



USEA DONATIONS AND SPONSORSHIPS POLICY

Approved 2008. Revised and approved August, 2012

It is the desire of the USEA to graciously accept donations and to work with sponsors to raise funds to further the purpose of the association. To that end, this document describes our policy and practice regarding both items.

DONATIONS

Individual or corporate donations to the USEA or to a specific USEA Area may be made in cash, by check, or by credit card. It is essential that all monies donated to an Area on behalf of USEA be properly identifiable so that the USEA may properly thank and provide a tax deduction receipt to the individual or corporate donor(s). To that end, the USEA has established the following policies regarding receipt and forwarding of monies:

- All checks and money orders should be made out to either the USEA or to a USEA Area.
- Individual checks should be forwarded, within a week of receipt by an Area member to the Area Treasurer together with an enclosure noting the name of the donor.
- Cash donations from identified donor(s) may be accumulated and converted to a personal check from an Area member. The check should be sent to the Area Treasurer within a week of receipt along with an itemized list of the cash donor(s) names, addresses, and amount of donation.
- Anonymous cash donations may also be accumulated and converted to a personal check from an Area member. The check should be sent to the Area Treasurer within a week along with a notation that the donations were given anonymously to the Area.
- Credit card donations may be made online at useventing.com. If an individual or entity wishes to give another form of donation to your Area or to USEA for another purpose, such as stocks or bonds, please contact the USEA national office at 703-779-0440 and ask for the Director of Administration to make arrangements for the donation.

In Kind Donations

- Members are encouraged to seek in kind donations for fundraising events from local businesses and other supporters in order to defray or eliminate the expense of such events. In kind donations may include tack, feed, equipment, food, beverages, printing, use of a site, items for silent auctions, etc. Within a week of the conclusion of an event, the donor should be properly thanked. Please note that such donations may not be tax deductible. If a donor provides in-kind donations in excess of \$500, we will help them by counter-signing the Form 8283 which is required by the IRS for a taxpayer to substantiate such an in-kind charitable contribution.

Directed and Restricted Donations

Many donors are not aware of the complex legal, tax, and record-keeping obligations that an IRS 501c3 tax-deductible, tax-exempt organization like USEA incurs when they ask that their donation be used for a very specific purpose.

This kind of a request from a donor is called a “restriction” on how the funds can be used and it requires the organization to keep the donation entirely separate from other funds and to only use that money for the purpose that the donor gave it. When the money is spent, the organization is required by law to maintain documentation as to the use of the funds and must inform the donor, if requested, in writing of exactly how the money was spent

and, if there is any money left over, to ask the donor how they want the remaining money to be used. This whole process takes a lot of administrative time and effort and for small organizations like the USEA, is a very large administrative burden.

At the same time, the USEA is committed to keeping our donors active in what we are doing and to take a real, personal interest in the association's purpose. To that end, we allow donors to direct donations toward a particular passion or aspect supported by the USEA. These are called 'directed' donations.

As a way of finding a balance between allowing donors to choose how their money is used and at the same time to ease the administrative difficulties, the USEA has adopted the following Restricted Funds Policy.

1. All donors have the option to choose a specific USEA Program fund that they want to support with their donation. The USEA will allocate, but not restrict, directed funds to specific programs.
2. The USEA will accept restricted donations under appropriate circumstances. Restricted donations are those donations that are intended to support new programs or specific objectives within existing programs. Due to the tracking and reporting requirements associated with restricted donations, only those donations of \$5,000 or more may be entertained as restricted donations. In order for the funds to be officially restricted, the donor must inform the USEA in writing of their wish to officially restrict their donation. The USEA will confirm back to the donor in writing the details of the restriction. Eight percent of each restricted donation will be used to offset costs associated with administering the donation.
3. Any donation received that is not either directed or restricted under these guidelines will automatically go into one of the USEA's Specific Program funds or into the General Fund at the discretion of management. Donations may not be restricted or earmarked for use by any individual or for-profit organization.

SPONSORSHIPS

Sponsorships are an important aspect of funding for the USEA and its programs. A sponsorship is different from donations in that the sponsor receives an acknowledgment in exchange for items or cash which are provided to the USEA or USEA Area. Generally, sponsorships are provided by businesses or corporations but in some cases can be an individual. The USEA has established the following policies regarding the receipt and recognition of sponsorships:

1. All sponsorships in excess of \$250 should be supported by a written agreement which outlines the nature of the sponsorship. This agreement should describe both the items given by the sponsor as well as the fulfillment commitment made by the USEA.
2. In order to ensure that the solicitation of any corporate sponsors is well-coordinated and contemplate all aspects of a potential transaction, it is USEA policy that all those wishing to assist in obtaining sponsorship for any new or existing USEA or Area program follow the guidelines listed below.
 - a. For opportunities with companies who have a regional scope of influence:
 - i. Sponsorships with regional companies may be pursued independently by the USEA, USEA National Programs, USEA Areas or USEA Area Programs.
 - ii. Sponsorship opportunities greater than \$2,500 in any fiscal year should be coordinated between the national office and the Areas. It is the responsibility of those individuals seeking the sponsorship to proactively communicate in these situations.

b. For opportunities with companies who have a national scope of influence:

- i. Submit an outline of the educational program or special activity for which you are seeking corporate funding to the USEA Director of Administration and Finance along with the proposed budget for the designated activity and the intended exposure/fulfillment required to meet the goals of the sponsor.
 - ii. Many times potential sponsors are found through members with personal contacts in a given company. In order to check compatibility with or expanded funding from an USEA's existing sponsorship contract, please bring all potential sponsorships to the attention of the Director of Administration and Finance before any sponsorship benefits are discussed.
3. All sponsorship agreements must be signed by an appropriate representative of the USEA. For example, a national sponsorship must be signed by the CEO or Director of Administration, an area level sponsorship must be signed by the Area Chair or a program level sponsorship must be signed by the appropriate Area Coordinator.
 4. Tax receipt letters are not issued by the USEA for sponsorships.
 5. Under the IRS rules, in our Sponsorship arrangements, we can agree to include the donor's logo, locations, telephone numbers, and value-neutral descriptions of the donor's product/services as we acknowledge the Sponsor's support. But we cannot agree to provide: statements of comparison, ("this feed is the best"), price information, endorsement ("our favorite"), inducement, or a call to action ("buy some today!"). If we violate these rules we can be taxed on the amount of the sponsorship or, in extreme cases, endanger our tax exemption. Sponsor's are not permitted to receive more than an insubstantial (i.e., more than 2% of the sponsorship payment) as a return benefit.