FUNDRAISING POLICY
AND
CODE OF ETHICS

Date adopted: November 3, 2005

Signed by: Jeff Johnson, Vice-President
SECTION 1 - OVERVIEW:

The National Association of State Boating Law Administrators, Inc. ("NASBLA") is a nonprofit, tax-exempt organization. Maintenance of its tax-exempt status is important both for its continued financial stability and for public support. Therefore, the IRS as well as state regulatory and tax officials view the operations of NASBLA as a public trust, which is subject to scrutiny by and accountable to such governmental authorities as well as to members of the public. Consequently, NASBLA’s Executive Board, in accordance with NASBLA’s own statement of values, adopts the following policies and procedures for ethical fundraising. This policy is intended to supplement, but not replace, federal and state laws governing fundraising and charitable solicitations applicable to nonprofit corporations.

A. State and Local Statutes – NASBLA will adhere to all State and Federal statutes relating to charitable organizations and not-for-profit corporations.

This includes registration of NASBLA as a charitable organization and contracting only with those fund raising counsel and service providers who are registered and bonded with the Commonwealth of Kentucky.

It is understood that ethical policies adopted by NASBLA will often exceed the law and generally accepted accounting principles.

B. Reporting Procedures – NASBLA will follow generally accepted accounting standards and practices relating to the accounting and crediting of all contributions. NASBLA will annually provide an annual report with audited financial statements that is available to members, grantees and donors, and the full annual audit report upon request.

NASBLA will, on a quarterly basis, report the direct costs of fund raising activities, by campaign and solicitation method, to the Executive Board. This report will also be available to current grantors and donors of record upon request.

All contributions will be recognized within 48 hours of receipt, and under no circumstances less than five working days of receipt of the gift.

All gifts will be recorded accurately and a quarterly report issued to NASBLA’s Executive Director, Treasurer, and President of the Executive Board.

It is the responsibility of NASBLA staff to maintain an accurate database of all members and donors.

C. Compensation - NASBLA will not compensate any employee or contractor (fund raising counsel or service provider) through a contingency fee, commission, or other percentage basis for any contribution or other fund raising proceeds.

The Executive Board reserves the right to refuse any contribution, exchange contract, grant or sponsorship that does not further the mission or goals of NASBLA, or whose restrictions are counter to the ethical values and principles of NASBLA, or to sound business and fiscal practices.

Grantor, sponsors and donor names and contributions are public information unless the donor requests anonymity.

All donor files (including computer databases) are the property of NASBLA. An employee or volunteer may not use or hold any unpublished files for any use other than the advancement of NASBLA’s mission.

D. Fund Raising Counsel/Service Providers – When NASBLA contracts any fund raising counsel or service provider, it is understood that the contractor is working for NASBLA, and it is the responsibility of the NASBLA staff to provide accurate information to the contractor, and monitor the contractual relationship and contractor’s performance.
All contributions must be directed and received by NASBLA, not the counsel or the vendor.

All fund raising counsels or service providers must comply with all Kentucky state requirements for registration and/or bonding.

E. Donor Communications and Relationships – NASBLA must accurately describe its mission, accomplishments, funding sources and expenditures in all donor and member communications and solicitations.

NASBLA staff will monitor and verify all information presented to the public, to grantors or sponsors, and in all fund raising materials, including case statements, grants, sponsor requests, brochures, or other such informational and/or contribution request materials.

Neither an employee or volunteer solicitor may make any promise to a donor, nor expect any favoritism from a donor, nor agree to any donor-directed changes in the mission and programs of NASBLA as a result of a solicitation or contribution.

NASBLA staff and its Executive Board are responsible for knowing and complying with all tax provisions relating to contributions. This includes all federal regulations, state requirements in all states in which NASBLA must register, and any local regulations in localities in which NASBLA conducts official business.

F. Donor/Sponsor Benefits – Benefits provided to donors must comply with current IRS regulations regarding tax deductibility. All benefits that exceed the threshold of "insubstantial" in relation to the amount contributions must be reported to the donor/grantor/sponsor. The IRS recognizes benefits that do not exceed 2% of the contribution or $50, whichever is less, adjusted annually for inflation ($83 in 2005), as "insubstantial" for reporting purposes.

If the benefits exceed IRS "insubstantial" definition, the donor must be clearly notified of the value of the benefits provided.

