Benefits of Establishing a CFT Fund

OVERVIEW

Communities Foundation of Texas (CFT) is committed to serving and understanding donor needs, expertly handling complex gifts, wisely managing charitable funds, and leveraging its extensive community knowledge to increase charitable impact.

VALUE PROPOSITION

CFT represents its donors' charitable interests and adds value through the foundation's wealth of community knowledge, and with the leadership of its volunteer board of trustees and professional staff.

Charitable funds require $10,000 minimum to open and donors receive many benefits:

Consolidate and Simplify Charitable Giving

- Bring strategy and structure to giving
- Receive one tax receipt
- Use CFT staff to support your company's charitable giving goals

Give Wisely and Flexibly

- Incur fewer administrative burdens, greater flexibility and tax benefits than setting up a private foundation
- Invest with more than 900 other component funds and more than $1 billion in assets
- Donate diverse types of assets

Maximize Impact

- Leverage CFT community experts who review more than 3,000 nonprofit grants/yr
- Benefit from due diligence conducted on every nonprofit of interest
- Educate the next generation on strategic philanthropy

THREE EASY STEPS TO OPEN A FUND

1. Meet with CFT staff to outline charitable interests and fund terms.

2. Select a name and investment option for your fund

3. Give a tax deductible charitable donation to the fund and begin granting to worthy nonprofits

ENTREPREPRENEURS FOR NORTH TEXAS MEMBER COMPANIES CAN GET INVOLVED WITH CFT TODAY!

APRIL: Member Companies can encourage eligible nonprofits to submit a Letter of Inquiry for possible inclusion in CFT's annual Giving Guide, a list of current community funding needs that CFT lists online and provides to fund holders to assist them in their giving.

SEPTEMBER: Participate in North Texas Giving Day, CFT's call to action for North Texas to donate to eligible nonprofits in the region. Giving Day 2013 raised $25.2 million for more than 1,300 North Texas nonprofits.

For more information, contact Susan Swan Smith at 214.750.4256 or sswansmith@cftexas.org

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Fundraising in the Workplace

Holding a fundraiser for a community-benefit organization is a great way to engage employees in that community organization's mission. Fundraisers can be creative and fun. Some examples include live or silent auctions, bake sales, car washes, raffles, and more.

Below are some tips to consider when conducting a fundraiser in your workplace:

Dos

- Contact the agency for which you are raising funds before you begin
    - You are essentially fundraising on their 501c3 number, so you need to follow their fundraising rules
    - They may be able to help you with ideas or collateral
- Determine how receipts will be issued (if at all) before you start
- Encourage donations directly to the organization (checks should be made out to the organization or online donations on their web site)
- Keep thorough records, keep as much information to help you with later questions

Don'ts

- Issue receipts on behalf of the agency without their knowledge
- Accept donations of items (to be sold or auctioned) on behalf of the organization, unless no receipt is expected

Note: The donation of items that are then auctioned or sold to raise money can be a tricky situation for the community organization. Check with them, but they may need to actually receive the item before it is sold or auctioned. There are some new, tighter IRS rules regarding this.

Note: If someone receives something in return for their donation, they can only take a deduction for the amount of donation above the fair market cost of what they received. For example, if Joe donates $200 for a pair of baseball tickets that have a face value of $115. He would only be able to take a deduction for $85 of the donation. Or, if Janet donates $55 for an iPod that normally costs $90. She would not be able to deduct anything for her donation since she paid less than the fair market value.

You will need to check with the community organization as to how they want to handle the receipts. There are two ways they can go. They receipt for only the amount above fair market value or they receipt for the entire donation and the donor is responsible for only deducting the amount that is eligible. –Check with the agency as to how they would like to do this.

Remember: If it is going to cost you more to do something than the funds you will raise, the organization will benefit more if you donate the funds directly them.

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Employee Giving – Drives

Through regular surveys within the EFNT network, employees consistently report that offering company-wide drives would increase employee engagement in community involvement activities. Holding a “Drive” can expose the entire organization to a significant community cause, rally teams in healthy competition, increase overall community benefit and be fun!

Food Drives and or Toy Drives during the holiday season are one of the more popular company-wide events. These activities often allow employees to give of in-kind (food or toys) items, make cash donations or contribute volunteer service in connection with the drive. Effective drives will include all of these exciting components. Companies can also avail themselves to a wealth of resources from their community partners such as promotion/marketing materials to help to increase engagement and outcomes. Visit www.familygivingtree.org or www.2ndharvest.net for examples of tools and resources they provide to corporate partners holding drives. Remember too that hunger is a year round cause and doing a company-wide food drive during the summer will generate renewed awareness and interest in fighting hunger.

