

FUNDRAISING POLICY

Originally Adopted: 10/22/2021

Latest Approved Revision: 10/22/2021

The University of Wisconsin Oshkosh Foundation [“Foundation”], assisted by the Division of University Affairs, solicits, invests, and distributes gifts that further the mission of the University of Wisconsin Oshkosh [“University”]. The Office of Advancement is responsible for overseeing all fundraising efforts on behalf of the University, its colleges, departments, and nonacademic units, as well as the Foundation. Any individuals involved in fundraising must adhere to this Fundraising Policy, which may change from time to time.

I. General Fundraising Principles

Fundraising efforts on behalf of the Foundation must be consistent with the following:

- Ensure maximum effectiveness in the overall fundraising efforts of the University by assuring that University-wide priorities are featured;
- Reduce duplication of asks to sought-after fundraising prospects by following prospect management procedures in order to avoid over-solicitation of donors by University units; and
- Utilize the expertise of the Office of Advancement to assist in the successful execution of approved fundraising efforts.

II. Fundraising Resource Allocation

The Chancellor, in coordination with the Chief Operating Officer, shall set fundraising priorities based on the University’s priorities and development capacity. Colleges will be assigned development resources, whether financial or personnel, based on a mutual agreement between the Dean and the Chief Operating Officer. Decisions on development resources allotted to non-academic departments will be made by the Chancellor and Chief Operating Officer.

The Chancellor, Deans, and other University leaders are responsible for developing and communicating a strong strategic vision and goals for their respective areas. As such, these individuals shall work with advancement staff to communicate their visions and goals through fundraising efforts, as necessary. It is essential that these individuals also provide information on the use and impact of gift funds in order for advancement staff to properly steward donors.

III. Fundraising Approval

Any solicitations must receive prior approval and calendaring from the Office of Advancement. Advanced approval is vital to remain in compliance with auditing standards of the Foundation. In order to maintain respect for our donors and alumni, and to achieve the maximum results for our fundraising efforts, it is important to limit the number of broad communications individuals receive during key solicitation periods and to prevent over-solicitation of donors.

An advancement staff member must evaluate all solicitation materials to ensure compliance with Foundation and UW System policies and procedures. All gifts solicited on behalf of the Foundation must be mailed directly to the Foundation Office, located at 625 Pearl Ave, Oshkosh, WI 54901. Any gifts received by the University intended for the Foundation shall be deposited at the Foundation within 5 days of receipt. Checks must be made payable to “University of Wisconsin Oshkosh Foundation” or “UW Oshkosh Foundation”.

Costs for fundraising activities for specific areas must be funded by the appropriate department or college. Foundation funds may be used for fundraising expenses, provided those expenses are permissible under the Fund's agreement.

IV. Use of the Foundation's EIN

The Foundation's EIN (39-6076856) may be shared with donors if needed in order to facilitate their gift. Other uses of the Foundation's EIN, such as on grant applications, is prohibited without approval from the Foundation's Executive Director. Use of the Foundation's EIN by University student organizations is strictly forbidden.

V. Tax and Legal Advice

Foundation and University representatives may provide donors with general information regarding benefits, limitations, and tax implications of specific gifts and gift arrangements. However, representatives shall not be considered to be offering tax or legal advice to donors. All donors shall be advised, preferably in writing, to seek their own legal and tax consultation in matters relating to their gifts, tax and estate planning.

VI. Non-University Fundraising Initiatives

Fundraising activities in which the University is not the intended sole beneficiary are not typically permitted. Support of other nonprofits or charitable groups shall only be initiated from the University as a whole, where the Chancellor has determined the organization or event is important for University-wide public and community relations. No third-party fundraising relationship can exist without a Memorandum of Understanding between the University and the non-profit organization which specifically describes the condition of the donation and the details of the business relationship between the two parties.

VII. Prospect Tracking

The Office of Advancement maintains a prospect tracking system which records and manages the solicitation of prospects. Assignment of prospects must be approved by the Associate Vice Chancellor of Development. Assignments shall only be approved if the individual, business, or organization is deemed to have potential to be a major donor or if they have a special affiliation to the University or Foundation.

