

Texas Woman's University
University Regulations and Procedures

<p>Regulation and Procedures Name: Student Organization Fundraising Regulation and Procedures Number: V.03.02 Applicable Regent Policy: D.03 Student Organizations</p>

STATEMENT OF PURPOSE

The purpose of the Student Organization Fundraising Regulation is to identify the procedures to be followed for fundraising by registered Student Organizations.

DEFINITIONS

Center for Student Development (CSD): The Center for Student Development promotes student engagement at TWU and through its various leadership and service opportunities. The CSD encourages new and returning undergraduate and graduate students to visit the CSD on their respective campus and engage in clubs, organizations, programs, volunteer opportunities, and other student-centered activities.

The CSD is located on the Denton campus; however, the Office of Student Life on the Dallas and Houston campuses each provide their local campus community with CSD services and support. In this URP, CSD refers to the respective CSD location on each TWU campus.

Student Organizations: Include sanctioned and chartered organizations. Types of student organizations include, but are not limited to:

- Cultural Organizations: Organizations that are primarily intended to provide support for students from various ethnic, racial, and other identity-based groups.
- Departmental Organizations: Organizations that promote the attainment of academic and professional excellence through an established liaison between a particular TWU department, school, or college.
- Greek Organizations: Fraternities or sororities stand for scholarships, service, leadership, and sister/brotherhood within the TWU Greek Community by providing support, advocacy, and a values-based environment. Greek Life offers a supportive environment that promotes diversity, leadership, friendships, athletics, career networking, and community service and encourages scholarship, service, leadership, and sisterhood/brotherhood. Greek organizations are affiliated with national Greek parent organizations. The exception to this rule is Sigma Lambda Alpha, which has a long and consistent history with Texas Woman's University. This is and will be the only recognized local Greek letter organization at Texas Woman's University.
- Honorary Organizations: Organizations specific to particular areas of study or for students who demonstrate a high level of academic achievement.

- **Religious Organizations:** Organizations that provide opportunities for students to interact with fellow affiliates of a particular denomination or faith.
- **Special Interest Organizations:** Organizations that focus on specific topics or interests.
- **Sports Clubs:** Organizations that promote and develop common sports and recreational related interests.
- **University Sanctioned Organizations:** Organizations that are funded by the University.

Recognized and Registered Student Organizations: All Student Organizations (sanctioned and chartered) must submit renewal paperwork every spring in order to be registered as a recognized organization by TWU for the following academic year. Renewal paperwork includes, but is not limited to, a constitution, bylaws, and a risk management agreement. All student organizations must also send representatives to the annual Risk Management training sessions. Renewal paperwork is submitted to the CSD.

- **Chartered Organization:** A student organization that is officially recognized by the University. Chartered organizations must apply for and be approved as a recognized and registered chartered organization on an annual basis. Additional information may be obtained through the CSD, or the respective webpages for each campus.
- **Sanctioned Organizations:** Sanctioned organizations receive University funding. Sanctioned organizations must be registered and recognized annually. The Student Government Association is an example of a sanctioned organization.

Fundraising: An activity in which money is collected by student organizations. Funds may be raised via donations, sales, or events in order to support charities or to raise operating funds for the student organization.

Gambling: The State of Texas has specific Penal and Occupational Codes which must be adhered to. Refer to <http://guides.sll.texas.gov/gambling> for additional information. TWU does not allow any gambling activity at on- or off- campus events. The term 'gambling' as defined by Texas law may cover many activities including, but not limited to, raffles, bingo, gambling machines, poker games, and individuals or organization paying to increase the chances of winning.

Good Standing: All Student Organizations (chartered or sanctioned) must complete the following to remain in good standing with the Center for Student Development and Texas Woman's University:

- Turn in all renewal paperwork mandated by the Spring semester deadline every year.
- Complete the annual Student Organization Risk Management Education Program and Officer Training every Fall semester. The Risk Management Education Program is created and executed by the Center for Student Development in accordance with Texas Education Code, Section 51.9361.

- Comply with University policies, regulations, and procedures and not be under any disciplinary sanctions.

IRS Tax ID: Organizations must apply for and receive a tax identification number from the Internal Revenue Service (IRS) by completing form SS-4. The IRS can be contacted at 1-800-829-4933 or www.irs.gov. Student organizations are not permitted to use the TWU Tax ID number.

APPLICABILITY

- TWU Students, Faculty, Staff, and Guest**
- TWU Student**
- TWU Faculty**
- TWU Staff**
- TWU Guest**

PROCEDURES

Registered Student Organizations may only fundraise for purposes related to the core mission of the organization, and these purposes cannot conflict with the University's fundraising policies, regulations, procedures, or goals. Before collecting money, engaging in any fundraising, or soliciting funds, all registered Student Organizations must receive approval from the CSD.

