



Fund Promotion Policy and Fundraising Guidelines

Adopted February 17, 2026

Purpose and Overview

The NoCo Foundation (hereinafter the "Foundation") recognizes that many fund advisors may wish to actively grow their funds ("component funds") through public outreach and fundraising. While we encourage the growth of these charitable resources, all fundraising activities must strictly adhere to IRS regulations and state laws to protect the Foundation's tax-exempt status.

Because the Foundation is legally responsible for any activity conducted under its name, we must provide rigorous oversight. The IRS does not distinguish between the actions of a fund advisor and the Foundation itself; therefore, the following guidelines are mandatory for all component funds.

Prohibited Fundraising Events

To mitigate administrative risk and ensure legal compliance, the NoCo Foundation does not allow component funds to use the Foundation's tax-exempt status to host "special event" fundraisers. This includes, but is not limited to

- Galas, dinners, and balls
- Golf tournaments and walkathons
- Auctions (live or silent) and car washes
- Raffles or games of chance

Reasons for this restriction include:

1. **Complexity and Risk:** Events involving registration, insurance, and liability require intensive management that exceeds the Foundation's administrative scope.
2. **Tax Compliance:** When donors receive a benefit (like a meal or ticket), the Foundation must calculate and disclose the "Fair Market Value" of that benefit. We do not provide this accounting service for fund-led events.
3. **Financial Liability:** The Foundation cannot risk being responsible for event costs that exceed the revenue generated.
4. **Gaming Regulations:** Raffles and drawings are strictly regulated by the Colorado Attorney General and the IRS. The Foundation prohibits these activities to avoid significant legal penalties.

Independent Fundraising Guidelines

This is the simplest method for conducting fundraising activities. Fundraising is conducted by an individual, a group, or another organization without the involvement or mention of the Foundation or the fund. Generally, the person or group plans and executes the fundraising activity (e.g., dinners, golf tournaments, walk-a-thons, auctions, sales of products or services, requests for money from individuals or organizations through mailings, advertisements, etc.) and then makes a lump-sum donation of the proceeds to the fund. Neither the Foundation nor the name of the fund may be used in connection with the event or activity. Unless the event is sponsored by another nonprofit organization that accepts and acknowledges contributions, individual donations are not tax-deductible to the donor, and the Foundation will not send acknowledgements. Before embarking on independent fundraising activities that may benefit a fund at the Foundation, contact the Foundation's Philanthropy Team.

Operational requirements to organize independent fundraising activities include:

- **Organizational Autonomy:** The organizing group acts as the sponsor and assumes all legal and financial liability. They are responsible for permits, insurance, and contracts.
- **Branding Limits:** Marketing materials may state that "proceeds benefit the [Fund Name]," but they **must not** use the NoCo Foundation logo, name, or tax-exempt number.
- **Direct Payments:** Payments made as a result of or in support of a fundraising activity (i.e., ticket purchasers, sponsors, golf players, etc.) should be directed to the organizing person or group, not to the Foundation or the fund. The organizers may record the contributors' names and addresses and may provide a courtesy acknowledgement. The acknowledgement letter must not include any language stating that the letter serves as an official receipt for IRS purposes, or any reference to tax deductibility, the contribution being made to the Foundation, or the fund.
- **Tax Deductibility:** Contributions to independent events are **not** tax-deductible unless the sponsoring group is its own 501(c)(3) nonprofit. The Foundation will not issue tax receipts for these individual payments.
- **Submitting Net Proceeds:** After all expenses are paid by the organizers, the net proceeds should be sent to the NoCo Foundation as a single "third-party" donation to the fund.

It is possible for a donor to make a direct, tax-deductible gift to the fund without participating in the fundraising activity. In that instance, they make the check payable directly to the "Fund Name" at the NoCo Foundation, mark the check "direct contribution/no benefits received," and send it directly to the NoCo Foundation. If the

donor has not received any goods or services (e.g., dinner, raffle tickets, a round of golf, etc.) in exchange for the donation, the donor will receive an individual gift acknowledgement letter from the Foundation indicating that the gift is tax-deductible.

If a donor makes a direct gift to a component fund at the NoCo Foundation, the Fund Advisor(s) for the component fund may request the names of donors. However, the NoCo Foundation does not provide contact information of donors who have made gifts to the component fund.

Marketing and Public Appeals

Funds may engage in "soft" marketing, such as solicitation letters or digital appeals, provided they follow these rules:

1. **Mandatory Disclosure:** All materials must explicitly state that the fund is a **"component fund of the NoCo Foundation."**
2. **Pre-Approval:** Any flyer, website, or email appeal must be reviewed and approved by the Foundation's Philanthropy Team before it is distributed.
3. **Credit Card Processing:** If directing donors to an online gift portal hosted by the NoCo Foundation, the accompanying material must state: *"This transaction will appear on your statement as a charge by the NoCo Foundation."*

Seeking External Grants

If an individual or group intends to apply for a grant from another private or corporate foundation to benefit their component fund at the Foundation, the following requirements must be met:

1. **Review Requirement:** The NoCo Foundation must review and provide written consent for any grant application prior to submission.
2. **Submitting Grants:** The NoCo Foundation must submit grant proposals on behalf of component funds.
3. **Award Execution:** If a grant is awarded, the NoCo Foundation must review and sign the formal grant agreement.
4. **Reporting:** The fund advisors—not the Foundation—are responsible for completing any progress or final reports required by the grantor.

Administrative Procedures

- **Check Contributions:** Checks must be payable to **NoCo Foundation** with the specific fund name in the memo line.
- **Expense Reimbursement:** NoCo Foundation assets cannot be used to pay for or reimburse costs associated with fundraising activities.
- **Non-Compliance:** Failure to follow these policies may result in the Foundation declining contributions or facing IRS penalties.