



Donor-Designated Program Helps Neighborhoods Raise Funds

Most neighborhood associations are not a charity, or 501(c)3 organization, and as such, donors cannot deduct their gifts from their income tax. Neighborhood Alliance has a solution to this fundraising dilemma- the Neighborhood Alliance Donor-Designated Program.

Your donors can donate their gift to NACOK and state on the check that it is ear-marked for your specific project (i.e., Rose Hill Park Project). We will mail your association a check for the full amount that was donated and the donor will get a letter they can use for tax purposes. The only catch is that the neighborhood project must meet the mission statement of the Neighborhood Alliance: "To create safe, attractive, and healthy neighborhoods throughout Central Oklahoma." It must also be a special project that would not otherwise be paid for by mandatory homeowner dues (if you are an HOA).

Neighborhoods have raised \$500 to \$200,000 using this program. They have used the monies to fun new ornamental lights, park improvements, improved entrances, sound walls, new landscaping, housing rehab programs, etc.

How does your neighborhood get started?

- 1) Decide on your project (it must meet our mission to create safe, attractive, and healthy neighborhoods)
- 2) Create a budget for your project and determine ways to solicit the necessary funds
- 3) **Complete the application form, where you will provide the following information:**
 - **Description of your project/how you intend to use the funds**
 - **How much money you intend to raise**
 - **Name, address, and phone number of the neighborhood contact for the project**
 - **Timeline of the project (when you will be soliciting donations)**
- 4) NACOK charges a small \$25.00 administrative fee for this program that you will owe at the end of the project. We will mail a thank you letter to each donor that they can use for tax purposes and charge .68 per letter to cover the cost of postage. We donate the bookkeeping, auditing, paper, and staff time it takes for us to administer this program. These fees cannot come out of the funds you collected for use on the project. They must be paid by the neighborhood from separate funding.
- 5) Begin a fundraising campaign. Include information on materials that indicates donors can make a tax deductible gift by making their check payable to Neighborhood Alliance, and designating (on the check) that it is for your neighborhood project. Donors may either mail their check to our office, or the neighborhood can collect them and bring them to our office.
- 6) The donor will receive a letter from NACOK that they can use for tax purposes
- 7) The neighborhood must provide NACOK with receipts or invoices to show all funds collected are spent on the project
- 8) Remember, in addition to the letter NACOK sends each donor, it's the neighborhood's responsibility to thank all donors that give to your project as well.



Participating associations will be invoiced for the administrative fees once all contributions have been processed and Tax Donation Receipts have been completed.

When your project has been reviewed and approved, Neighborhood Alliance will send you a letter giving you permission to use the Donor Designated program. We can even supply you with a template for a donation pledge form you can use while soliciting donations. Once you receive permission, you can begin your fundraising!

For more information on Donor Designated, call NACOK at (405) 528-6322, or contact Georgie Rasco at Georgie@nacok.org.