



# Fund Advisors Guide

GUIDELINES AND PROCEDURES FOR  
CONTRIBUTIONS, DISBURSEMENTS  
AND FUNDRAISING

Berkshire Taconic Community Foundation

# Thank you for partnering with Berkshire Taconic Community Foundation.

As an advisor to a fund at Berkshire Taconic Community Foundation, you play a key role in increasing charitable resources in the Berkshire Taconic region.

We have developed this guide to help make partnering with us easy and enjoyable. It contains information that will help you fulfill your obligations as a fund advisor and also lays out Berkshire Taconic’s responsibilities in meeting federal and state legal requirements as the tax-exempt entity responsible for your fund.

Our professional staff, listed on page 10, is always available to answer any additional questions you may have. Please do not hesitate to call any of us.

On behalf of our Board of Directors and staff, thank you for working with us and for helping us improve the quality of life in our communities.

## TABLE OF CONTENTS

How donations are processed .....	1
Types of contributions.....	2
Solicitation and promotion .....	4
Planning a fundraising event .....	5
Requesting disbursements.....	7
Financial statements .....	8

## HOW DONATIONS ARE PROCESSED

### ACKNOWLEDGEMENT OF DONATIONS

When Berkshire Taconic Community Foundation receives a donation of any amount to your fund, we send an acknowledgement letter to the donor for tax purposes. In accordance with IRS regulations, we can only acknowledge the individual, business or organization whose name appears on the check.

### DEPOSITS OF NON-GIFT PROCEEDS

Berkshire Taconic does not acknowledge contributions for which the donor received something of equal or more value in return (e.g., tickets to an event or an auction purchase for which the price paid is below or equal to fair market value). This type of contribution is not tax deductible. If you would like to thank the donor for such a contribution, please keep your own list, as these names and amounts are not added to our database.

### TIMING OF PROCESSING

Berkshire Taconic processes donations as quickly as possible, usually within 7-10 business days. However, during high volume periods of the year (December), please allow additional time for donations to be processed.

### DONOR REPORTS

When Berkshire Taconic receives donations to your fund, we send the fund's authorized representative, as named in the fund agreement, a report indicating the names and addresses of the donors and the amount of each gift, as well as a total of non-gift proceeds, such as ticket sales. This keeps you informed about each addition to the fund, even if it is sent directly to us.

You may request a list of the donors to the fund using the enclosed donor name request form; please call if you need additional copies of the form. The list is available in Excel or Microsoft Word as a printout, disk file or e-mail file; please allow five business days to process your request. We will provide a donor list up to four times per year at no charge; additional requests will incur a \$20 fee per list. *Information about donors to your fund may not be shared, sold or rented to any group or individual.*

## TYPES OF CONTRIBUTIONS

### CHECKS AND MONEY ORDERS

Because Berkshire Taconic is the tax-exempt entity for your fund, checks and money orders must be co-payable to Berkshire Taconic and the name of the fund, or simply to Berkshire Taconic with the name of the fund noted on the memo line of the check. Checks can be mailed directly to Berkshire Taconic or handed to a Berkshire Taconic staff member.

If you are collecting checks and forwarding them to Berkshire Taconic, please deliver the donations to us within seven business days from the date you received them. Please include a count of the number of checks and a tape or spreadsheet with the total dollar amount, so that we can confirm your total. If addresses are not included on checks, it is important that you attach an address list so that we may properly acknowledge all donors.

### CASH DONATIONS

Cash donations must be hand delivered to Berkshire Taconic. A staff member must work with you to sign off on the amount of cash delivered. Please make an appointment for deliveries of cash in excess of \$1,000 so that two staff members may be present at the count-in. Please provide the name and mailing addresses of the donors so that we can process acknowledgement letters.

In order for a cash donation to be acknowledged, the gift must be submitted as cash, money order or bank check. In accordance with IRS regulations, acknowledgements can be sent only to the person whose name is on the check, even if it represents another individual's cash donation.

