

# Low-Cost Fund Raisers

Low-cost fund raisers are certain types of events that generate small contributions from those who attend and require limited tracking and disclosure. Rather than tracking and reporting each person who attends and how much is contributed by each, the campaign reports the event date, describes the event, and discloses the lump-sum amount received from participants who paid \$50 or less.

You do not have to keep track of how much each person contributed and record that information in your records or itemize it on a contribution report. In-kind contributions of \$50 or under received in connection with a qualifying low-cost fund raiser need not be reported at all.

## Qualifying Events

- retail sales of goods or services at a reasonable approximation of their fair market value;
- a gambling operation conducted in compliance with state gambling laws (contact the Gambling Commission at 360/486-3440);
- a food and beverage event where the admission price or the cost for the food and beverages is no more than \$25;
- an entertainment event (concert, dance, theater performance, etc.) where the admission price is no more than \$25; and
- an auction or similar sale where the total fair market value of items donated by any person is no more than \$50.

If someone pays over \$50 to participate in a qualifying event or pays more than \$50 to purchase auction or sale items, that contribution is not included in the lump sum reported from the low-cost fund raiser. Instead, itemize the contribution on the C-3. The rest of the funds collected from participants paying \$50 or less may still be lumped together and reported as a single sum on the C-3.

## Disqualification

The entire event does not qualify as a low-cost fund raiser (and you must record and report the amounts given by each contributor participating in the event) if you:

- sell goods or services at over their fair market value, or
- hold food/beverage or entertainment events having an admission price of more than \$25, or
- hold an auction or similar sale and someone donates items worth more than \$50, or
- have no stated admission price or if the event is billed as "donations are accepted."

Some people invited to low-cost fund raisers will not pay at the door, but rather will forward a check either before or after the event. So long as they attend the event, you may treat their contribution like other funds received in connection with the event. It's not expected that all the funds received in relation to an event will appear on one C-3, since money will trickle in both before and after the event. However, if someone does not attend the fund raiser, but sends along a contribution anyway, that money is treated as a regular contribution and is not lumped together with fund raiser receipts