Donations

Registered, recognized student organizations are permitted to receive donations from non-university sources; however, organizations not affiliated with TWU are not permitted to co-sponsor any activities on any TWU campus. Registered, recognized Student Organizations are not allowed to advertise for any donors, nor are they allowed to use corporate logos. These student organizations may thank any donor via public announcement or acknowledgement such as on a printed program or via verbal means.

All letters and lists of donors must be submitted to the appropriate CSD location for approval. The respective CSD office submits the information to the Office of University Advancement for cross-referencing.

Funding

It is the responsibility of each Student Organization to provide, or seek out, financial support. Funding that is received and/or collected by the organization is not the responsibility of the University, rather that of the organization. Texas Woman's University does not provide safe keeping or accounts for Student Organization funds. Chartered

Organizations are recommended and encouraged to open checking and saving accounts at a local bank; Sanctioned Organizations use an appropriate University revenue account and are not permitted to have an off-campus bank account. Student organizations are not permitted to use the TWU Tax ID number.

Gifts to the University

The University prohibits off-campus solicitation of donations except under conditions defined and approved by the CSD. To ensure that proper procedures are followed, Student Organizations should contact the appropriate office on their campus before initiating any off-campus fundraising activities. The respective campus offices work closely with the Office of University Advancement when Student Organizations are involved in fundraising activities.

Box Drives and Collection of Donated Goods

Student organizations hosting box drives or collections of donated goods must contact the CSD prior to the collection activity to receive approval for the collection and the guidelines that must be followed.

Fundraising by Student Organizations On- and Off-Campus

- TWU does not allow any activity by individuals or Student Organizations which involves the selling or auctioning of services by individuals or Student Organizations. The selling of services (for example, massages, making of meals, cleaning, babysitting, etc.) or of personhood (like a bachelor auction) is strictly prohibited by the University. The possibility does exist with well-defined guidelines to orchestrate an auction of donated tangible items (even a silent auction).
- Door-to-door fundraising on or off campus is prohibited.
- Telemarketing activities are prohibited.
- Any items sold by the TWU Campus Store and Dining Services cannot be sold in the Student Union.
- All fundraising activities, including bake sales, must be approved by the CSD.
- The organization must have an officer who serves as a treasurer and will keep accurate records of all income and expenses.
- The items for sale must be sold by a member of the Student Organization, and all members must be currently enrolled in TWU.
- Collection of membership dues is not considered fundraising.
- Fundraising must be consistent with the purpose of the Student Organization and cannot be a source of gain for individuals or for-profits businesses.
- Proceeds from all fundraising activities are subject to state sales tax laws. Therefore, Student Organizations who wish to conduct fundraisers must have a valid Texas Sales Tax Permit, and they must report tax collected during sales. Additional information is available at <http://comptroller.texas.gov/taxpermit/>
- Students and student groups (unless listed as a non-profit) cannot issue receipts for people to claim donations on their taxes.

- Student Organizations cannot claim to be fundraising on the behalf of TWU.
- Shall not use the TWU Tax ID number. Each Student Organization is encouraged to apply for an organization Tax ID number with the IRS.
- Organizations that fail to follow procedure may be sanctioned according to the Student Code of Conduct.

All Student Organizations on the Denton campus should refer to the Center for Student Development website to review the Student Organizations Fundraising Checklist. Student Organizations at the Dallas and Houston campuses can reference the Student Organizations Fundraising Checklist on their respective websites.

SALE OF FOOD AND BEVERAGES

All food (including bake sales) and/or beverage sales must be pre-approved by the CSD. If approved, the appropriate campus office will issue a one-day permit for the sale. The permit must be prominently displayed during the time of the sale.

It is recommended all individuals preparing food for sale complete the Food Handler Certification process for the State of Texas. For additional information go to <http://texas.foodhandlerclasses.com/>.

DRAWINGS, RAFFLES, SILENT AUCTIONS, AUCTIONS, AND GAMBLING

Raffles

A raffle means the award of one or more prizes by “chance” at a single occasion among a single pool or group of persons who have paid or promised a thing of value for a ticket that represents a chance to win a prize.

According to Texas State law [Charitable Raffle Enabling Act (effective January 1, 1990), Occupations Code, Chapter 2002, Texas Codes Annotated], in order for chartered Student Organizations to conduct legal raffles on the property of TWU, they must be considered a “qualified organization.” Two types of Student Organizations are considered “qualified organizations.” They are:

1. A qualified religious society organized primarily for religious purposes that has been in existence in Texas for at least ten (10) years and does not distribute any of its income to its members, officers, or governing body, other than as reasonable compensation for services or for reimbursement of expenses.
2. A qualified nonprofit organization that has existed for at least three (3) preceding years, during which it has had a governing body duly elected by its members; is exempt from federal income tax under the Internal Revenue Code Section 501 (c); does not distribute any of its income to its members, officers, or governing body; does not devote a substantial part of its activities to attempting to influence legislation; and does not participate in any political campaign. A copy of the organization’s IRS Letter of Determination verifying 501 (c) status will be required.