G. In-Kind Gifts – In-kind gifts of property or services are to be valued by the donor. In no case will NASBLA knowingly cooperate in the reporting or crediting of inflated in-kind gift values.

NASBLA need not accept any gift of property, product, service, equipment, or other item which is obsolete, unrelated to its programs, an unnecessary service, or not mission-related.

H. Special Events – All fund raising events in which there is a publicized or inferred contribution element must comply with IRS regulations concerning tax-deductibility and accountability or revenue-generating activities.

It is the responsibility of NASBLA to disclose to attendees the contributory (tax deductible) amount of any cost to attend an event. NASBLA will attribute a realistic fair market value, including entertainment value, to the event.

I. Foundations – If NASBLA is submitting similar requests to more than one foundation (corporate, private, or government) for a specific project or activity, it must acknowledge the duplicate submission if an inquiry is made.

NASBLA will, to the best of its ability and knowledge, provide an accurate budget and budget allocation in all grant requests. NASBLA will meet all specified reporting and evaluation requirements of granting agencies on schedule, and report any delays or project changes in a timely fashion.

The relationship of NASBLA will, to its federal and state government grantors is of paramount importance, and any changes in that relationship must be reported to the Executive Board.
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J. Corporations – NASBLA may solicit sponsorships from or develop strategic alliances with both for-profit and nonprofit organizations. These relationships may be charitable in nature or may involve a more direct business relationship. In all cases, and for the protection of the good name of the Association and its members, NASBLA may only enter into agreements with reputable organizations whose image, product, and services do not conflict with NASBLA’s mission or values.

All sponsorships and strategic alliances are a negotiated agreement and must be approved by the Executive Director and by the sponsor.

Any use of NASBLA’s name, logo, or trademarks (intellectual property) by a sponsor or organization that has entered into a strategic alliance with NASBLA must be approved by the Executive Director and promote the name, mission and values of NASBLA.

Strategic alliances may only be authorized by the Executive Director.

NASBLA will annually provide a report to its membership and available to the public that includes a list of sponsors and strategic allies.

NASBLA will respond to all member, public and media inquiries regarding any sponsorship or strategic alliance, including allegations of unethical behavior, with a prompt, full, and frank discussion of the issue, the Association’s actions, and the rationale for such actions.

NASBLA will document all relationships with sponsors and strategic allies.

Any solicitation or contribution from a NASBLA vendor must not be directly related to the business relationship with the vendor or the vendor’s competition.

Nor should any vendor be chosen based on a stated or implied contribution to NASBLA.

A corporate contribution may be recognized publicly as a donor or underwriter and full benefits provided to the corporate donor. If the recognition is provided to a specific product or service of the corporation, a portion of the gift will be considered as advertising and attributed as earned income.

Sponsorship is revenue from a corporation that is clearly intended to:

- Market the corporation’s products or services;
- Promote the corporation’s image or product through NASBLA’s good name, marketing/PR or program signage;
- Promote the corporation through hospitality options, including complementary admissions, invitations to NASBLA receptions, or the opportunity to host a reception at a NASBLA event.

Cause-Related Marketing, in which NASBLA is directly related to the marketing of a product or service and receives a portion of sales of the item, can only be agreed upon with the review and approval of the Executive Board.
SECTION 2 – SPONSORSHIPS AND OTHER CORPORATE SUPPORT

NASBLA may solicit sponsorships from or develop strategic alliances with both for-profit and nonprofit organizations in order to advance the mission of the Association, enhance program effectiveness, or extend member services consistent with NASBLA’s mission and values.

1. The sponsor or strategic alliance may be contributory in nature or may involve a more direct business relationship.

2. In all cases, and for the protection of the good name of the Association and its members, NASBLA may only enter into agreements with reputable organizations whose image, product, and services do not conflict with NASBLA’s mission, values, programs or policy statements.

A. General Principles

1. Ethical Limits: The mission of NASBLA and its ethical relationship with its membership and the boating safety and law community must take precedence in any negotiation. The Association’s reputation and good name – and by extension, its members’ – must guide the negotiation process.

   a. Restrictions: The Executive Board may restrict any type of organization or any specific organization from consideration as a sponsor, strategic ally, or funder.

   b. Considerations: NASBLA must take into account not only its national policies and advocacy positions in determining whether or not it will accept a grant, sponsorship, or strategic alliance, but also the impact on its members and specifically, boating law administrators in their own individual states and territories.