Of course, drives are not limited to food and toys. Community organizations appreciate your drives to collect a variety of resources to support their cause. For example:

- Hold a company drive to collect items for the homeless; encourage employees who travel to gather toiletries for distribution, gather jackets or blankets in the fall
- Back-to-school drives help youth prepare for school. Some areas coordinate regional drives (such as the Family Giving Tree) but you can partner with a local school or youth organization to collect backpacks and supplies to furnish a school or classroom
- Cash drives for services can also make an impact; collect funds to send a classroom of students on educational field trips or outdoor experience that might otherwise not be possible
- Coordinate a book drive for an afterschool program or senior center
- Collect energy saving CFLs and donate them to a non-profit center

With a little creativity, the opportunities to use company-wide drives to support your giving program are endless. Every company is different and not all drive themes will effective for your group. Consider these 10 things (not in any particular order) when coordinating your drive:

1. Assemble internal champions that can help rally teams.
2. Invite a representative from the benefiting agency to help inform employees about the cause you are trying to effect.
3. If your drive includes more than one geographical area, collaborate with like agencies in your other operational geographies so that every employee has an opportunity to participate.
4. Allow for diverse forms of giving to support your drive: cash, in-kind, volunteerism
5. As appropriate for your enterprise, coordinate spirited competition among diverse departments to increase outcomes and energize employees; if able, offer a “company match” incentive if you reach your drive goal.
6. Engage leadership. CEOs and executives that model community involvement, see similar outcomes at all levels of the business.
7. Communicate. Set clear expectations with your community partners so that they can support your efforts and plan accordingly; engage your employees though regular and frequent communication channels.
8. Set a goal. Studies show that if you set a goal for a drive your employees will exceed it and your overall outcomes will be greater than without having declared a goal.
9. Recognize contributions. Share your drive results with your employees and recognize their time and contribution to the cause. Celebrate a successful drive.
10. Have fun!

Employee Giving – Payroll Deductions

Looking for simplicity? There is no easier form of giving than offering employees an opportunity to approve payroll deductions for charitable giving! Through technologies and a variety of service methodologies, making a regular donation to a non-profit organization can be a quick and relatively easy solution to generating valuable resources for community benefit.

Once thought of as just an annual campaign, payroll deduction programs are becoming increasingly flexible for employees and companies. These programs do require effective collaboration between numerous parties: payroll, human resources, community relations and in most cases a third party administrator. Understanding roles, process and guidelines are crucial. But with the proper administration, you'll see engaged employees and improved communities.

When designing a payroll deduction program, consider the following:

- Eligibility. With the vast array of causes for which employees may have passions, consider what non-profit limitations you may or may not want to impose. Can an employee designate donations to causes outside the company's primary charitable focus area, or not? You'll of course want to ensure that the donation is designated to a 501(c)(3).
- Matching. Will the company be offering to make a charitable match to the employee's gift? Matching is quite common among mature giving programs, but not required. And, if the company does offer a match, will it be to the designated agency or a general community fund or cause. These practices, including the amount of corporate match vary, but are at a company's discretion.
- Frequency. When can an employee begin to make gifts? Can, or how often, adjustments to a gift amount be made? When will the disbursement be made to the third party administrator or charitable organization? Again, these are program guidelines that you can establish. There are some trends in these areas but policies do vary by enterprise.
- Integration. Remember that your company's employee giving program is a component of a larger philanthropic philosophy. If you simply offer an annual giving campaign - an nothing else, you're missing the opportunity to develop a comprehensive program. Employee giving through payroll should be done in connection with other forms of giving. That is, explore partnerships or volunteer opportunities with the agencies your employees are supporting.

As appropriate, invite them to your non-profit fair or recognition events, include their names among the list of agencies your company and employees supports.

- Collaborators. A number of service providers and non-profit partners exist to help facilitate your employee giving programs. Each have varying practices, business models, service benefits and yes, challenges. Many providers may also offer supplemental tools and resources to assist in other aspects of your charitable giving programs (volunteer coordination, grant making, etc.).

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Run and Walk Resources

Runs / Walks

Short distance athletic events such as walk-a-thons, run-a-thons, and bike-a-thons are popular and often effective fundraising tools for nonprofit organizations. Individuals or groups participate by collecting pledges, completing the event, and donating the funds raised to the designated charity or cause.

For descriptions and a short list of national resources the *Have Fun and Support a Worthwhile Cause with Short Distance Charity Walk and Run Events* by Sandra Sims, Fundraising Coach. CharityMile.com also provides searchable list of events throughout the U.S.

The Profit Quest Fundraising website provides information on how a nonprofit can create and manage walk-a-thons similar events.

National / Well Known Events

www.americanheart.org
The American Heart Walk is the American Heart Association's premiere walking and fund-raising event. The walk is successful due largely to the commitment of corporate walk teams that have assembled throughout the United States.

www.aidswalk.net
Participants walk to remember those we have lost, to help our friends, family and neighbors who are affected by HIV/AIDS, and to show never-ending determination to end AIDS.

www.cancer.org
Making Strides against Breast Cancer is a noncompetitive walk to help fight breast cancer and provide hope to people facing the disease. Your participation will support the American Cancer Society's lifesaving research, prevention, early detection, and support programs for thousands of patients and their families.

www.relayforlife.org
Relay For Life is an overnight event designed to celebrate survivorship and raise money for research and programs of your American Cancer Society. During the event, teams of people gather at schools, fairgrounds, or parks and take turns walking or running laps.

