



1.6.002 Fundraising for Student Groups

Effective date:	September 18, 2003 as “Sales and Solicitations, Raffles, and Research Projects/Surveys on Campus”
Revision date:	February 1, 2024
Approvals:	Vice President for University Advancement
Responsible Office:	University Advancement
Policy Contact:	Director of Advancement Operations, Senior Director of Development

I. PURPOSE and SCOPE

MSOE is home to more than 100 recognized student organizations, club sports, and other student-organized collectives (hereinafter “Student Groups”). MSOE may accept charitable gifts to support students in various capacities so long as these areas of support (“activities”) contribute to the university’s tax-exempt educational purpose. There is an assumption that the university is responsible for expenses associated with these activities and has thus budgeted for them and/or would have supported them regardless of offsetting charitable contributions.

Student Group expenses, however, are not always expected to be incurred by a university – nor do all student group activities further MSOE’s educational mission. Additionally, unlike the broader university, Student Groups may organize activities for a limited group that do not exemplify the necessary charitable gift and tax benefit separation. It is for these and other reasons that Student Group fundraising efforts require special scrutiny.

MSOE’s Student Groups may, upon formal approval, initiate and/or conduct fundraising activities. This policy 1) defines the circumstances under which such activities may be undertaken and 2) provides information regarding how such activities must be conducted and administered.

II. RELATED POLICIES

Student Organization Handbook, Charitable Contributions

III. DEFINITIONS

Fundraising: The solicitation of charitable contributions (cash, securities, property, or gifts-in-kind) through outright donations, sponsorships, and/or event programming, as well as other solicitations of financial support from University constituents (including, but not limited to, alumni, donors, employees, and vendors).

University Fundraising: Activities intended to raise philanthropic support for MSOE – typically restricted for use by the Student Group.

Independent Fundraising: Activities intended to raise money for the Student Group’s benefit (e.g., for operating expenses, organizational activities, etc.), but without the advantages of formal MSOE sponsorship or its tax-exempt status.

External Fundraising: Activities intended to raise money for charitable, tax-exempt organizations external to MSOE.

IV. REQUIREMENTS FOR ALL STUDENT GROUP FUNDRAISING ACTIVITIES

1. The Office of University Advancement must approve all fundraising activities conducted or initiated by Student Groups. Approval is secured through the completion and delivery of a Student Group Fundraising Request Form.
 - a. Requests must be approved in advance by the Student Group’s advisor and an affiliated department chair or division head. The advisor completes and submits a Student Group Fundraising Request Form on behalf of all involved parties. If an Advisor is unavailable, an affiliated department chair, division head or campus life staff member may submit this form. University Advancement will not accept requests directly from student groups.
 - b. Requests must be submitted a minimum of 30 days prior to the proposed fundraising activity.
2. Fundraising activities must be consistent with MSOE’s mission, Charitable Contributions Policy, other applicable MSOE policies.
3. Fundraising activities must comport with all local, state, and Federal laws and ordinances.
4. The purpose(s) for which funds are raised must be consistent with the purpose of the Student Group.
5. No raffles, lotteries or sweepstakes may be held. A fundraising initiative involving all three of the following: (1) an entry fee (2) a prize (3) chance/luck, may fall under the legal definition of gaming, which is regulated by state law.
6. Fundraisers that promote the use and/or sale of alcohol (e.g., happy hours) are prohibited.
7. The fundraising activity must not violate legal, tax, or corporate restraints upon the university.
8. The Student Group and Office of Student Affairs are jointly responsible for ensuring that proposed activities comply with all applicable federal, state and local laws, rules and regulations.
9. Corporate sponsorship of fundraising programs or events is permissible provided that no products and/or services are sold and no tangible benefits, including

advertising (as defined by the IRS for quid pro quo assessment), accrue to the sponsor(s).

10. MSOE reserves the right to require third parties participating in or conducting fundraising activities to meet additional requirements, including that such parties furnish evidence of insurance coverage acceptable to the university and/or agree to indemnify the university and university personnel against liabilities arising from their acts or omissions.
11. MSOE reserves the right to approve the content of promotional and sponsorship materials, print and electronic, associated with fundraising activities.

V. UNIVERSITY FUNDRAISING

The following guidance applies to Student Groups raising philanthropic support for MSOE – typically restricted for use by the Student Group – from students, faculty, staff, alumni, parents, corporations, foundations, and other donors. These activities are governed by MSOE and accrue the advantages of MSOE’s tax-exempt status.

