

## **Chantilly Youth Association**

### **Guidelines for Fundraising and Corporate Sponsorships**

The purpose of this document is to establish acceptable practices for Fundraising and Corporate Sponsorships in support of the Chantilly Youth Association.

CYA and many of CYA's sports programs depend on donations and corporate sponsorships to offset costs associated with running the association and the individual sports programs. These donations allow CYA to minimize registration fees and allow individuals and companies to support our community's youths.

Chantilly Youth Association has been granted exemption from income taxes under Section 501 (c) (3) of the Internal Revenue Code, as amended. Protecting this status is of the utmost importance to the CYA Board of Director's and the members.

Generally, there are three types of fundraising efforts:

**Association Fundraising:** Association fundraising is intended to support Chantilly Youth Association as a whole. Efforts to raise money to support CYA are normally directed by the CYA Board of Directors with the objective of offsetting general and administrative expenses and supporting strategic projects.

**Sports Program Fundraising:** Sports Program Fundraising is intended to support an overall sports program within CYA. Monies received during these efforts help defray costs incurred by the individual sports such as uniforms and equipment, field use, etc. Many sports include an amount in their annual budget, which shows the anticipated fundraising revenues (and expenses) for the season. The types and methods of these fundraisers should be submitted and approved by the Board of Directors during the annual budget approval process. The sports coordinators or their designated appointee will be responsible for administering the Sports Program Fundraising efforts.

**Team Fundraising:** If allowed by the Sports Program Coordinator, teams may raise money to support their individual team's expenses. Normally, these expenses are minor in nature and cover things such as t-shirts, equipment, misc. expenses, transportation, and award or end of season functions. A coach or a team administrator usually administers these funds.

### **Guidelines**

In order to protect the reputation and tax-exempt status of Chantilly Youth Association it is important to adhere to the following guidelines:

1. If at any time you have solicited a donation on behalf of CYA, a CYA Sports Program, or a CYA Team, then the donation should be submitted to CYA for deposit into the CYA bank account (see below for accounting of those funds).

A simple litmus test on this is: If you walk out of a room with a donation you received from an individual or corporation and that entity is under the understanding that they will be able to claim a tax deduction for that donation using CYA's tax exempt status, then you have solicited a

donation on behalf of CYA. Failure to pass that donation through to CYA demonstrates that you have misled that entity and you are exposing yourself to serious personal liability.

2. At no time should a bank account be open for a Sports Program or Team that is used as a depository for fees, donations, or sponsorships that may be construed as belonging to CYA. Please note there could be serious legal consequences for operating such an account.

Checks should be made payable to “Chantilly Youth Association” and in the memo area reference the team name.

3. Any cash received should be submitted in a timely fashion to the CYA bookkeeper.
4. Teams that intend to raise money for their individual teams should meet their goals for Sports Program Fundraising prior to Team Fundraising. Each team may or may not have obligations to the Sports Program. The specific goals or obligations will be established by the Sports Program Board and should be communicated to all coaches and team administrators prior to the season. The Sports Program Boards have the right to disallow any team fundraising.
5. Any surpluses in the Team Fundraising line items at the end of the season will be “rolled into” the sports fundraising line item (ie. Team balances will not be carried over year to year). Allocating a prior year’s team surplus to a new season is an issue that will be worked out between the Sports Coordinator and the Team Administrator.

### **Frequently Asked Questions**

1. What does a team say when soliciting a donation?

The exact communication that you make to individuals or companies is up to you. Many sports have created a donation or sponsorship form to circulate in the community to solicit donations. Checks are the desired method of payment and checks should be made payable to “Chantilly Youth Association”.

2. What form of receipt should I give them?

Attached is a copy of an acceptable receipt. Make copies of the form, fill in the amount, tear off the top half and leave with the donor.

3. What does a team do when they receive a donation?

If you receive a donation, you should provide the donor with a receipt using the attached form. To transmit the donation to CYA you should complete the bottom half of the form and submit it to the Sports Program Coordinator for approval and submission to bookkeeping.

4. How will CYA keep track of each teams individual donations?

Once our bookkeeper receives a donation with an approved transmittal she will create a subcategory in the sports budget under “Fundraising”. The teams name will be listed and the amount credited to that line item. Additionally, a similar subcategory will be created in the budget under “Fundraising Expenses”. Although a detail report will be available if requested

it is our intention to only keep track of these two line items in the sports budget (ie. the teams approved fundraising revenue, and the teams expenses against that revenue).

5. How does a team get the money back from CYA?

The team will get the money back from CYA by submitting invoices or check requests for team expenses. CYA will pay invoices or check requests *up to* the amount of the donations credited to the team. Please note that someone on behalf of the team should closely track the expenses to not exceed the revenue (I suggest that all expenses flow through that individual, normally a team administrator, team mom, etc.). *Since CYA will not pay any amounts that exceed the Teams approved revenue, the Sport Program or the Team will be responsible to cover any deficits.*

An example is as follows: The Chantilly Panthers Soccer team receives a donation for \$1000 dollars. The \$1000 dollars is submitted to CYA with an approved **Donation Transmittal**. The bookkeeper creates a subcategory under Soccer Fundraising for the Chantilly Panthers. She credits the revenue line item with a \$1000. When the season begins the Panthers purchase t-shirts for their team. The t-shirts cost \$350. The team's administrator either completes a check request (as with any other CYA check), pays for the t-shirts with her own funds and asks for reimbursement, or has the t-shirt company submit an invoice. The team administrator then signs off on the invoice or check request and submits it to CYA for payment. Following the normal procedures for CYA payments the bookkeeper gains the appropriate sign-offs and issues the payment.

6. Are there any restrictions on how the team's money can be used?

Obviously YES! While it is not our intention to specifically regulate how a team's money should be used, common sense should prevail. Remember, the donation was made to benefit a youth sports program and the money should be spent on items that benefit the children on the team in regards to player development, team unity, sports education, player recognition, and fun. Developing specific guidelines for the use of team money will be the responsibility of the Sports Program Board.