

Complete Policy Title: McMaster University Support of Fundraising Activities	Policy Number (if applicable):
Approved by: President and Vice-Presidents (PVP)	Date of Most Recent Approval: April 14, 2009
Date of Original Approval(s):	Supersedes/Amends Policy dated:
Responsible Executive: Vice-President (University Advancement)/Assistant Vice-President (Administration)	Enquiries: Accounts Payable
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PURPOSE:

This Policy discusses the principles and procedures governing McMaster University's ["McMaster"] participation in donations, attendance at fundraising events, and the administration of events as follows:

- other charities
- political causes
- bereavement
- attending fundraising events [including golf tournaments]
- administration of an event

Other Charities:

McMaster is a registered charity whose purposes include the funding of research, teaching and community initiatives. It is funded largely by external public funding sources including donations, government grants tuition and sponsorships.

In view of their nature and their fiduciary responsibilities, except in those rare cases as discussed herein, universities generally are not expected to use their externally derived funds towards the funding of other charitable organizations and events.

Accordingly, it is McMaster policy generally not to provide funding and donations to other charities, with the following exception:

Where there is (i) an appropriate specified business purpose which promotes McMaster's charitable aims and its mission, (ii) an appropriate source of internal [non Ministry of Training, Colleges and Universities (MTCU) operating] funding, and (iii) the amount is not unreasonable in the circumstances, exceptions to this Policy will be allowed provided that *pre-approval* has been provided by the appropriate Vice President.

Donations in lieu of flowers are allowed in the case of bereavement.

POLITICAL CAUSES:

No exceptions are allowed for funding political causes.

ATTENDING FUNDRAISING EVENTS [INCLUDING GOLF TOURNAMENTS]:

In specific circumstances, McMaster may benefit from supporting fundraising events of other charitable organizations ["external"], or events held to raise funds on behalf of a McMaster project or program ["internal"]. These circumstances are generally limited to the following business purposes:

- identification of donor prospects
- cultivation/stewardship of current donors/prospects
- development of relationships and partnerships that will advance McMaster's mission.

Where attendance is compliant with one of these business purpose criteria, approval is provided by the approving Authorized Approving Officer.

Where the attendance and/or participation at an event do not meet these criteria, any exception requires the pre-approval of the appropriate Vice President

Procedures:

The "Business Purpose of Attending a Fundraising Event" form must be completed and approved prior to the event and retained by the Department. The Authorized Approving Officer is responsible for ensuring the claim is a reasonable University business expense.

If approval is not provided or the documentation does not adequately support the business purpose as defined above, at a minimum, the reimbursement may be considered a taxable benefit, or the claimant may be held personally responsible for the costs incurred.

All expenditures or journal entries related to the support of external fundraising events must be charged to sub-code (6594) "Support of Fundraising Events". These expenditures may not be charged to Trust Fund accounts unless specifically allowed in the terms of the trust.

External fundraising events: The Policy on Reimbursement of Business Entertainment Expenses can be found on the McMaster web site at <http://www.mcmaster.ca/purchase/policy/accountspayable/ap070.htm>. A copy of the "Business Purpose" form noted herein must be maintained by the department for audit purposes.

Internal fundraising events: A copy of the "Business Purpose" form must be maintained as backup for the journal entry for audit purposes. The journal entry to transfer funds from the claimant's account to the internal fundraising account must be completed by the account signing authority for the claimant's account.

ADMINISTRATION OF AN EVENT:

Profit Forecast

The objective of a fundraising event is to realize a profit [*excluding* internal revenue but *including* internal overhead costs]. In addition, in planning other [non fundraising] events, the objective is to ensure that resources are used efficiently and effectively within the budget constraints.

Accordingly, before any commitments that bind McMaster are undertaken, those in charge of administering the fundraising event must (i) obtain approval for the event, and (ii) prepare a forecast of the estimated revenues, expenses and profit before commitments are made to hold the event.

The administrator of the event must be mindful of the risk of incurring a loss and the need for specifying the department that will absorb any loss. It is understood that those who approve the profit forecast schedule [see further discussion below] are committing to that risk and the underwriting of loss, if any.

To assist in this process, it is recommended that The "Profit Forecast for a Fundraising Event" form be completed and approved prior to the event.

The approving Authorized Approving Officer is responsible for ensuring the forecast is reasonable and understand the potential budget requirement as noted above..

A copy of the approved forecast should be maintained for audit purposes.

A copy of the recommended Profit Forecast form can be found on the McMaster web site at http://www.mcmaster.ca/bms/forms/Profit_Forcast_form.pdf