1. University Fundraising must benefit MSOE in a manner consistent with its educational mission.
2. Proceeds from the fundraising activity must be restricted for uses that comport with the Student Group’s official purpose and/or other university-related purposes approved in advance by the Office of University Advancement. The use(s) of fundraising proceeds must be clearly communicated to donors by the Student Group as part of its fundraising effort. *See “Allowable Purposes for Charitable Gifts.”*
3. Donations must be voluntary, with no quid pro quo provided in return unless otherwise approved in advance by the Office of University Advancement.
4. Contributions intended for the benefit of a specific individual (e.g., a parent’s donation to an MSOE travel fund from which their child directly benefits) may be accepted but are not considered charitable gifts to MSOE. It is recommended that such contributions be redirected, when possible, to gift Funds with broader purposes.
5. Fundraising activities must be initiated and controlled by MSOE students and/or other authorized MSOE employees. Student initiators must be executive officers of their Student Groups.
6. No monetary gain may accrue to individual members of the Student Group.
7. The stated purpose of fundraising proceeds (“donor-imposed restrictions”) must align appropriately with a specific MSOE Gift Fund.
8. Donations must be delivered in as direct a manner as possible to University Advancement’s Gift Processing office for recording and tax receipting. A Student Group may not issue its own tax receipts for charitable contributions. Mailed contributions should be addressed directly to University Advancement. Interoffice delivery of other gifts must be effected within 24 hours of receiving a contribution and must comply with all relevant MSOE cash handling policies and procedures.

9. MSOE does not accept charitable gifts for politically affiliated Student Groups. These Student Groups may otherwise independently accept and utilize non-charitable contributions in accordance with this policy.
10. MSOE may not act as a pass-through when fundraising for third-party charitable organizations. See “External Fundraising” for guidance on third-party fundraising.
11. Solicitation of a Student Group’s own members for preexisting MSOE Gift Funds does not require approval from university departments or officials, with the understanding that all such donations are voluntary and without benefit of any kind.

VI. INDEPENDENT FUNDRAISING

The following guidance applies to Student Groups raising support for their own benefit (e.g., for operating expenses, organizational activities, etc.), but without the advantages of formal MSOE sponsorship or its tax-exempt status. This is financial support that fails to meet the requirements of “University Fundraising” as defined herein.

1. Contributions secured through Independent Fundraising are not tax deductible. Student Groups may not rely on MSOE’s tax-exempt status in organizing or operating these initiatives and shall in no way imply that the university is a sponsor.
2. The Student Group is responsible for all costs incurred in connection with the fundraising activity.
3. Proceeds from the fundraising activity must be restricted for uses that comport with the Student Group’s official purpose. The use(s) of fundraising proceeds must be clearly communicated to donors by the Student Group as part of its fundraising effort.
4. Fundraisers involving credit cards (e.g., credit card applications) are prohibited.

VII. EXTERNAL FUNDRAISING

The following guidance applies to Student Groups raising support for charitable, tax-exempt organizations external to MSOE.

1. The beneficiary must be an IRS-recognized 501(c)(3) organization. Political organizations or purposes are ineligible. A copy of the IRS determination letter verifying this status must be submitted with the Student Group Fundraising Project Request Form.
2. The Student Group is responsible for all costs incurred in connection with the fundraising activity, other than those borne by the beneficiary organization.
3. Funds allocated to beneficiaries must be limited to net amounts realized from voluntary contributions made through fundraising activities and may not include any sums budgeted or allocated out of student activity fees, residence hall fees, or other general university revenues.
4. Contributions must be made payable directly to the external charitable organization. Contributions may not be made payable to MSOE.

5. Neither the Student Group nor the beneficiary organization may state or imply that the university is a sponsor of the fundraising activity.
6. The beneficiary organization is responsible for ensuring that its activities comply with all applicable federal, state, and local laws, rules, and regulations.
7. Fundraisers involving credit cards (e.g., credit card applications) are prohibited.

VIII. ALLOWABLE PURPOSES FOR CHARITABLE GIFTS

To be eligible for charitable support, a Student Group's purpose and its supported activities must be aligned with MSOE's tax-exempt purpose for education and research. Treasury Regulations define the term "educational" as (a) the instruction or training of the individual for the purpose of improving or developing his capabilities; or (b) the instruction of the public on subjects useful to the individual and beneficial to the community.

Examples of Student Group activities that further MSOE's educational purpose include:

1. Funding educational events, such as speakers, that are open to all students. (May include speaker fees and allowable expenses for food and travel.)
2. Purchasing MSOE-owned equipment or supplies – particularly for educational activities.
3. Renting space for club sports, educational events, theater productions, equipment (if campus space is unavailable), etc.
4. Renting costumes or props for student productions and performances.
5. Securing professional services tied to space rented for an educational event (e.g., lighting or sound technicians).

Another factor that indicates allowable activity is the benefit to a charitable class. While other communities or constituencies *may* benefit from these activities, MSOE *must* benefit.

