



## **FUNDRAISING GUIDELINES**

### ***General Guidelines***

- A student organization may sell non-consignment merchandise, food or nonalcoholic beverages on campus, as long as it does not conflict with a contract the University has with a vendor.
- Student organizations may not conduct fundraising on behalf of or for the benefit of a non-University recognized organization or corporation.
- Fundraisers may not be conducted for private gain of individuals or for-profit businesses.
- A student organization may charge an admission fee to a program. Note: There may be a handling charge through the University Center if the tickets are sold at the Information Center. The number of tickets sold may not exceed the occupancy of the facility.
- Proceeds from fundraising activities (i.e. resale of retail merchandise and ticket sales) are subject to state sales tax laws.
- Refer to the following section on taxes for information regarding paying and collecting sales taxes.

### ***Fundraiser with food is allowed under these guidelines:***

- The food is served to a limited and defined market of UTSA students, faculty or staff.
- The food is pre-cooked, purchased or donated food from a health-inspected location. (i.e. a restaurant or grocery store). It is best to have a copy of the restaurant or grocery store's license where you are selling the food.
- Raw products (ex. eggs & meat) may be prepared on campus if following the guidelines established by the San Antonio Health Inspection Office (<http://www.sanantonio.gov/health/food-main.html>, click on "Requirements for Temporary Food Establishments"). In addition, organizations must complete a "Food Waiver", available from Events Management. If applicable, you must also make proper accommodations for grilling and sand traps with Physical Plant.
- The sale of home-prepared or cooked food is not permitted.

### ***Raffles***

- Most student organizations are not qualified to conduct raffles in the State of Texas. Raffles involve paying money for the chance to win a prize of greater value, which is considered gambling. Instead of raffles, it is suggested that student organizations hold "Free Drawings" in which no money is exchanged.
- The Charitable Raffle Enabling Act, effective January 1, 1990, permits "qualified organizations" to hold up to two raffles per calendar year. Two types of student organizations may conduct raffles. (1) An association organized primarily for religious purpose that has been in existence in Texas for at least 10 years. (2) A nonprofit organization that has existed least the three preceding years, during which it has had a governing body duly elected by its members and is exempt from federal income tax under Section 501(c), Internal Revenue Code; does not participate in any political campaign. [A copy of your organization's IRS Letter of Determination verifying 501c status will be required.]
- Student organizations may conduct raffles on campus for qualified off-campus organizations. Raffle tickets may not be advertised statewide or through paid advertisements. 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. A prize may not be money. Only members of the organization may sell tickets. No one may be compensated directly or indirectly for organizing or conducting a raffle or for selling raffle tickets
- Visit <http://www.oag.state.tx.us/consumer/raffle.shtml> for more information.

## **TAXES**

### ***Collecting Sales Tax on Items Sold***

All student organizations are required by law to collect sales tax when selling goods and/or services (this may include tickets to an event). If an organization has a state sales tax exemption, this means that the group is exempt from paying sales tax. The group is still responsible for collecting sales tax when selling goods or services.

Remember, student organizations can be audited by the state, so it is very important that sales tax is properly collected and remitted to the State Comptroller's Office. If you have questions on sales tax you can call the State Comptroller at 800.252.5555 or you can E-mail [tax.help@cpa.state.tx.us](mailto:tax.help@cpa.state.tx.us). In order to properly remit sales tax:

- Download a *Sales Tax Permit Form* from <http://www.window.state.tx.us>.
- Fill out the form and send it in to: Texas Comptroller of Public Accounts, Austin TX 78774-0100
- It will take 4-6 weeks for your form to be processed. When you receive your permit number, make a copy and keep it in a secure place so that it will be readily available for you. This permit number is for you to use when you remit payments to the state. It allows the comptroller's office to readily identify what organization is remitting payment.
- Obtain a "Texas Sales and Use" tax return from the Comptroller's Office (call 210.616.0067 or 512.463.4600)
- Fill out the tax return and send it to the address above by the 20th day of the next calendar month after the month of your sale. If your organization owes less than \$500 in sales tax for a calendar month or \$1,500 for a calendar quarter, taxes may be paid on a quarterly basis. This means payment is due by the 20<sup>th</sup> day of the month following each calendar quarter.