### CREDIT CARDS

We accept MasterCard and Visa cards. Credit card donations incur merchant service fees. These fees are charged by the merchant service provider, not by Berkshire Taconic, and are the responsibility of the fund. Please call for the current rates. A credit card form is included in this packet; the following information is necessary to process a credit card gift:

- Cardholder name
- Billing address
- Card type (MC or Visa only)
- Card number
- Expiration date
- 3-digit verification number on the back of the card (CVV)

## **STOCK DONATIONS**

Gifts of DTC eligible public securities are acknowledged according to the date the shares are transferred, either directly into Berkshire Taconic's account or delivered to Berkshire Taconic with the appropriately executed stock power. In accordance with IRS regulations, the acknowledgement letter for tax purposes will indicate the security and the number of shares gifted. The donor will receive separately, for informational purposes only, the mean value of the shares on the date of the gift and the amount deposited into the fund when the shares were sold, usually the following business day.

Before sending stock, the donor's financial advisor must call Berkshire Taconic to receive the necessary transfer instructions so that the stock is transferred to the appropriate fund. Without this information, the bank will not accept the stock. Stock gifts must be received into Berkshire Taconic's account by 5 p.m. on December 31 for the donor to claim a tax deduction for the year.

## **REAL ESTATE**

Gifts of real estate, including houses or condominiums, farms, commercial buildings or land, may be acceptable if they are readily marketable and free of environmental or other problems. For more information about gifts of real estate, please contact Jill Gellert, vice president of finance and administration.

## **PLEDGES**

Please discuss the acceptance of pledges to your fund with Jill Gellert, vice president of finance and administration, before soliciting them from donors. Berkshire Taconic will provide you with a sample pledge form. Please note that we can only accept signed written pledges and that the minimum payment amount for each installment is \$100. We send pledge reminder letters to donors on a quarterly basis, at the beginning of the quarter in which the pledge payment is due.

## SOLICITATION AND PROMOTION

Because Berkshire Taconic is the tax-exempt entity for your fund, all solicitation and promotional materials must include the following: "The (name of fund) is a fund of the Berkshire Taconic Community Foundation, a 501(c)(3) public charity." Please be sure to state clearly that checks and money orders must be made co-payable to Berkshire Taconic and the name of the fund, or simply to Berkshire Taconic with the name of the fund noted on the memo line of the check.

Berkshire Taconic's communications director, Nancy Cohen, must review all promotional materials before they are printed. All mailings must conform to the U.S. Postal Service requirements. Please visit [www.usps.com](http://www.usps.com) for details.

### GOODS AND SERVICES

If goods or services are provided in exchange for a donation, certain *quid pro quo* disclosures are required to be made upon solicitation and in written acknowledgements, including a good faith estimate of the value of the goods or services provided. For example, if an event with a \$75 ticket price involves a dinner valued at \$25, the invitation might read, "\$50 of this ticket is in excess of the value of your dinner and is tax deductible to the extent provided by law." Berkshire Taconic will assist in providing wording. [See IRS publication 1771: Charitable Contributions – Substantiation and Disclosure Requirements for more information.]

Note: An exception to this disclosure is that benefits can be disregarded if they are "token items" bearing the organization's name or logo (e.g., bookmark, calendar, key chains, mugs, posters). Please consult Berkshire Taconic regarding the current allowable cost of such items.

### IN-KIND GIFTS

Upon receipt of acceptable verification that an in-kind gift was completed and in accordance with IRS regulations, Berkshire Taconic will issue an acknowledgement letter for tax purposes describing the property received. It is the donor's responsibility to substantiate the dollar value. [See IRS publication 561: Determining the Value of Donated Property.]

### IN-KIND SERVICES

No deduction is allowable for contribution of services. A deduction may be available for unreimbursed expenditures made incident to the rendition of services for outright gifts as long as there is no bargain sale on the services. [See Treasury Regulations section 1.170A-1(g).]

## **PLANNING A FUNDRAISING EVENT**

Fundraising event organizers must obtain Berkshire Taconic's approval for an event at the start of the formal planning. A fundraising event application is enclosed. Please appoint one contact person from your group to serve as the main source of communication and to meet with Jill Gellert, vice president of finance and administration, to inform her of your plans and make sure they comply with Berkshire Taconic's guidelines.

### **TAX-DEDUCTIBLE CONTRIBUTIONS**

Berkshire Taconic staff will assist event organizers in determining which contributions qualify as tax-deductible.

### **INSURANCE**

Berkshire Taconic staff will assist event organizers in determining insurance needs. All events connected with Berkshire Taconic must have proof of insurance for liability purposes. Berkshire Taconic must be named as an insured on the policy.