The following activities and purposes are NOT eligible for charitable (i.e., tax-deductible) support:

1. Expenses incurred by Student Group members 1) that MSOE is not obligated to cover or 2) for which MSOE exercises spending oversight that would preclude budget enhancement through fundraising.
2. Music or other party expenses that are not related to educational experiences.
3. Food, beverage, alcohol, or tobacco. Food or beverage used for educational purposes (e.g., during educational events or presentations) is an allowable exception.
4. Purchases of items or equipment for which MSOE will not retain ownership.
5. Direct compensation of (or payments to) students, faculty, staff, or other individuals. All charitable dollars must flow through MSOE.
6. Funds for umbrella organizations such as national fraternities, sororities, or professional associations. (Donors should contribute directly to the umbrella organization if the funds are not intended to remain at MSOE.)

7. Funds for social clubs.
 - a. IRS Definition: “Generally, social clubs are membership organizations primarily supported by dues, fees, charges or other funds paid by their members. The central purpose of social clubs is to provide benefits to members, including access to social and recreational facilities such as club houses, golf courses, and swimming pools.”
 - b. MSOE does not consider club sports “social clubs.”

IX. ACCOUNTING FOR STUDENT GROUP FUNDS

1. Dedicated MSOE fund accounts (“Student Group Operating Funds”) shall be created for Student Groups generating, or expected to generate, substantial operating revenue from University Fundraising efforts. Fund creation is subject to any relevant MSOE fund creation policies.
2. MSOE’s Student Group Operating Funds are managed by Campus Life and used for both revenue and approved expenses. Campus Life oversees all transactions to ensure that the Student Group is compliant with expenditure guidelines and restrictions.
3. Revenue generated from Independent Fundraising efforts may be deposited to MSOE accounts or other accounts approved by authorized Campus Life and/or Finance staff.
4. Gifts to Student Groups without Student Group Operating Funds shall be credited to a general Student Group Fund and disbursed, as needed and in accordance with donor restrictions, by the Office of Campus Life. Given its resource intensity, this practice – often the result of small, one-time gifts – is discouraged. MSOE may consider cost-neutral funding alternatives for these Student Groups.

X. FUNDRAISING ACTIVITIES ON MSOE OWNED OR CONTROLLED PROPERTY

The following guidelines apply to all fundraising activities undertaken by Student Groups on MSOE-owned, operated, or controlled property:

1. At least one currently enrolled student member(s) of the Student Group must be present for the entire duration of the event.
2. Specific campus locations may establish additional criteria for fundraising activities. It is the Student Group’s responsibility to confirm and comply with these requirements.
3. Neither individuals nor organizations (regardless of affiliations with MSOE) may sell or promote the sale of products or services on MSOE owned, operated, or controlled property except:
 - a. Individuals or organizations with whom MSOE has entered into a written contract, and/or
 - b. Individuals or organizations authorized in writing by MSOE to engage in the sale of goods or services for the benefit of a Student Group.

XI. PROHIBITIONS

MSOE reserves the right to restrict all fundraising activities to reasonable times, places, and manners. The following activities are specifically prohibited:

1. Unapproved face-to-face solicitations, physical presence (tables, kiosks, etc.), or “busking” on MSOE owned, operated, or controlled property.
2. Fundraising for any candidate for political office.
3. Sale or distribution of items that violate university trademark rights or existing contracts.
4. Revenue generated from Student Group fundraising activities may not be allocated in any way for the benefit of individual persons, including paying students for their time or services.

XII. ENFORCEMENT AND SANCTIONS

Failure to obtain permission to engage in fundraising activities, or failure to adhere to university policy regarding activities for which permission has been granted, may result in the termination or cancellation of such activities by the Office of Campus Life or other appropriate university officials.

Sanctions for violation of this policy by students and/or Student Groups include, but are not limited to, fines and/or restitution, loss of the right to use university property or facilities for activities, loss of Student Group status, and other disciplinary or educational sanctions appropriate to the circumstances.

XIII. RESERVATION OF RIGHTS

MSOE acknowledges that a policy of this nature may not anticipate every possible issue that may arise with respect to fundraising activities. The university reserves the right to impose reasonable restrictions and/or requirements with respect to the time, place, and manner of fundraising activities. These restrictions may be in addition to, or in lieu of, those set forth in the policy.

MSOE reserves the right to amend this policy at any time.

XIV. EXCEPTIONS

Exceptions to this policy may be approved by the Vice President for University Advancement.

This section to be completed by the Records Manager:

Due date for review

This policy is reviewed each June by the Office of University Advancement.

Public Location

MSOE Policy Library, linked in the Online Student Handbook

Version History

- **2024, February 2:** Completely rewritten from earliest available copy, prohibits raffles.
- **N.D. :** Formerly a policy in the Whole Student Life Handbook as “Sales and Private Business,” converted to the Online Student Handbook.
- **2009, November 12:** Raffles policy approved—allowed if they comply with Wisconsin law
- **2003, September 18:** Original approval as “Sales and Solicitations, Raffles, and Research Projects/Surveys on Campus”

Records Manager

Assistant VP of Curriculum & Knowledge Management