2. Accountability and Transparency:

   a. Accountability: NASBLA will provide an annual report to the boating law field and make it available to the public. It will include a list of sponsors and strategic allies.

   b. Response to Inquiries: NASBLA will respond to all member, public and media inquiries regarding any sponsorship or strategic alliance, including allegations of unethical behavior, with a prompt, full, and frank discussion of the issue, the Association’s actions, and the rationale for such actions.

   c. Anonymity: Any organization that sponsors a NASBLA event or activity or enters into a strategic alliance will not be granted anonymity.

   d. Documentation: NASBLA will document all relationships with sponsors and strategic allies.

3. Business Relationship: Any solicitation of a sponsorship or strategic alliance from a NASBLA vendor must not be directly related to the business relationship with the vendor or the vendor’s competition. Nor should any vendor be chosen based on a stated or implied contribution to NASBLA.

4. Compensation: NASBLA will not compensate any employee or contractor through a commission or other percentage payment for any sponsorship or strategic alliance development.
B. Authorization and Approval

1. Strategic alliances may only be authorized by the Executive Director.

2. Sponsorship values in excess of $50,000, or sponsorship that requires a negotiated agreement that exceeds or alters these guidelines, must be authorized by the Executive Board.

3. Negotiated Agreement: All sponsorships and strategic alliances are a negotiated agreement and must be approved by the Executive Director and/or the Executive Board in accordance with aforementioned threshold and the sponsoring organization or strategic ally.

   a. Termination: Any sponsorship or strategic alliance agreement must include a provision for canceling the agreement. Grounds for canceling an agreement may include:

      i. Engagement of the sponsor or strategic ally in any activity that is counter to NASBLA’s mission, values, standards, reputation or policies.

      ii. Changes in the sponsor or strategic ally organizational ownership or structure, or in its products and services.

      iii. Inability of either NASBLA or sponsor/ally to carry out its responsibilities as outlined in the agreement due to unforeseen circumstances.

   b. Use of NASBLA name, logo, or trademarks (intellectual property): any use by a sponsor or organization that has entered into a strategic alliance with NASBLA must be approved by NASBLA and promote the name, mission and values of NASBLA.

      i. NASBLA will not grant the use of the name, logo, or marks without the organization’s participation in an Association event, program, product or other activity that helps the Association fulfill its mission.

      ii. NASBLA will not use the sponsor’s or strategic ally’s name, logo, or marks without prior approval from the same.

   c. Exclusivity: NASBLA may grant specific event or activity exclusivity to a sponsoring organization or strategic ally, but such exclusivity must have a time limit and may not be for Association activities or operations beyond the specific event or activity.

C. Sponsorship and Strategic Alliance Procedural Guidelines

1. Definitions: The recognition received determines if the financial or in-kind support is a sponsorship, strategic alliance, or a contribution.

   a. Sponsor: Market-driven financial or promotional support from a corporation, usually a for-profit corporation. A quid pro quo relationship roughly equal to the market value of the sponsorship is expected by the sponsor. Sponsorships may be solicited by NASBLA for events, programs, projects or operations.

   b. Strategic alliance: a cooperative agreement between NASBLA and another organization to achieve compatible objectives while retaining individual identities, with each organization sharing both in the risks and rewards.

      i. A strategic alliance with a business, other government agency, educational institution, or other external organization is designed to have a positive impact on NASBLA’s program.
effectiveness and member services consistent with NASBLA's mission. A strategic alliance should meet the following criteria:

a) Provides a mutual benefit with a quality partner, often a corporation, but may also be another government agency or government of another nation;
b) Offers benefits and services that NASBLA can not provide with current resources;
c) Provides an alternative revenue source and/or reduces NASBLA expenses;
d) Enhances the reputation and image of NASBLA to its members, to policymakers and the media, and to the public.

c. Corporate Underwriter: A larger contribution that is directed to a specific NASBLA project or event with only recognition or minimum benefits provided.

d. Donor: A contribution that is generally not directed or designated for a specific project or event, or a smaller contribution directed to a specific project or event. Recognition and minimum benefits are provided.

e. Determinations

i. If the contributing organization receives significant recognition and a market-driven return for their support roughly equal to their cash or in-kind service fee, the support is a sponsorship.
ii. If NASBLA enters into a cooperative agreement for a joint program or initiative, it is a strategic alliance.
iii. If simple recognition is provided, then the funding organization is an underwriter or donor and will be recognized as such.