Institutional Prospects

Individuals, businesses, or other organizations may be identified as an institutional prospect, based on their giving capacity, relationship, or broad giving interests. The Chancellor, Chief Operating Officer, or Executive Director shall take the lead on any solicitation involving an institutional prospect.

VIII. Recording of Donor Information

To effectively cultivate and steward donors and alumni, it is essential that all donor interactions be recorded in the Raiser's Edge database. These actions should be entered in a timely manner to ensure quality of prospect information in the donor database. Because only advancement staff members have access to Raiser's Edge, others involved with the solicitation of donors shall submit an action report to the Associate Vice Chancellor of Development so that their interaction with the donor may be entered into the database.

IX. Gift Announcements

In order to ensure that donors' wishes in regard to gift announcements are respected, all gift announcements must run through the Office of Advancement. Gifts are not required to be announced, however, but donors of gifts of at least \$25,000 are encouraged authorize that the gift be announced, provided the donor does not wish to remain anonymous.

X. Naming Rights

The University considers the naming of a physical location on campus in honor of a living or deceased individual, corporation, foundation, or organization to be one of the highest distinctions it can bestow. In light of the importance and magnitude of this honor, acceptance of any gift which involves a proposal to name is subject to any University or UW System¹ naming policies in effect at the time of the gift.

All gifts that grant naming rights require a signed Memorandum of Understanding (MOU) between the donor, the Chancellor, and Foundation's Executive Director. This MOU must detail the length of time naming rights will be in effect (e.g. until the building is in need of significant renovations, requires demolition, etc.) and the conditions in which naming rights may be revoked (e.g. donor fails to fulfill agreed upon obligations, donor's actions bring discredit to the University, etc.).

Appropriate public recognition, depending on the scale and purpose of the gift, will be arranged by the Office of Advancement.

A. General Gift Levels for Naming Rights

Funding required for naming opportunities should be of a level that transforms the very nature of the project involved, enabling it to reach a new level of excellence. The Chancellor and the Foundation's Executive Director may recommend an exception to the minimum gift levels required for naming rights.

New, Renovated, or Previously Unnamed Buildings: 25% of the total construction/renovation costs

New, Renovated, or Previously Unnamed Interior Spaces:

Major Meeting or Gathering Spaces: \$200,000

Major Classroom, Lab, Conference, or Seminar Room: \$100,000

Standard Classroom: \$50,000

1. Naming of University Facilities and Lands, Regent Policy Document 19-14.

<https://www.wisconsin.edu/regents/policies/naming-of-university-facilities-and-lands/>; Naming of University Academic Units, Regent Policy Document 4-19. <https://www.wisconsin.edu/regents/policies/naming-of-university-academic-units/>.

College, School, or Division: \$5,000,000 endowment

Department: \$2,000,000 endowment

Center/Program/Institute: \$1,000,000 endowment

Endowed Distinguished Chair: \$2,000,000 endowment

Endowed Chair: \$1,500,000 endowment

Endowed Professorship: \$1,000,000 endowment

Bench or Tree \$5,000

XI. Rose Legacy Society

All donors who make estate gifts, no matter the size, to the Foundation shall be recognized as a member of the Rose Legacy Society (RLS). RLS members receive recognition on the Foundation's website, as well as in a display located in the lobby of the Culver Family Welcome Center. A donor shall be recognized as a member of the Rose Legacy Society during their lifetime if they submit a signed *Confidential Letter of Intent* Form to the Foundation. A donor's RLS status will be revoked if they do not follow through with making an estate gift.

XII. Online Giving Forms

The Office of Advancement may create online giving forms for donations for specific purposes. However, to avoid administrative burdens, online giving forms will only be created for general fundraising purposes for each College or Department, as well as specific fundraising appeals that are coordinated in partnership with the Office of Advancement.

XIII. Events

Fee-based events in which the revenue will be deposited in a Foundation fund must meet the following requirements:

- A fundraising event with a primary purpose that is philanthropic (e.g. the event's primary purpose is to raise funding for a Foundation scholarship fund) or an event organized by the Office of Alumni Relations with a primary purpose of building relationships with alumni and which expenses cannot be incurred through a University account.
- Fee-based events must receive approval from both the Foundation and the University prior to any advertisement or acceptance of payments using the Event Approval Form.
- Before any event is approved, strong consideration must be made to investment of time, effort, and expenses related to the event and the expected benefits of holding the event.
- Any events hosted by a third party must have a memorandum of understanding that clearly defines which party insures the event, with the appropriate proof of insurance.