### **PRINTED MATERIALS**

Event materials must include the following: "The (name of fund) is a fund of the Berkshire Taconic Community Foundation, a 501(c)(3) public charity." Berkshire Taconic's communications director, Nancy Cohen, must review materials before they are printed.

### **LEGAL COMPLIANCE**

Your group is responsible for obtaining all required permits and approvals for compliance with all laws relating to your event. Please inform Berkshire Taconic that you have received the required permits and approvals.

### **RAFFLES, BINGO, SALES AND FUN RUNS**

A town permit is required to conduct bingo games and raffles, and a portion of the receipts must be paid to the state lottery commission. Fun runs, bicycle rides or similar events may require municipal approval. Sales tax permits may be required for events such as fairs, rummage sales, antique shows and other events where goods are sold. All legal arrangements must be reviewed with Berkshire Taconic.

### **CHARITY AUCTIONS**

Donors who purchase items at a charity auction may claim a charitable contribution deduction for the excess of the purchase price paid for an item over its fair market value. The donor must be able to show, however, that he or she knew that the value

of the item was less than the amount paid. You must therefore publish a listing that provides a good faith estimate of the items that will be available for bidding. This listing must be substantiated and reviewed by Berkshire Taconic before the event.

Note: Donors who provide goods for charities to sell at auction are eligible for a tax deduction limited to their tax basis (original cost to acquire) of the contributed property.

#### **ARTWORK AT AUCTIONS**

For auctions of artwork, the bid establishes the fair market value unless otherwise substantiated. The artist who donates the work may only be eligible for a tax deduction for the materials used to create the art, not the fair market value of the art.

## **REQUESTING DISBURSEMENTS**

In accordance with IRS regulations, disbursements from your fund must be in the form of a written request signed by those persons authorized in the fund agreement to request disbursements. Please call Berkshire Taconic if you need a disbursement form.

If you wish to change or add an advisor, please call us to request a revised advisor form. This form must be signed by the previous authorized signer to become effective and mailed or faxed to Berkshire Taconic.

## **REIMBURSEMENTS**

Corresponding paid receipts must accompany requests for reimbursements.

## **PAYMENT TO A VENDOR**

Vendor invoices must accompany requests for payment to a vendor. Please instruct vendors to mail the invoice to you directly so you can complete the required disbursement form. This will insure that payment is not delayed. Please note that payments to vendors made by Berkshire Taconic are not subject to sales tax.

## **PAYMENTS TO INDIVIDUALS OR SOLE PROPRIETORS, PARTNERSHIPS, OR DBAs (ORGANIZATIONS THAT ARE NOT INCORPORATED)**

As required by our auditors, all such payment requests must be accompanied by a signed Form W-9. This form is available on our website at [www.berkshiretaconic.org](http://www.berkshiretaconic.org). For payments of \$650 or more to an entity, Berkshire Taconic will issue a Form 1099 at year end. Your fund will be charged a \$20 processing fee for each 1099 issued.

## **TIMING OF PROCESSING**

Requests received by 5 p.m. on Tuesday will usually be processed that week, with checks mailed on Thursdays. Because payments over \$5,000 require two Berkshire Taconic executive signatures, they are usually mailed the following Monday. Please allow additional time during high volume periods, particularly at year-end. Rush requests incur a fee of \$20 per request.

## FINANCIAL STATEMENTS

Designated fund advisors receive a quarterly statement detailing activity for the quarter. If you need balance information between quarters, please call us. Allow one business day for balance reporting during busy times, especially at year-end. Please note that expenses incurred through fundraising activities, such as the catering of a benefit or the printing of solicitation material, will appear on your statement as fund expenses. All other disbursements are categorized as grants.

**Berkshire Taconic Community Foundation** is the community foundation serving Berkshire County, Massachusetts; Columbia County and northeast Dutchess County, New York; and northwest Litchfield County, Connecticut. We believe that effective charitable giving can result in positive change and a better quality of life for all residents.

Berkshire Taconic has \$70 million in assets and distributes more than \$7 million each year, helping thousands of donors achieve their philanthropic goals and hundreds of nonprofit groups carry on their good work.

## Berkshire Taconic Community Foundation

271 MAIN STREET - SUITE 3  
GREAT BARRINGTON, MA 01230-1972  
T: 413.528.8039 F: 413.528.8158  
[info@berkshiretaconic.org](mailto:info@berkshiretaconic.org)  
[www.berkshiretaconic.org](http://www.berkshiretaconic.org)