

Penn State Policy AD06

Community Charity Solicitation of University Employees

PURPOSE: To outline University policy for community charitable fund-raising activity at all campuses of the University.

POLICY:

It is University policy to authorize one major voluntary community charitable fund-raising agency at each campus location to conduct an annual campaign, with contributions to be secured through direct giving or a payroll deduction plan.

PROCEDURE:

1. The President of the University will annually authorize one major voluntary community charitable fund-raising effort on each campus. Contributions may be made through direct giving or payroll deduction. Payroll deductions for an authorized campaign will be over a twelve-month period or less beginning in January, with the authorized fund-raising agency being designated no later than September of the preceding year.
2. The President will officially recognize and endorse the fund-raising campaign.
3. The use of campus mail service is permitted for the distribution of informational and campaign material.
4. The volunteer campus fund chairperson will be appointed by the President for the University Park campus and by the Campus Executive Officer or Dean at each of the other locations. The campus fund chairperson and others who assist shall be considered as citizens of the local community volunteering their participation in the campaign and also acting on behalf of the University as a major employer in the community served by each campus. Expenses for University employees, who are serving as University representatives to the main campaign steering committee for the community charitable organization, to attend kick-off or final celebration events may be paid from general funds.
5. The local chairpersons may conduct meetings or in other ways communicate with employees concerning the fund drive. Any meetings shall be attended on a voluntary basis and will be scheduled so as to provide minimum interference with the performance of the employee's duties. Any costs incurred for these meetings, including group-meeting expenses, may only be paid from non-research unrestricted miscellaneous funds.
6. Confidentiality of each employee's participation will be preserved and employee participation will be strictly voluntary.

7. The University will bear incidental internal costs of conducting the authorized fund-raising campaign. These costs will be managed and accounted for by the Office of University Relations.

OTHER ACTIVITIES:

The University encourages administrative units and departments that wish to sponsor activities or events that raise additional funds for the authorized charitable agency to do so within the guidelines outlined below. However, sponsorship and/or support may not come from University funds, unless specifically outlined below:

CASH HANDLING:

Proceeds from events/activities outlined below must be separate from any University funds, and may not be deposited into a University account. Administrative units and departments wishing to raise additional funds must take the appropriate steps to make sure that the cash is being safeguarded in a safe or other secure location, segregated from other University funds (i.e. In a locked bag/box within a University safe is permitted). In addition, the individuals transferring the funds to the authorized charity should document the transfer of funds via a signed log or other means that indicate the transfer has taken place and at what amount.

AUXILIARY SERVICE PARTICIPATION IN FUND-RAISING EVENTS:

Auxiliary Services are only permitted to provide complimentary meals or services as part of a marketing or promotion effort. If an auxiliary unit participates in an event in support of the authorized charity, the related expenses must be charged to a marketing/promotional line in the budget or cost center. These are the only University units authorized to provide complementary meals or services.

MARKETING/PUBLICATION COSTS:

All costs related to marketing or publicizing events in support of the authorized charity, other than those sponsored by the Office of University Relations, may not be paid from any University funds. In addition, Penn State websites (psu.edu) may not be used to provide detailed order information or transactions for the activity, especially on-line auctions (including listing of auction items). On-line listings promoting activities and events for the approved charity to employees are permissible, as well as volunteer sign-up sites (such as for day of caring).

Following are specific guidelines related to particular types of activities:

DRAWINGS - Drawings for prizes are permissible if there is no purchase of tickets. Some units provide incentives to return the fund-raising materials by placing the individual's name into a drawing. This is permissible, but the following rules apply:

1. Prizes awarded must either be donated or purchased through non-research unrestricted miscellaneous funds (i.e. OGE). General funds may not be used to purchase the prizes or incentives.

2. Tickets for Penn State athletic events purchased with University funds may not be used as fund-raising incentives. If an individual donates tickets and there is no cost to the University, then these may be used as incentives for participation.
3. All prizes are taxable to the recipients. See FN10 for more detail on taxability. Cash awards (including gift certificates) must be reported to payroll no matter the dollar amount. Non-cash prizes must be reported to Accounting Operations if they are valued at \$100 or more.

RAFFLES - These are not permitted, even if no University funds are involved. A raffle is different from a drawing in that a ticket must be purchased, while in a drawing, no purchase is necessary.

SALES - Selling items to support the authorized charity is only permissible if no University funds are used to purchase the goods or items to be sold and the funds received are not deposited to University accounts (see cash handling above). If applicable, sales tax must be collected and remitted.

FOOD SALES - Sales of food items on University premises falls under the regulations of Policy AD26. Because of ongoing concerns regarding the safe and proper handling of food products, the selling of food to support the authorized charity, as per the guidelines set forth in AD06 and AD26, will be limited to:

1. Products prepared by a commercial or University food service,
2. Products that do not require refrigeration, and
3. Products that are prepackaged for resale

T-SHIRTS/GIVEAWAYS - These are permissible to reward participation, but cannot be purchased from University general funds. Non-research unrestricted miscellaneous funds are the only source of funds available to pay for these incentives, although donation of these items from local merchants are also permitted.

AUCTIONS - Auctions to raise funds for the authorized charity are permitted, but all items being auctioned must be donated for this purpose and no auction items or other costs may be paid for from any University funds. Proceeds from any such events cannot be deposited to University accounts. (See Marketing/Publication Costs above for restrictions on auctions and Penn State websites.)

Exceptions to the above guidelines must be approved by the Vice President for University Relations in consultation with the Senior Vice President for Finance & Business.

LIMITATIONS:

Direct charitable contributions or donations from General Funds of the University for **any** purpose are not permitted. (See also Policy FN10.) In certain instances, however, it may be in the best interests of the University to make donations directly to select charitable organizations or to be represented at non-University charitable fund-raising events. Reimbursement for direct donations or expenses incurred in attending such events will be treated as an exception (although General Funds are not to be used as the source for reimbursement). The request for reimbursement must be submitted to the budget executive of the administrative unit, accompanied by a written justification which indicates

that such direct donations or attendance is of significant benefit to the University and its off-campus relations.

Under no circumstances may contributions or donations be made, directly or indirectly, to a political party, a political candidate or an elected official from **any** funds received and/or administered by the University, regardless of the source of such funds.

Effective Date: December 1, 2002

Date Approved: November 25, 2002

Date Published: November 26, 2002

Most recent changes:

- Expenses for university employees, who are serving as university representatives to the main campaign steering committee for the community charitable organization, to attend kick-off or final celebration events may be paid from general funds.
- Any costs incurred for local chairperson's meetings, including group-meeting expenses, may only be paid from non-research unrestricted miscellaneous funds.
- Incidental internal costs of conducting the authorized fund-raising campaign will be managed and accounted for by the Office of University Relations.
- The section OTHER ACTIVITIES was added to provide substantial provisions for fund-raising and promotional activities.

Revision History (and effective dates):

- April 10, 1989 - Prohibited the use of general fund contributions or donations. Prohibited contributions or donations to political entities regardless of fund source.
- May 13, 1987 - Under the LIMITATION section, added provisions for University representation at Non-University charitable fund-raising events.
- December 10, 1985 - Added the prohibition of charitable contributions from any funds of the University.
- September 19, 1983 - Position title change: "campus director" to "campus executive officer."
- September 25, 1981 - New Policy.