

Spokane Figure Skating Club Fundraising Policy



This document outlines the processes, requirements, and key considerations for fundraising activities. Fundraising is generally expected to fall under two basic categories: 1) SFSC-sponsored fundraising activity, with the SFSC EIN number offered for tax deduction, and 2) individual fundraising, not sponsored by SFSC, with no offer of the EIN number. Examples of each category will be provided in the sections below.

***Note: ALL fundraising activities, including any fundraisers held at/during an SFSC event, must be cleared by the SFSC Fundraising Chair first, before any advertising, planning, etc. begins. ***

SFSC-Sponsored Fundraising Activity

SFSC-sponsored (e.g., club-sponsored) fundraisers must adhere to the following conditions. Some of these items are required by the Internal Revenue Service. All SFSC-sponsored fundraising activities are expected to be conducted legally and with financial integrity.

- Any fundraiser must first be cleared by the SFSC Fundraising Chair.
- Participation in fundraising events is voluntary.
- Participation must be open to any SFSC club member.
- The fundraiser may not be set up for direct individual benefit.
- All funds raised must support SFSC participation or activities (e.g., SFSC expenses such as freestyle ice time or program fees, travel expenses while competing for SFSC), but not scholarships or financial credits toward outside organizations.
- Fundraisers must adhere to local ordinances regarding involvement of children in fundraisers, as well as health and safety laws.
- Funds raised may not follow a skater outside SFSC (e.g., if a skater changes clubs).
- Games of chance (e.g., raffles, bingo) must follow any applicable state law(s).

Distribution of Funds Raised at a Club-Sponsored Fundraising Activity

Per the IRS, “a section 501(c)(3) organization must not be organized or operated for the benefit of private interests. No part of the net earnings of a 501(c)(3) organization may inure to the benefit of any private shareholder or individual.” Therefore, SFSC-sponsored fundraisers may not create reserve funds for an individual, or otherwise earmark funds dollar-for-dollar for individual skaters. In general, disbursement of funds must follow these guidelines:

- Money raised must support SFSC activities and is not to be retained by individuals.
- Money raised must be deposited into a SFSC account, or directly pay for an SFSC activity not specifically related to an individual.
- The Fundraising Chair may make a recommendation for use of proceeds to the Finance Committee or the SFSC Board.

- In some cases, rewards may be offered to SFSC members in exchange for participation in a SFSC-sponsored fundraising activity (see “Rewards ...,” below).

Example 1: SFSC organizes a flower sale at Lake City Classic. SFSC buys the flowers and volunteers sell the flowers at the event. SFSC retains all proceeds and the Fundraising Chair makes a recommendation for use of proceeds to support goody baskets for skaters at the next SFSC competition.

Example 2: SFSC organizes a flower basket fundraiser with a floral supplier. SFSC buys the flower baskets from the supplier. SFSC members purchase the baskets from SFSC (either at cost or with a profit to SFSC). Then SFSC members sell their purchased flower baskets to friends and family, and keep any proceeds. Note: a tax donation receipt may be offered to the floral supplier if the baskets are donated to SFSC, or offered below-cost.

Rewards for Participation in SFSC-Sponsored Fundraising

Rewards may be offered to SFSC members in exchange for participating in certain fundraisers. Rewards may include, for example, a freestyle ice session(s), waiver of a fee (e.g., a Bridge program one-month fee), etc. Ranges of rewards may be established to determine equitable disbursement to skaters, as long as the disbursement does not account dollar-for-dollar for individual skaters.

The ranges must be predetermined before the fundraising event. The ranges may be related to an amount of funds raised or a participation level. The reward must be for an item available after the sale and may not be exchanged for a past due item/amount. The reward must be redeemed or otherwise settled within one quarter (3 months) of the conclusion of the fundraising event, and may be forfeit after that time.

Note that if the value of a reward(s) earned by an individual reaches \$600 or more during a calendar year, SFSC will endeavor to issue a Tax form 1099 to the recipient of the reward.

Example 3: SFSC sponsors a wreath fundraiser. SFSC pays the invoice for the wreaths and collects all of the money from the wreath sales. Concurrently, the amount of wreath sales are tracked for each skater. Rewards are offered to skaters based on the net funds raised for SFSC by that skater. For instance, if a skater nets \$100 or more for SFSC through wreath sales, they may receive a 11-pass freestyle punchcard as a reward.

Individual Fundraising Activity

Individuals may fundraise independently to support their own skating goals and/or competition seasons. Additionally, SFSC may help organize fundraisers that are not specifically club-sponsored, but that aim to enable individual skaters to achieve their goals.

Example 4: Jane solicits sponsorships for her skating season. She circulates a sponsorship letter requesting the sponsorships. The letter mentions that she is a member of Spokane Figure Skating Club, but explicitly states that no tax deduction benefit is offered in exchange for a sponsorship.

Example 5: Jim creates a Go Fund Me webpage to support travel expenses for his competition season. The letter mentions that he is a member of Spokane Figure Skating Club, but explicitly states that no tax deduction benefit is offered in exchange for a donation.

Example 6: SFSC organizes a flower basket fundraiser with a floral supplier. SFSC members purchase the flower baskets from the supplier for \$20 each. Then SFSC members sell their flower baskets to friends and family, and keep any proceeds. No tax deduction is offered.

Sponsorships

Note that SFSC has endeavored to homogenize sponsorship levels across the various SFSC events and programs. For example, while sponsorships may be sought for the Stellaris Ice Theatre program or the Lake City Classic event, the sponsorship levels are preestablished and benefits to the sponsors (e.g., advertising) are intended to be linked to the preestablished levels. Please direct any questions regarding SFSC sponsorship amounts, solicitation letters, eligibility for sponsors, etc., to the SFSC Fundraising Chair before seeking sponsorships.

Rewards for Bringing in Sponsorships or Other Cash Donations

Rewards may be offered to SFSC members in exchange for bringing in sponsorships or other cash donations to the Club. The value of the rewards may be up to 25% of the sponsorship level, and may include a pass for freestyle ice session(s), waiver of a fee (e.g., a Bridge program one-month fee), etc.

Example 7: Jane solicits sponsorships for Lake City Classic. She picks up 2 sponsorship checks for SFSC at \$500 each, and as a reward, receives a one-month freestyle pass for a future month of her choosing.

SFSC Program Fundraising (Stellaris, LCFS)

Fundraising activities for any SFSC program, such as Stellaris, must generally comply with SFSC Fundraising Policy, including being subject to approval by the SFSC Fundraising Chair.

Fundraisers for SFSC programs may fall under either the SFSC-sponsored or Individual Fundraiser categories above. For example, SFSC may sponsor a fundraiser specifically for the benefit of the program, SFSC may sponsor a fundraiser for all club members which may include members of the program, or the members involved with the program may organize a fundraiser under the individual fundraising guidelines described above.

As long as the fundraising processes and/or requirements for any SFSC program remain compliant with SFSC policy, fundraising for any particular program is generally at the discretion of the applicable program director and/or team manager (e.g., Stellaris Ice Theatre Director or Team Manager).

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