Charitable Purposes

- Raffles must be for CHARITABLE PURPOSES only. Charitable purposes are defined as follows:
 - Benefiting needy or deserving persons in Texas for religious or educational advancement; relieving them from disease, suffering or distress; contributing to their physical well-being; assisting them in establishing themselves in life as worthy and useful citizens; or increasing their comprehension of and devotion to the principles on which this nation was founded, and enhancing their loyalty to their government.
 - Initiating, performing, or fostering worthy public works in Texas.
 - Enabling or furthering the erection or maintenance of public structures in Texas.

Raffle Restrictions

- The law permits only two (2) raffles per calendar year (January 1 – December 31) and these two (2) raffles cannot be held simultaneously or in overlapping time periods.
- The law also requires several disclosures printed on tickets and limits the value of prizes purchased by the organization to \$50,000 or \$250,000 if the purchased prize is a residential dwelling.
- It is also against the law to hold a raffle in which cash, or anything readily convertible to cash, is offered as a prize, or which is promoted, directly or indirectly by the Student Organization, statewide or through paid advertising, including television, radio, newspapers, and any medium of mass communication by the use of paid advertising.
- An unlawful raffle could be considered illegal gambling, which may carry criminal penalties. A county attorney, district attorney, or the attorney general may also shut down an illegal raffle.
- University policies and procedures regarding time, place, and manner must be complied with in order to conduct a legal raffle. Illegal raffles conducted by Student Organizations may result in disciplinary actions through the Student Code of Conduct and sanctions against the organization.
- Student Organizations may conduct raffles on campus for qualified off-campus organizations.
- Each raffle ticket must state the name and address of the organization holding the raffle, the name of an officer of the organization, the price of the ticket, and a general description of each prize to be awarded that has a value of over \$10.
- All proceeds from the sale of tickets must be spent for charitable purposes of the organization only.
- The raffle may not be promoted or advertised statewide, and tickets to the raffle may not be sold or offered by sale statewide.
- A person who is not a member of the organization cannot sell tickets to the raffle, nor may any member be compensated, directly or indirectly, for organizing or conducting a raffle or for selling raffle tickets.

- A prize offered at the raffle may not be money or any illegal substance/object. The value of the prize that is offered or awarded at the raffle and that is purchased by the organization or for which the organization provides any consideration may not exceed \$50,000.
- The prize must be owned by the organization or in its possession prior to the sale of any raffle tickets, or the organization must post a bond with the county clerk for the full amount of the money value of the prize offered.
- Before selling or offering tickets for a raffle, the Student Organization shall set a date on which the organization will award the prize or prizes in a raffle.

Injunctive Action Against Unauthorized Raffles

- A county attorney, district attorney, criminal district attorney, or the Attorney General may bring an action in county or district court for a permanent or temporary injunction or a temporary restraining order prohibiting conduct involving a raffle that violates or threatens to violate state law relating to gambling and is not authorized by this chapter or other law. Venue for an action under this section is in the county in which the conduct occurs or in which a defendant in the action resides.
- Texas Woman's University is not responsible for the conduct of any Student Organization's raffle or its proceeds and the manner in which they are spent. Since the state law is very technical, each Student Organization is responsible for checking the status of its organization's qualification and its compliance with the law.

Raffle Request Form

- Student Organizations must obtain a Raffle Request Form from the CSD. The completed form must be returned for approval at least thirty (30) days prior to the initiation of the raffle and the raffle must be completed within forty-five (45) days of approval.

Gambling

Unlike raffles and bingo, there is NO exception to the gambling law in Texas for nonprofits to hold poker or casino night fundraising events. The gambling law, Chapter 47 of the Penal Code, applies to nonprofits and to for profits equally. See Tex. Pen. Code Ann. §47 (Version 2003). Basically, there are three parts to an activity that could make it illegal gambling: 1) money or anything of value is paid to enter the game; 2) the winners are decided by a game of chance and 3) prizes of value are awarded. If all three of those conditions are met, then it's probably gambling and illegal. If the game is free to enter, then prizes of value may be awarded. If an entry fee is charged, then prizes of value may not be awarded.

There are some exceptions to this rule, including certain carnival contests in which prizes with a value of less than \$25 are awarded and mechanical devices for amusement purposes in which prizes with a value of less than \$5 are awarded. If your organization is considering conducting an event involving a game of chance, you should consult Chapter 47 of the Penal Code to determine its legality.

SPECIAL NOTES

- Shall not use the TWU Tax ID number. Each Student Organization is encouraged to apply for an organization Tax ID number with the IRS.

Date Last Reviewed: *November 2015*

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Owner: **Vice President for Student Life**