

Fundraising Compliance Policy

Organization: Red Mountain Community Social Club

Effective Date: April 7, 2026

Approved by: RMCSC Board

1. Purpose

This policy establishes guidelines to ensure that all fundraising activities conducted by the organization comply with federal, state, and local laws, IRS regulations governing 501(c)(3) entities, and ethical standards of nonprofit management.

2. Scope

This policy applies to:

- Board members
- Third-party fundraisers or contractors engaged by the organization

3. Legal Compliance

- **IRS Regulations:** All fundraising must align with the organization's tax-exempt purpose and avoid activities that could jeopardize 501(c)(3) status.
- **State Charitable Solicitation Laws:** Registration and reporting requirements will be met in all states where fundraising occurs.
- **Donor Privacy Laws:** Donor information will be safeguarded in compliance with applicable privacy regulations.

4. Ethical Standards

- **Transparency:** Accurate representation of fundraising goals, use of funds, and organizational mission.
- **Accountability:** Funds raised will be used exclusively for charitable purposes consistent with donor intent.
- **No Undue Influence:** Fundraisers must avoid coercive or misleading tactics.

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5. Donor Rights

The organization upholds the Donor Bill of Rights, ensuring:

- **Informed Giving:** Donors receive clear information about the mission, use of funds, and financial statements.
- **Confidentiality:** Donor data will not be shared or sold. **Acknowledgment:** All contributions will be promptly acknowledged with appropriate receipts.

6. Financial Controls

- **Segregation of Duties:** No single individual controls all aspects of fundraising transactions.
- **Documentation:** All gifts, grants, and pledges will be recorded accurately in financial systems.
- The organization will obtain an independent financial audit only when required by:

Federal law or regulation, including the Single Audit requirements under Uniform Guidance (2 CFR § 200),

State or local government funding agreements, or Grantor or funding agency requirements are tied to government assistance.

7. Reporting & Oversight

- **Board Oversight:** The Board of Directors reviews fundraising activities and compliance annually.
- **Whistleblower Protection:** Members may report concerns without retaliation.
- **Corrective Action:** Violations will be addressed promptly, with disciplinary measures as needed.

8. Review & Updates

Policies and procedures are reviewed and revised at the direction of the Board President as needed or to align with changes in the law or changes in organizational practices.