The following events will not be approved to run through the Foundation and any revenue generated through such events must be deposited in a University account, with the exception of a charitable gift made payable to the Foundation from an event attendee:

- University events in which the primary focus of the event does not have a charitable purpose (e.g. career fair, academic conference, athletic tournament, athletic team banquet, award/recognition event, student trip).
- Expenses for certain events, such as student trips and recognition events, may be reimbursed by a Foundation fund. However, if attendees are required to make a registration payment, that funding cannot be accepted by the Foundation. The event shall run through a state account and a reimbursement request shall be submitted to the Foundation to cover the portion of the event not covered by registration fees or other sources, provided this is an acceptable expense under the Foundation fund agreement.

XIV. Sponsorships

Individual donors, businesses, or other organizations may provide a contribution to sponsor an activity, event, or project and, in return, receive recognition on campus, at the event, or in accompanying publications. These gifts are considered to be charitable unless what the sponsor receives constitutes advertising. Advertising payments shall not be accepted by the Foundation. All sponsorship payments to be received by the Foundation must be pre-approved by the Office of Advancement.

Sponsorships must meet the criteria below to be considered fully tax-deductible and qualified for acceptance by the Foundation:

- Sponsorship was made by a person or corporation engaged in a trade or business
- The sponsor should not expect or receive a substantial benefit (2% value of sponsorship contribution) for their gift, other than promotional value including the following:
 - Acknowledgement of the business name, logo, and possibly contact information (i.e. phone number, address, website)
 - Value neutral description of products or services the business provides
 - Display or distribute free products at a sponsored activity

*If a sponsor receives goods or services beyond promotional value, the payment qualifies as a quid pro quo contribution and must be receipted accordingly.

Sponsorships including the following benefits shall be considered advertising and shall not be accepted by the Foundation:

- Promotion of specific products or services that include the following:
 - Messages containing qualitative or comparative advertising of a sponsor's product or services such as pricing, savings, value, etc.
 - Endorsements
 - Inducements to purchase, sell, or use the products or services
- Exclusive provider agreements, which limits the sale, distribution, availability or use of competing products, services, or facilities
- Payments contingent on event attendance, ratings, or public exposure

XV. Quid Pro Quo Contributions

A quid pro quo contribution is a payment in which a donor receives goods or services for a portion of their contribution.²

A. Disclosure Requirements

When the University or Foundation provides a good or service in exchange for a donation of more than \$75, the donor must be provided with a written disclosure documenting the fair market value (FMV) of the goods and services received and explaining that only the portion of their contribution that exceeds FMV is tax deductible. Failure to make the required disclosure may result in a penalty from the IRS. The current penalty is \$10 per contribution, not to exceed \$5,000 per fundraising event or mailing. **It is the responsibility of the department or individual putting on the event to determine the FMV and to notify the Foundation of this deduction prior to any deposits being made.**

Donors may decline any intended benefits of a contribution in order to receive a full deduction. However, the donor must decline the benefits at the time the gift is made.

B. Exceptions to Disclosure Requirements

Low Cost Articles – Goods or services that have “insubstantial value” as defined by the IRS are considered fully deductible and need not be disclosed by the charitable organization. These items and amounts are adjusted annually for inflation. For calendar year 2021, these “low cost articles” are those whose FMV is not more than two percent of the donor’s payment or \$113.00, whichever is less; or when the payment is at least \$56.50 and the only benefits received are token items such as mugs or calendars that bear the organization’s name or logo. These token items are deemed to be “low cost articles” if their cost (as opposed to their fair market value) does not exceed \$11.30, in the aggregate, for all items received by the donor during that year.

Membership Benefits – IRS regulations specifically permit non-profits to disregard two types of benefits customarily offered to donors in exchange for membership payments:

When membership costs \$75 or less, there is no need to disclose the value of free admission to members-only events, if the cost per person attending each event is within the limits established for “low cost articles” described above, and where the rights or privileges can be exercised frequently during the membership period.

