



Fund-Raising Activities

FROM TIME TO TIME, clubs, areas, divisions or districts may conduct fund-raising activities to offset costs for educational sessions and to raise funds to further the purpose of Toastmasters International.

Toastmasters International is an educational organization and not a service club such as Lions, Kiwanis, Rotary, etc., whose main focus is to raise funds for community or charitable causes.

Before you start on your fund-raising project, answer these questions:

1. Is the product or service rendered by individual members donated or voluntary?
2. Is it the club rather than the individual members who receive monetary compensation?
3. Is at least one-third of the club's total support from member dues?
4. Is the fund-raising activity conducted on an infrequent and irregular basis?
5. Is the fund-raising activity legal in your city, state, province or country?
6. Will the profits be used for the furtherance of Toastmasters International's exempt purpose, which include:
 - building and improving clubs;
 - training club and district officers;
 - purchasing educational program materials;
 - sending a voting delegate to official district conferences or the international convention;
 - covering general administrative expenses connected with the operation of the club or district?

If you answered "no" to any of these questions, you are not operating within the policies of Toastmasters International, and the fund-raising activity is prohibited.

ACCEPTABLE AND UNACCEPTABLE FUND-RAISING ACTIVITIES

Here are some examples of fund-raising activities you can and cannot do:

YOU CAN:

- Conduct a Speechcraft, Success/Communication or Success/Leadership Program and charge a fee to the participants. The revenue should be used to buy the program material. If there are any excess funds, they are to be used to further the purpose of TI as stated above. Please keep in mind our organization's purpose is educational. We are not in the business of conducting seminars to be in competition with consultants. Fees charged should be reasonable.
- Hold a raffle, auction, white elephant sale or bazaar of donated goods at a club, area, division, or district function, where permitted by law.

Please be aware that fund-raisers such as raffles and auctions, should not be conducted regularly or on a continual basis, but rather infrequently, such as semiannually.

- Accept advertising in your club or district newsletter. Revenue should be used to offset the cost of producing and/or mailing the publication.
- Create and maintain a Speaker's Bureau. Revenue should be used at the club and/or district level to further the purpose of TI.
- Raise funds to send a voting delegate to district conferences or international conventions.
- Sell entertainment books or Diner's Club books.

YOU CANNOT:

- Buy items and sell them, other than entertainment or Diner's Club books.
- Raise funds and use the money for social events.
- Raise funds and donate them to a worthy cause.
- Raise money to set up a fund, such as a scholarship or educational fund.
- Raise money to support a campaign for a candidate at any level of the organization or outside the organization.
- Hold or participate in sporting or other physical events, such as tennis or golf tournaments, walk-a-thons, or jog-a-thons.
- Hold pancake breakfasts, fireworks displays, or picnics.
- Hold any fund-raising activities, including those listed above which have a higher risk of injury.

PLEASE NOTE: The Toastmasters name cannot be used in connection with non-educational events.

- Use the name "Toastmasters International" or the logo on items such as t-shirts, plaques, trophies, ashtrays, coasters, etc. without permission from the Executive Director

at World Headquarters. Depending on the circumstances, permission may be given for use of the logo or name "Toastmasters International" on materials for use one-time only (such as a special event for your club or district). However, permission must be obtained from the Executive Director prior to use.

LIABILITY

Toastmasters International is covered by liability insurance for injury occurring within the Toastmasters meeting.

Because of our low risk, our premium is minimal. If claims were to increase, our premiums would rise sharply, which, in turn, would cause the organization to raise the membership dues to cover the additional premium.

FILING REQUIREMENTS WITH THE IRS

The Internal Revenue Service has certain requirements that must be met by clubs within the United States if revenue (from all sources of income, including fund-raising) exceeds established amounts. These requirements are:

- A Federal Form 990 must be filed with the IRS if gross income (total monies received), including revenue from fund-raising, exceeds \$25,000 within one year.
- A Federal Form 990T must be filed with the IRS if gross income (total monies received) exceeds \$1,000 on unrelated business income, such as advertising in club or district bulletins. This income could be subject to tax.

Failure to file the required forms by a club can result in revocation of a club's charter.

It is up to individual clubs to determine their state's filing requirements and to file proper form(s) when appropriate.

Clubs outside the United States should consult a tax advisor to ascertain their governing regulations.

ACTIVITIES ON BEHALF OF DISTRICTS

If funds are raised in connection with district events or activities by the district, club, area or division, the revenue belongs to the district. If the event or activity results in a loss, that is also assumed by the district.

This means, for example, that if a host club is asked to conduct a raffle at the district conference, any revenue derived from that raffle is to be turned over to the district treasurer. On the other hand, if the raffle results in a loss, the district must assume the deficit.

A LAST WORD ON FUND-RAISING

It is important that fund-raising activities are conducted within the above guidelines and not on a continuing basis. Our organization is a 501(c)3 corporation, which means that our clubs and districts are allowed to raise funds now and then and not on a regular basis. To do so would jeopardize the tax status of our organization which would mean increased taxes. This would lead to a substantial dues increase to the membership.

If you have any questions on fund-raising activities, please contact the Executive Director at World Headquarters