



CCF and Direct Fundraising

Defining Capacity Building for CCF programs

As stipulated in all [Compassion Capital Fund program announcements](#), CCF funds cannot be used for direct fundraising. As a capacity building program, CCF strives to empower organizations to become more effective, sustainable social service providers—the goal is to use grant funds in ways that will assist your organization in becoming better equipped to carry out programs in the future. Engaging in activities that improve your organization’s ability to function will benefit your community and those you serve will be able to depend on your services well after the grant program ends.

Diversifying funding sources is an important part of increasing your organization’s capacity, however, **using CCF funds for direct fundraising activity is a violation of Federal regulation:** "costs of organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions are unallowable (OMB Circulars [A-122](#), [A-21](#), [A-87](#))." Adherence to this regulation is mandated in [45 CFR 74.27](#). The table below provides examples of capacity building vs. direct fundraising.

CAPACITY BUILDING vs. DIRECT FUNDRAISING	
Capacity Building	Direct Fundraising
Sending appropriate staff to grant-writing seminars	Printing and mailing direct mail flyers or brochures that include the option for donors to make donations
Hiring a consultant to develop a fundraising strategy for your organization	Hiring a fundraising consultant to plan specific events or make funding requests
Hiring a full-time development director to focus on long- and short-term fundraising efforts	Contacting organizations or individuals for funds (this includes paying for a lunch meeting)
Buying donor development software that organizes donor information, but does not enable direct online donations	Buying donor development software that enables a direct online donation link (such software is not itself problematic; it is the online donation link feature that may not be funded with CCF funds)

These examples are by no means an exhaustive list. If you have any questions as to whether the activities you plan to undertake might actually be considered direct fundraising by the Federal government, ask your CCF program specialist. They can identify whether your planned activities pose potential direct fundraising.

It is highly recommended that you obtain CCF approval of any potentially problematic activities before using your CCF funds, so as to avoid having to reimburse the Federal government. **An awarded grant application and release of funds does not constitute or imply compliance with Federal regulations: grantees are responsible for ensuring that their activities comply with Federal regulations.** In short, if you are in doubt, ask! Your program specialists want you to be successful and will work with you to make sure you are abiding all rules and regulations with your grant activities.