
7. A written provision stating that SOPA reserves the right to terminate its involvement in the fundraising project due to any unauthorized use of the SOPA name and logo and/or any other breach of agreement.
8. A written provision stating the names, addresses, phone numbers, and donation amounts of any party making a contribution shall remain the property of SOPA and shall not be used by the third party for any other type of solicitation.
9. Local programs will submit all contracts to American Specialties for review and approval. Once they provide written approval (or changes that are suggested or that must be made) the following **MUST** take place:
 - a. Request Certificate of Insurance from American Specialties, if necessary.
 - b. Forward the following for approval from SOPA's President and CEO:
 1. Full contract, with any changes requested by American Specialties.
 2. Written approval from American Specialties (can be an email.)
 3. Certificate of Insurance (if one is required.)

NOTE: 4-6 weeks of lead time will be necessary for the President and CEO to review any contracts with third parties. Local programs are required to follow these

procedures. Please contact your field director or the CEO's assistant for additional guidance.

V. SPECIAL OLYMPICS REQUIREMENTS

SPONSORSHIPS (Competitions/Special Events)

When a corporation or other organization provides financial support for a Special Olympics competition or event, that corporation or organization may describe itself, and/or may be listed in signage, publicity, and promotional materials, only as a "sponsor," "provider," or "supporter" of the Special Olympics event.

To protect the ownership and integrity of the Special Olympics name, and proprietary symbols, sponsors may never include their corporate, organizational, or products' names in the title or name of the event itself.

For example, if "Company X" is the sponsor of a SOPA Basketball Tournament, the event **shall not** be named the "Company X Special Olympics Basketball Tournament."

If a sponsor conducts its own event to benefit Special Olympics (not a competition or event being conducted by SOPA), that sponsor's event may be identified as "The Company X Fun Run--To Benefit Special Olympics." The state office is responsible for reviewing and approving, in advance, all advertisements or promotions for such events that will use the name "Special Olympics."

NOTE: While most special events meet insurance guidelines, additional special event insurance may be necessary for full and adequate liability coverage. Please review with our insurance representative from American Specialty Insurance Services, Inc.

COMMERCIAL MESSAGES ON UNIFORMS

In order to avoid commercial exploitation of persons with intellectual disabilities, no uniforms, bibs or other signs bearing competition numbers, which are worn by Special Olympics athletes during any competition or during any opening or closing ceremonies of any Games may be emblazoned with commercial names or commercial messages.

The only commercial markings which may be displayed on athletes' uniforms during Games competitions and opening and closing ceremonies are the normal commercial markings of the manufacturer which cannot exceed the following dimensions:

1. On large clothing items (shirts, jackets, pants, jerseys, sweatshirts, etc.)
 - a. one logo/name per clothing item.
 - b. not to exceed 6 square inches (2" x 3" or equivalent).
2. On small clothing items (caps, socks, hats, gloves, belts, etc.)
 - a. one logo/name per clothing item.
 - b. not to exceed 3 square inches.

3. On athletic shoes, no logos or commercial names are permissible except for names or logos which are included by the manufacturer on athletic shoes which are sold to the general public.

The above rules apply to all Special Olympics competitions. However, Special Olympics athletes who are not engaged in competition or in opening/closing ceremonies may wear, carry or use at Games venues other than the sites of competition (such as at training sessions, practices, or trips) clothing and/or non-apparel items which are not part of their sports equipment (such as tote bags), which contain small and attractively designed identifications of corporate or organizational sponsors.

Volunteers may wear clothing which bears small and attractively designed names or logos identifying corporate or organizational sponsors while attending Games competitions, so long as those displays do not exceed an area of 6 square inches.

SPECIAL OLYMPICS NAME AND LOGO

No local program shall knowingly permit the use of any alcohol or tobacco products at any Special Olympics training or competition venue. No local program shall permit the Special Olympics name, logo, or other proprietary symbols to be publicly or visibly connected or associated with the name or trademark of any of the following companies or products:

1. any tobacco product, or the manufacturer or distributor of a tobacco product; or
2. any alcoholic beverage, or the manufacturer or distributor of an alcoholic beverage.

Permitted Activities: The provision set forth above shall not prevent a local program from engaging in or authorizing any of the following:

1. Accepting an anonymous contribution which is not publicized, promoted, or publicly acknowledged by the local program in any way;
2. Allowing the Special Olympics name, logo, or other proprietary symbols to be publicly associated with the names of products which are not tobacco products or alcoholic beverages, even if they are manufactured or distributed by companies which also manufacture or distribute tobacco or alcoholic beverages;
3. Allowing the Special Olympics name, logo, or other proprietary symbols to be publicly associated with the names of manufacturers or distributors of alcoholic beverages, as distinguished from the products or the product names themselves, if those company names do not contain the brand name or generic title of an alcoholic beverage.

NOTE: Local programs must contact the state office if there is any question of its ability to accept funds or other support from a business associated with tobacco products or alcoholic beverages. The state office's decision on the matter will be binding.

ELECTRONIC FUNDRAISING GUIDELINES

Special Olympics Inc. (SOI) and SOPA are in an Integrated Direct Mail Program (IDMP) contract that includes online fundraising. Thus, all general operating online gifts must be linked (and thus processed) through SOI's website as opposed to being managed internally by each program. Local programs may only raise money online via Facebook or GoFundMe and via special events (polar plunges for example or ticket/raffle sales). However almost all other forms of online giving are in violation of SOPA's agreement with SOI (such as general "donate now" buttons). If you are unsure please contact the VP of Marketing and Development for clarification.

Links

Local programs are not permitted to list web sites that (1) are shopping villages whereby part of the proceeds benefit a charity or (2) list several charities to which a donor may make a donation (i.e., www.helping.org). Both are in violation of the General Rules and of SOI's exclusive agreement with Greatergood.com.