



THE MAINE CREDIT UNIONS CAMPAIGN
FOR ENDING HUNGER AND TAKE A CHANCE
TO END HUNGER IN MAINE: A GUIDE



Maine Credit Union League

The **Maine Credit Unions Campaign for Ending Hunger** (“Ending Hunger”) and its related entity, **Take a Chance to End Hunger in Maine** (“Take a Chance”), are 501(c)(3) not-for-profit public charities supported by the Maine Credit Union League. Both entities (collectively referred to as the Campaign) exist to raise and distribute funds to hunger organizations and food pantries throughout Maine. Funds distributed during the current fiscal year are allocated from the funds raised during the previous fiscal year and there are no operating costs or administrative expenses charged to either entity. Maine Credit Union League, Synergent, and Maine credit union employees are considered member volunteers of both entities and therefore can conduct activity on behalf of the Campaign.



- **Ending Hunger** is the primary entity through which contributions are received and distributions are paid.
 - The total pool of Ending Hunger funds is separated into two main groups: Maine Credit Union League-directed funds and credit union-directed funds.
 - Each credit union-directed fund is determined based on the dollars raised by the credit union.
- **Take a Chance** was formed to ease compliance with federal and state gaming laws. Funds raised through gaming activity must be directed to Take a Chance.
 - All funds from Take a Chance are distributed to Ending Hunger at the end of the year and are part of the total pool of funds to be distributed the following fiscal year from Ending Hunger.

As this Campaign has grown, the burden of administering its activities and ensuring compliance with federal and state laws has grown as well. This document is intended as a resource to facilitate efficient processes and build better awareness of compliance requirements for these entities.

POLICIES & PROCEDURES

CREDIT UNION TRACKING OF FUNDRAISING ACTIVITY –

- Fundraising activity should be tracked in separate pools: Donations raised through gaming activity, such as raffles; and all other funds.
- To ensure we do not jeopardize our charitable status, it is critical there is an appropriate accounting of fundraising activity on behalf of the Campaign.
- For each fundraising event the credit union should track:
 - Contributions and their source
 - Contribution totals should be maintained for each fundraising event.
 - On our Form 990, we need to report any contributions over \$5K. For contributions at or above that threshold, we need the name and address of the contributor.
 - If a contributor would like a receipt for a charitable contribution please submit receipt requests to endinghunger@mainecul.org. Receipt requests should include the contributors name, address, and amount.
 - Expenses
 - If expenses are incurred during a fundraising event that will offset fundraising proceeds submitted to the Campaign, the gross proceeds from the event should be reported to the Campaign, along with a full description of all expenses. This allows us to appropriately account for the activity of the Campaign.

WHERE TO SEND RAISED FUNDS –

- Gaming funds should be directed to Take a Chance to End Hunger in Maine.
- All other funds should be directed to The Maine Credit Unions Campaign for Ending Hunger.

- We can accept checks or arrange to pull funds from your account via settle or ACH.
- **If possible, submit funds throughout the year to allow us to better gauge fundraising efforts during the year.**
- All funds raised during the previous year's Campaign need to be submitted by January 15th to be counted toward that Campaign.



Fundraising totals and the total pool allotted to each credit union will be announced by the Ending Hunger Luncheon, which typically is held in early February following the year of the Campaign.

REQUESTING FUNDS FOR DISTRIBUTION -

- All fund requests should be sent to endinghunger@mainecul.org using the Fillable Ending Hunger Request Form located at <https://www.mainecul.org/community-outreach/campaign-ending-hunger/ending-hunger-materials-forms/>.
- Fund request requirements:
 - Submit at least 2 weeks before desired distribution date to allow time for processing & mailing.
 - Requests should include the W-9 and an up-to-date contact person and address for the entity where funds will be directed.
- All requests to distribute funds raised during the previous year campaign must be received by November 30th. Any credit union-allotted funds not scheduled to be distributed to a designated organization by November 30th will be pooled with the League-directed funds to be distributed before the end of the fiscal year or shortly thereafter.
- It is essential and within the spirit and mission of the campaign that checks make their way to organizations in need in a timely manner. We will re-issue stale dated checks once; on the second occurrence of being required to re-issue a check, funds will be sent directly to the designated organization on the credit unions behalf.

TAKE A CHANCE – RAFFLE WINNER PROCEDURES

BACKGROUND –

Take a Chance to End Hunger in Maine involves gaming activities. The Internal Revenue Service (IRS) and Maine State Revenue Service, therefore, require the reporting and withholding of taxes from winners under certain criteria.

Generally, and as explained in IRS Publication 3079 and Notice 1340, "an exempt organization must report raffle prizes if (a) the amount paid reduced, at the exempt organization's option, by the wager (the amount a person paid for the chance to win a prize), is \$600 or more; and (b) the payout is at least 300 times the amount of the wager." In addition any amount of cash winnings in excess of \$5,000 requires a withholding tax of 25%. Non-cash prizes with a value in excess of \$5,000 require the collection of 25% of the fair market value from the winner and needs to be reported to the IRS on behalf of the winner.

WINNER PAYMENT AND REPORTING PROCEDURES –

- 1) For **cash prize winnings of less than \$600 or if the payout is less than 300 times the amount of the wager**, the Take a Chance representative can pay the prize winner in cash, and submit the net proceeds to:

Take a Chance to End Hunger in Maine
Attn: Accounting
P.O. Box 1236
Portland, ME 04104

Checks need to be made out to **Take a Chance to End Hunger in Maine**. Included with the check please provide information as to the total raffle proceeds and the amount paid to the winner.



- 2) For cash prize winnings of \$600 or more and with a payout at least 300 times the amount of the wager, the Take a Chance representative will do the following:
 - a. Have the winner complete IRS form 5754 (copy available by e-mailing endinghunger@mainecul.org).
 - b. Make sure IRS Form 5754 is complete and contains the winner's correct name, address, SSN, and amount of winnings.
 - c. Send all proceeds and information (Including total raffle proceeds) to:

Take a Chance to End Hunger in Maine
Attn: Accounting
P.O. Box 1236
Portland, ME 04104

Checks need to be made out to **Take a Chance to End Hunger in Maine**.
 - d. Once all information is received, the funds will be mailed to the winner within 5 business days from the date of the receipt.
 - e. All IRS and State reporting will be completed by the main office of Take a Chance to End Hunger in Maine, P.O. Box 1236, Portland, ME 04104.
 - f. Winners of prize money in excess of \$600 or more when the payout is at least 300 times the amount of the wager will receive Form W-2G from Take a Chance to End Hunger in Maine to use when filing their income taxes. These will be mailed to winners in early January in the year following the win.
- 3) For **prize winnings in excess of \$5,000** the same procedures outlined in step 2 can be followed. These additional steps must be followed as well:
 - a. For cash winnings, Take a Chance to End Hunger in Maine will withhold 25% of prize winnings paid to the winner. This will be submitted to the IRS on behalf of the winner and will be reported on Form W-2G.
 - b. For non-cash winnings, **25% of the value of the non-cash prize must be collected from the winner prior to providing the non-cash prize to the winner.** (For non-cash prize winnings in excess of \$5,000, The Take a Chance representative will determine the fair market value of the non-cash prize.)
- 4) There are additional state licensing considerations to be made if a raffle is to have winnings **in excess of \$2,500**. Before considering any such raffle activity, please contact the Campaign at endinghunger@mainecul.org.

EIN:

Ending Hunger: 26-1720415

Take a Chance: 90-0558196



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