### **Exceptions to Sales Tax Law**

- If an organization is planning a one-day sale within a calendar month, it does not have to collect sales tax on any goods sold during that one-day period. An organization may only hold one tax free sale per month. For more information about this exemption visit: [http://www.window.state.tx.us/taxinfo/taxpubs/tx96\\_237\\_1\\_05.html](http://www.window.state.tx.us/taxinfo/taxpubs/tx96_237_1_05.html).
- If an organization is holding an event that is exclusively for members of the UTSA community and they have not hired any off-campus business to provide services (such as a caterer or DJ), the organization does not have to collect sales tax for tickets to the event.

### **Paying Sales Tax on Items Purchased**

Student organizations are not automatically exempt from paying state sales tax. To find out if your organization may file to become sales tax exempt, refer to Comptroller of Public Accounts, State Sales and Use Tax, Rule 3.322 (Texas Tax Code 151.309, 151.310: Texas Civil Statutes, Article 342-908). If your organization is eligible, you must first obtain 501c status from the Internal Revenue Service by submitting IRS Forms 8718 and 1023. Application processing may take over eight weeks. Also, refer to Publication 557, Tax-Exempt Status for Your Organization. All of these publications and forms are available at <http://www.irs.gov>.

If 501c status is granted, the organization may apply to the state by submitting a letter, a copy of your charter/bylaws, and a copy of your 501c letter of determination from the IRS (if applicable) to the following address: Tax Policy Division, Exempt Organizations Section, Texas Comptroller of Public Accounts, P.O. Box 13528, Austin TX 78711-3528

Upon a ruling by the State Comptroller's Office you will receive a letter allowing or denying exempt status. If exempt status is granted, please inform Student Activities and provide a copy of documentation for your organization's permanent file.

If a student organization is purchasing merchandise for resale, it has two options regarding sales tax:

- obtain a resale certificate from the State Comptroller's Office, which will allow the organization to defer payment of sales tax until time of sale. This does not mean that the organization does not pay sales tax. It means that it will collect sales tax for the item when it is resold and that sales tax will then be remitted to the state.
- pay the vendor sales tax on the items purchased. Please note, however, that if the organization is selling the merchandise at a mark-up, sales tax must be collected and paid on the mark-up.

### **FUNDRAISING VIA DONATIONS AND SPONSORSHIPS**

Any student organization soliciting donations must make clear to any potential donor that they are independent entities whose solicitations are not endorsed by or connected to UTSA. Further, any student organization that does not have the proper documentation indicating that donations they receive are tax deductible is required to inform all potential donors that their donations to the student organization will not be tax deductible. Since student organizations may be soliciting donations from donors with whom UTSA has or is cultivating a relationship, student organizations are expected to inform the Associate Director of Development for Student Affairs in advance of all such solicitations of \$500 or more. The form to be used is the Fundraising Authorization Request Form located at

<http://www.utsa.edu/sa/so/forms1.html>. Once completed, submit the form to Student Activities (UC 1.210 or DB 1.302).

## **LEADERFUND**

The purpose of LeaderFund is to provide financial support to student organizations for activities that meet at least one of the following goals: (1) provide increased opportunities for leadership development of the student organization's members; (2) contribute to an increased sense of campus community; or (3) provide learning opportunities for the UTSA student body. LeaderFund does not exist to support routine, day-to-day operational expenses. The Student Government Association (SGA) operates LeaderFund. For information on how to request funds, deadlines, and hearing dates, contact the Student Government Association at 210.458.4597 or visit their website (<http://www.utsa.edu/sga>) or stop by their office in the Student Organization Complex (UC 1.210).