Another membership benefit that can usually be disregarded is a newsletter or program guide, if the newsletter or program guide is not a commercial quality publication; does not have a measurable FMV; has, as its primary purpose, to inform members about the activities of the organization; and is not available to non-members by paid subscription or newsstand sales.

In the cases described above, the full amount of the payment is deductible as a gift by the donor and the organization does not have to disclose any fair market value for the item or services received.

2. Charitable Contributions - Substantiation and Disclosure Requirements, Publication 1771.
<https://www.irs.gov/pub/irs-pdf/p1771.pdf>.

C. Calculating Fair Market Value

An organization may use any reasonable method to estimate the FMV of goods or services it provided to a donor, as long as it applies the method in good faith. The organization may estimate the FMV of goods or services that generally are not commercially available by using the FMV of similar or comparable goods or services. Goods or services may be similar or comparable even if they do not have the unique qualities of the goods or services being valued.

Calculating the FMV doesn't need to be exact; rather a good faith estimate is sufficient. The important thing to remember is that FMV is not the actual cost to an organization, but the estimate of the full value of benefits the person is receiving. Even if some of the benefits being received were donated or discounted, the full value of those items must be calculated into the FMV.

Event Ticket – The FMV is estimated at how much that evening would cost someone if it were not a fundraising event. If the ticket costs \$250 and includes dinner and a performance by a band, you may determine that a similar dinner would cost \$50 at a local restaurant and a ticket to see the band would cost \$100. In this case, the fair market value would be \$150, which means the tax-deductible portion would be \$100.

Raffles – Raffle tickets are not deductible. The purchaser has bought a chance to win something and the FMV of that chance is whatever was paid for the ticket.

Auctions – If there is a catalog produced and distributed to potential bidders before the auction, and the catalog or list includes the organization's estimates of FMV, then the general rule applies - the purchaser may deduct as a charitable donation the amount paid above the stated FMV of the items. However, if there is no prior notice or estimate of the value of the item, the IRS may assume that the FMV of the item is what was paid for it and none of the payment will be considered as a gift.

Goods/Services Not Commercially Available – Examples in this category include personal services performed for the donor or their family, an open bar at a golf outing, etc. To assess the FMV in those cases, you may make a good faith estimate using closely comparable items for guidance.

Celebrity Appearances – The key question here is whether the celebrity is actually doing what they are primarily famous for. For example, if a famous musician gives a concert to benefit your organization, then the FMV of the ticket is what a concert ticket would ordinarily cost to see that performer, and the donor may only deduct the portion of the purchase price that exceeds that FMV. However, if the same celebrity is merely appearing to sign autographs and is not performing, there is no FMV associated with the celebrity's appearance.

Event Sponsorship – A business agrees to be a silver sponsor for a fundraising event. The sponsorship costs \$2,500, which entitles the business to promotional rights and a table at the event. Promotional rights are considered to have no substantial benefit, but the value of a table is \$800. The business would receive a \$1,700 charitable deduction for their sponsorship payment.

D. Advertising the Charitable Deduction

Other IRS regulations require organizations to disclose at the point of solicitation the fair market value of goods or services to be received during a fundraising campaign. Thus, when you send your acknowledgment/thank you letters to donors, this disclosure should not come as a surprise.

The department or individual holding the event is also responsible for informing the attendees of the tax-deductible amount. It is preferable that the deductible portion of contributions be printed on any invitations or solicitations (e.g. \$25 of our payment is considered a charitable gift).

XVI. Raffles

In order to utilize the Foundation's raffle license, colleges or departments must work with the Associate Vice Chancellor of Development to ensure compliance with all state raffle licensing regulations and University and UW System Policies. Failure to coordinate a raffle with the Office of Advancement may result in the denial of the use of the Foundation's raffle license in the future.

XVII. Receipt of Contributions

The Office of Advancement is the only department authorized to issue official receipts for gifts made to the Foundation. Departments may work with their assigned development director or an Office of Advancement staff member to generate thank you notes for their donors.