

Third Party Event Policies & Procedures

Guiding Light Mission (GLM) staff must review and provide written approval of any fundraising event and promotional materials for your event. Event organizers must agree in writing to abide by all policies and procedures pertaining to the proposed event.

I. Publicity

Event organizers will establish a promotions plan for the event. Advertisement and promotion of the event is the sole responsibility of the organizer. Guiding Light Mission must review all copy (e.g. brochures, advertisements, etc.) **before** they are printed and distributed. If the Guiding Light Mission logo is to be used in publicity, GLM staff must approve any layout and design incorporating the logo **prior to printing**.

II. Designation of Donation

GLM staff will provide a list of possible designations for the use of event proceeds to the organizers of the special event for their selection. If your group prefers, you may make an unrestricted gift, in which case the Guiding Light Mission will apply the proceeds at its discretion to fulfill the most imminent need. A written statement describing the intended use of the funds should be provided by the event organizers and should accompany the event proceeds when given to GLM. If no statement is provided, Guiding Light Mission will treat the gift as an unrestricted gift.

III. Obligations & Contracts

Only an authorized **employee** may enter into a contract on behalf of Guiding Light Mission or obligate Guiding Light Mission to pay for any service or item connected with the event. If circumstances warrant, Guiding Light Mission may at any time opt out as a beneficiary of the event/promotion through any of its directors, officers, or senior administrators, or direct you to cancel the event with no obligation. You hereby agree to cancel the event if so directed, and further agree to release Guiding Light Mission, and its directors and employees from any and all liability and connections to such action.

IV. Conduct & Decorum

Each special event shall be administered in a manner that is appropriate to the mission of Guiding Light Mission. No offensive or unlawful conduct shall be associated with any special events benefiting Guiding Light Mission. For purposes of this contract, offensive and unlawful behavior shall pertain to any conduct deemed offensive in light of Guiding Light Mission's mission statement (see below) and the fund raising purposes for which the event is conducted.

Mission Statement: *Guiding Light Mission exists to create a healing experience that allows individuals to discover a new life in Christ. We expect re-engagement in community. We provide food and shelter to all and resources to men that support their social, physical, spiritual and intellectual needs.*

Guiding Light Mission reserves the right to withdraw its endorsement of any events deemed offensive under the criteria above. The mission also reserves the right to refuse any fund raising proceeds from events deemed offensive.

V. Solicitation of Donations

Guiding Light Mission does not provide donor lists and is not obligated to solicit sponsorship revenue for third party fundraising events. For your information, organizations that solicit funds for charitable purposes in Michigan are generally required to obtain a charitable solicitation's license and to file certain reports with the Charitable Trust Division of the Michigan Attorney General's office. This license must be renewed annually.

VI. Solicitation of Corporate Donations

Guiding Light Mission staff must approve all solicitations of corporate gifts before the company is approached. This will avoid duplication of efforts and excessive request to any one potential donor.

VII. Expense and Revenue Report

Within 60 days after the event, the organizers must submit a revenue and expense statement to Guiding Light Mission staff. A preliminary report may be submitted if final figures are not available.

Net proceeds from the event should be turned over to Guiding Light Mission no more than 60 days after the event.

You should be aware that both the IRS and Michigan Attorney General's (MAG) office monitor organizations which solicit funds for charities to ensure that funds received are utilized appropriately for the benefit of the charity in question. Your organization should strive to have at least two-thirds of the funds raised in connection with an event be "net" proceeds donated to the charity. The IRS, MAG and other regulatory officials use this as a guide in monitoring groups for audits or other enforcement actions, although they are generally reasonable in recognizing that it can take a new event or group a period of time to achieve this objective.

VIII. Tax Deductibility

Most ticket prices for special events are not fully tax deductible. GLM staff will help organizers determine the deductible amount to be stated on the ticket and on the invitation. If any questions arise about the deductibility of non-monetary donations to the event, GLM staff will assist you in determining the appropriate treatment of such items, but please remember that each donor should rely on their own tax advisor for ultimate questions of deductibility.

The Omnibus Reconciliation Act of 1993 included two provisions concerning information to be provided by charities with respect to charitable contributions. First, charitable contributions of \$250.00 or more are now deductible by a donor only if the donor receives a written acknowledgment from the charity before the timely filing of his/her tax return. If the donation consists of assets other than cash, the acknowledgment must describe the donated assets, but the charity is not required to place a value on the property donated. No particular form or format is required for the acknowledgment. For example, a charitable event ticket could qualify if it contains the necessary information.

Second, a charity that receives a payment which is partly a contribution and partly in consideration for goods or services (termed a "quid pro quo") in excess of \$75 is required to provide the donor with a good faith estimate of the value of the goods or services furnished to the donor by the charity. Only the excess of the value of the payment over the value of the goods or services is deductible. The term "good faith estimate" is not defined; however, it does not appear that an extensive investigation would be required in order to arrive at a good faith estimate. For example: if dinner event tickets are \$150 per person and a good faith estimate of the value of the dinner is \$50, then \$100 is deductible.

IX. Raffles, Millionaire Parties, Bingos

All raffles, Millionaire Parties, and Bingos must be licensed by the state lottery bureau. **If your group is not recognized as exempt from tax as a 501 (c)(3) organization and does not have the ability to apply for a license, Guiding Light Mission will apply for a license on your behalf upon request.**

A. Raffles

Tickets must have the license number and your group's MICS number (if appropriate) printed on it. Tickets cannot be printed before receiving the license (approximately 8 weeks after the application has been sent to the state).

Raffle winnings of \$600 or more must be reported on IRS Form W-2G. In addition, raffle winnings of \$5,000 or more are subject to withholding at a 28% rate if the amount of the winnings is at least 300 times the amount of the raffle wager.

