



Nonprofit Fundraising – Events and Campaigns

Most nonprofits must register with the Colorado Secretary of State's office prior to engaging in fundraising activities in Colorado. <https://www.sos.state.co.us/pubs/charities/instructions/charity/registration.html>.

Below are general guidelines on common fundraising events and campaigns. This fact sheet is not all inclusive and you should do additional research or retain legal counsel prior to engaging in these types of activities.

Raffles

- A raffle is considered a form of lottery. It is a method to (1) distribute a prize among (2) people who have paid (3) for a chance to win the prize.
- Requirements
 - Obtain a license annually - https://www.sos.state.co.us/pubs/bingo_raffles/bingoForms.html
 - Must have proof of 501(c)(3) status and have been in continuous operation for 5 years.
- Good to Know
 - Price of ticket is NOT a tax-deductible donation.
 - Must not use another organization's license or allow others to use yours.
 - If prizes exceed \$1,000 in aggregate value, the raffle ticket must include specific information about the raffle and organization hosting it.
 - Must generate quarterly reports and keep full and accurate records.

Auctions

- An auction is an event where goods or services are sold to the highest bidder. Since this is not a game of chance, there are few rules to follow, making this a great alternative to a raffle.
- No license required!
- Purchaser may only claim a charitable contribution deduction for the excess of the purchase price paid for an item over its fair market value.
- If you conduct a live auction and hire an auctioneer, that person is likely considered a professional fundraiser and additional rules apply.

Matching Gift Campaigns

- A matching gift campaign states Donor A will match the donations of other donors during a set period.
 - Example – “During the next hour, Green Solar will match contributions made by other donors.”
- Timing of the Donor A's gift is critical to avoid false advertising.
 - If the donor has already provided money before the secondary donors have donated, the campaign is not a matching gift campaign and cannot be advertised as such.

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Challenge Campaigns

- In a challenge campaign the initial donor has already committed to a dollar amount and the nonprofit is using that donation to encourage others to give generously as well.
 - Example – “We’ve received 10k from Green Solar, won’t you help us reach our goal of another 10k to double the contribution?”

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