2. Type of Support: The type of support may be cash and/or a combination of in-kind services or products (e.g., printing, airfare, entertainment expenses, and marketing or other media promotion.)

a. Procedural Requirements

i. NASBLA will follow all IRS regulations regarding the accounting and reporting of sponsorship and strategic ally funding agreements, including qui pro quo notification and the payment of any unrelated business income taxes (UBIT).
ii. Notwithstanding any letters of appreciation provided by a NASBLA member or committee, NASBLA staff will be responsible for providing "contemporaneous substantiation" to any sponsor or strategic ally.

b. Valuation: Sponsorship and strategic alliances must be fairly valued by both NASBLA and sponsoring organization. NASBLA must be accurate, within its resources and knowledge, in projecting audience, media and impact.

i. The cost of the event does not directly relate to the value of the sponsorship to the sponsoring organization. That determination is based on what the event can deliver to the sponsor: size of audience, quality of audience (does the group contain real decision-makers), multiple messaging, size of signage, after-event sponsor recognition, hospitality opportunity, etc.
ii. NASBLA must balance the sponsorship fee and recognition received with other fees charged to advertisers or other corporate supporters. Existing NASBLA-business relationships are valuable
intangible assets to the organization and must be considered when valuing the sponsorship or alliance and recognizing the sponsor/ally.

c. Documentation: NASBLA will document all relationships with sponsors and strategic allies. This includes written and electronic correspondence such as: solicitations; internal documents reflecting deliberations and the nature and complexity of the relationship; contractual agreements or any memoranda of understanding subsequent to the agreement; letters of appreciation.

d. Business Relationships: The Association must balance the relationship between its donors, any "Official Vendors" (vendor-provided member benefit programs), advertisers, and sponsors. The business relationship developed over time with current vendors, advertisers and other corporate supporters is an important goodwill asset. Priority opportunity for sponsorship will be granted those businesses that have a history of service to the Association.

e. Exclusivity: NASBLA may grant specific event or activity exclusivity to a sponsoring organization or strategic ally, but such exclusivity must have a time limit and may not be for Association activities or operations beyond the specific event or activity.

f. Sponsorship costs: Sponsorship generates costs for NASBLA – in recognition, signage, admissions, administrative follow-through, marketing, and post-event evaluation. In all instances, NASBLA will attempt to limit direct expenses to 20% of the sponsorship fee.

3. Authorization and Approval:

a. Sponsorship approval is tiered depending on the value of the sponsorship. (Strategic alliances may only be authorized by the President and Executive Director.

i. If the sponsorship value is $50,000 or less and meets all criteria of this policy, the Executive Director may approve the sponsorship.

ii. If the sponsorship value is in excess of $50,000, or requires a negotiated agreement that exceeds or alters the criteria, the President and/or Executive Board is the only official authorized to approve the agreement.

b. Negotiated Agreement: All sponsorships and strategic alliances are a negotiated agreement.

i. The mission of NASBLA and its ethical relationship with its membership and the boating law community at large must take precedence in any negotiation. The Association's reputation and good name – and by extension, that of its members – must guide the negotiation process.

ii. A sponsor or strategic ally customarily anticipates a return on its support that is measurable, qualifiable and quantifiable. The negotiated agreement should include specific actions that will provide these measurements for the Association and the sponsor/strategic ally.

iii. The sponsor or strategic alliance agreement must include, but is not limited to, the following provisions:

a) The form and details of the recognition provided to the sponsor or strategic ally by NASBLA.

b) Procedures for approval of use and placement of NASBLA and the sponsor/ally name, logo, and other service marks.

c) Details on how the sponsor/ally will promote its relationship with NASBLA and how NASBLA will promote its relationship with NASBLA and how NASBLA will publicize the sponsorship.

d) Details of any exclusivity agreements.
e) Procedures for terminating the agreement.
f) Time period covered by the agreement.

iv. Intellectual property: use of NASBLA’s name, logo or marks must conform to the Association’s current graphic standards.

a) NASBLA must give prior written approval for all copy and artwork in which the Association’s name, logo, or marks appear. NASBLA must also approve, in writing, all advertising and promotional copy by the sponsor or strategic ally that includes a reference to NASBLA.