Relay for Life® in Second Life® is a volunteer-driven effort to hold an American Cancer Society Relay For Life event in the Second Life® world. It's a walk-a-thon in cyberspace.

www.lightthenight.org
The Leukemia & Lymphoma Society's (LLS) Light The Night Walk is an annual event to raise funds for cures. It's the nation's night to pay tribute and bring hope to thousands of patients and their families.

www.marchforbabies.org
March for Babies (formerly WalkAmerica) raises funds for March of Dimes, a nonprofit dedicated to improving the health of babies by preventing birth defects, premature birth and infant mortality.

www.teamintraining.org
The Leukemia & Lymphoma Society's Team In Training is the world's largest endurance sports training program. The program provides training to run or walk marathons and half marathons or participate in triathlons and century (100-mile) bike rides.

www.the3day.org
Through the Breast Cancer 3-Day each participant raises at least $2,200 for Susan G. Komen for the Cure and the National Philanthropic Trust Breast Cancer Fund, and walk 60 miles over the course of three days.

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PTO Donation Policy

Why Offer Employees The Ability To Donate PTO?

Donating paid time off (PTO) is a great way to encourage employees to donate because it enables them to contribute without having to provide cash out of pocket. It is also a good way for a company to reduce its liability for having too much unused PTO on the books. Some things to consider before offering this as an option to employees:

- Does the corporation have enough cash on hand to pay out the PTO donated?
- Is there a limit to how much PTO each employee can donate?
- What is the time frame for when an employee can donate their PTO (i.e. is it at a specific time of year, or is it a total amount that can be donated per fiscal or calendar year)?
- Will the company designate the organization(s) an employee can support through their PTO or can the employee choose for themselves (as long as it fits within the 501c3 guidelines).

EFNT recommends that there still be enough PTO on the books for the employee to use should they need or want it. Some companies only allow employees to donate PTO if they have over two-weeks of PTO accumulated, for example.

How Does Donating PTO Work?

The company should treat donating PTO as if it were paying out an employee's vacation to the employee, and is processed the same in all ways except that instead of the check being written to the employee, it get's written to a charitable organization.

Because the donated amount is compensation earned by the employee the company must remit employer payroll taxes and withhold employee payroll taxes from it. The gross amount gets reported as compensation on the W-2's, but the net amount is what is contributed to the charitable organization.

Employees are able to claim this donation as a charitable deduction for their personal tax purposes. The contribution should be noted on the pay stub, just like other payroll notations. This is the employee's proof of the charitable contribution.

Please note: EFNT is not a tax, payroll or HR compensation expert, so as always with these kinds of things, you should double check with your in-house experts.

PTO Donation Policy Example

COMPANY NAME has created a way for employees to donate unused PTO to a charitable organization to encourage and promote its employees in their philanthropic endeavors. COMPANY NAME will convert up to XXX hours of an employee's unused PTO to cash per year, which will be sent via check to a charitable organization of the employee's choice [CONVERSELY THE COMPANY CAN DESIGNATE ONE OR A FEW CHARITABLE ORGANIZATIONS TO WHICH THE EMPLOYEE CAN DONATE. THIS IS OFTEN THE CASE IF THE COMPANY IS ONLY MAKING THE POLICY AVAILABLE FOR DISASTER RELIEF EFFORTS, FOR EXAMPLE.] Eligibility requirements are below.

In order to request a PTO donation, please complete the PTO donation form and have it signed by your supervisor.

Proof of donations will be noted on the Employee's pay stub, and may be used as a charitable contribution for personal tax purposes. Converted PTO is subject to all the same employer and employee payroll taxes as the employee's salary and will be reported on the employee's W-2.

Eligibility:

Donors:

- All COMPANY NAME active, part- or full -time regular employees are eligible to participate in the PTO donation program.
- An employee may only donate PTO when they have accrued over XXXX weeks. Only PTO that is over XXXX weeks may be donated so that the employee has enough PTO left in case they need or want it.
- The maximum amount of PTO an employee can donate per DESIGNATED TIME FRAME is XXXX hours.

PTO Donations:

- The organization/project receiving the donation must be a public educational institution; or tax-exempt 501(c)(3) nonprofit organization as recognized by the Internal Revenue Service.
- The organization/project being funded must have a nonreligious primary purpose.
- The organization/project may not discriminate against race, religion, gender or creed.
- The gift may not be used for such purposes for which donors, their families, or other individuals designated by the donor receives a direct benefit; this includes payment for services, tuition, books, and student fees.

PTO Donation Request Form

Date:___________________________

Employee Name:_______________________Manager's Name:___________________________________

Amount of PTO You Wish to Donate:__________________

Name of Charitable Organization:____

Contact:________________________Phone:___________________Email: _________________________

Address: ____

City:__________________________________State:______________Zip:____________________________

Federal Tax ID #______________________________Web Address________________________________

________________________________ ________________________________
Employee signature date Manager Approval date

____
HR signature date

SUBMIT COMPLETED FORM TO: XXXX