After the raffle, a report must be completed for return to the lottery commission. Event organizers must return the raffle financial statement form completed to Guiding Light Mission no later than 10 days after the raffle.

Door prizes at events with paid admission are considered raffles. Check with GLM staff if you are planning to have any drawing or contest to determine if you must apply for a raffle license.

B. Prizes Other Than Raffle Winnings

For prizes awarded other than through a raffle or other sweepstakes type drawing (e.g. door prizes), if the fair market value of the prize is \$600 or more the prize must be reported on IRS Form 1099 – MISC. In the event the fair market value is not readily ascertainable, a good faith estimate of the fair market value of the prize may be used.

C. Below Stated Value Winning Bids at Auction

Items are often purchased at charity auctions with winning bids of less than the value assigned to the item by the organization conducting the auction. In most cases, below – stated value winning bids should not give rise to any reporting obligations. The fact that the winning bid is below the stated value likely indicates only that the winning bidder happened to get a bargain.

Reporting obligations could arise, however, if the auction is conducted with purpose of facilitating or enabling bargain purchases instead of with the purpose of maximizing charitable fundraising. Accordingly, it is important that all auctions be conducted with the purpose of maximizing auction proceeds.

X. Guiding Light Mission Logo Usage

Guiding Light Mission staff shall determine the mission’s logo usage on printed materials for all fundraising events or related programs. Specific standards for use of the logos are available. Please contact Guiding Light Mission for specific standards.

XI. Organization Name

The full name of the organization is “Guiding Light Mission” and must be used in full name in all materials pertaining to the event.

Example: “~~This event benefits Guiding Light Mission.~~”
 “~~This event benefits GLM.~~”
 “~~This event benefits Guiding Light.~~”

XII. Third Party Event Name

Your event name may not incorporate the name, “Guiding Light Mission” but may use a second line identifying the relationship with GLM.

Example: “~~Smith School Swimathon, benefiting Guiding Light Mission~~”
 “~~Guiding Light Mission Swimathon~~”

XIII. Availability of Institute Representative at Events

Please let the GLM staff know at least one month in advance if you would like a representative of GLM present at your event in an official capacity (to welcome guests, thank participants, make any remarks or join in the ceremonies).

XIV. Use of Institute List

Guiding Light Mission does not provide its donor mailing lists to others for fundraising. Event organizers should have their own lists of potential contributors or participants.

XV. Participation in Events

All events should be conducted with the safety of participants in mind, but special attention must be paid to the safety of any minors participating. All sports events must meet the standards of the American Association of Pediatrics. The special events staff will provide the appropriate guidelines and review them with event organizers. Participants may be required to sign an appropriate waiver of liability prior to participating in the event. This may apply to adults as well as youth depending on the type of activity conducted at the event.

XVI. Liquor License

Any event at which beer, wine or other alcoholic beverages will be served must be held at a location or facility, which has a liquor license. In extraordinary circumstances, such an event may be held at a location or facility that does not have a liquor license, provided that:

- 1) GLM staff approves the event and location in advance,
- 2) the necessary liability insurance is obtained (see the following section),
- 3) the necessary liquor license is obtained.

Nonprofit religious, fraternal, civic or patriotic organizations may obtain one-day liquor license through application to the Michigan Liquor Control Commission.

The application must be filed at least 10 days prior to the date the license is desired. A \$1,000 surety bond must be furnished with the application. In addition, the written approval of the chief of police or sheriff of the city in which the event is to take place must be obtained. It is wise to allow at least 30 days for obtaining approval.

Within 15 days following the event, an accounting statement showing receipts and disbursements in connection with the event must be filed with the Michigan Liquor Control Commission. ~~GLM staff will assist in applying for the necessary liquor license and obtaining the necessary liability insurance.~~

XVII. Liability Insurance

Each event will be required to have in place general liability and property insurance limits of liability, which is reasonable in relation to the size, location, and nature of the event as determined by the special events staff.

In addition, at any event at which beer, wine or other alcoholic beverages will be served; the event must also have in place liability insurance against liability that may arise as a result of serving such beverages.

GLM staff must approve the limits of liability of insurance obtained with respect to any event at which alcoholic beverages will be served, in advance. Proof of all required insurance shall be submitted to GLM staff prior to the event.

XVIII. Indemnity

Special Event Organizer agrees to indemnify and hold harmless, Guiding Light Mission, its affiliates, officers, employees, agents, representatives, contractors and licensees from and against all claims, losses, damages, liabilities and expenses, including reasonable attorney's fees, arising out of or occasioned by any act or omission of Special Event Organizer, or its officers, partners, employees, agents, contractors, licensees, guests, invitees, or attendees, in connection with the event.

XIX. Sale of Items

If you will be selling items at your event (e.g. t-shirts, greeting cards, candy, etc.) you will need a Michigan Sales Tax License. This license is obtained for a nominal fee from the Michigan Department of Treasury. Your obligation to file sales tax returns and turn over the sales tax collected are dependent upon the volume of sales over a given period of time.

XX. Post-Event Evaluation

The organizers of each event will agree as a condition to conducting the event to complete a Post-Event Evaluation. This includes completing a post-event revenue/expense report and submitting an annual report if an established 501(c)(3) group.

XXI. Legal Requirements

While the special events staff is pleased to provide you with the general information included in all Third Party Fundraising Event documents and to assist you in meeting necessary legal requirements, the ultimate responsibility for meeting these obligations rests with your group. Guiding Light Mission encourages your group to obtain qualified professional assistance in meeting these requirements, and the information provided should not be viewed as a substitute for such assistance or as legal advice.