

# Newton Chinese Language School

## Fundraising and Gift Acceptance Policy

### I. INTRODUCTION

This policy statement is designed to ensure that all fundraising activities and gifts to, or for the use of, Newton Chinese Language School (NCLS) are in accordance with related state and federal laws and regulation governing the non-profit educational organizations, as well as the bylaw of NCLS, and are managed and structured to provide maximum benefits for the school as well as for the donor. All fundraising events shall have a clear objective and an approved operation proposal. No fundraising effort shall be conducted by any people or any group at NCLS without the prior knowledge and written approval by NCLS. With regards to gift acceptance, because of the complex nature of the gift situations, this policy has been developed to establish standards by which all gifts will be evaluated in a formal process, through which a decision will be made if a gift is acceptable. This policy also establishes a formal operational procedure for raised fund and gift management and spending process. This policy is intended as a guide and allows for some flexibility on a case-by-case basis.

### II. GUIDING PRINCIPLES

- NCLS supports certain fundraising efforts and solicitation of donations for the support of school programs, events and/or activities of school-affiliated organizations and clubs.
- NCLS encourages gifts in support of its mission as a member owned and operated non-profit community language school.
- NCLS seeks to implement this policy that will protect:
  - the welfare of NCLS;
  - the best interests of the donor;
  - NCLS employees who are managing the fundraising and/or gift soliciting program.
- NCLS may solicit fund or accept gifts from any or a combination of the following channels,
  - individual – either from NCLS members or from none members
  - corporations – either direct funding from these organizations or through employee gift matching programs.
  - charities – either direct funding from these charities or through individual donor designated gift transfer programs.
- Individual donors are encouraged to consult with their personal advisors (accountants, attorneys, investment brokers, financial advisors, etc.) before making any gift to the school, particularly a planned gift.
- NCLS reserves the right not to accept certain gifts, including those from which that will realize little or no financial gain, or which are made for purposes that are inconsistent with the school's educational mission, or which have restrictions that violate the school's ethical standards or require illegal discrimination.
- Donations of gifts for unrestricted, general purposes are encouraged because of the flexibility they provide in meeting the most pressing needs of NCLS.
- The school shall acknowledge all gifts and donations in a manner that respects and honors the donor.

- In accepting a gift, the school also accepts a responsibility to steward that gift for the donor. This includes administering the gift properly, providing the donor with appropriate financial information about the gift, and when appropriate, reporting to the donor about the use of the gift.

### **III. PROCEDURES – GENERAL**

#### **A. Administrative responsibility for fundraising and gift acceptance policy**

Overall responsibility for ensuring compliance with the requirements of this policy is assigned to the principal of NCLS. A Fundraising and Gift Acceptance Committee will carry out detailed management for all the fundraising and gift solicitation operations.

#### **B. Fundraising and Gift Acceptance Committee (FGAC)**

FGAC shall include the board treasurer, one of the school accountants and a member appointed by the principal, led by the board treasurer. The role of the committee is to manage all aspects related to any fundraising and/or gift acceptance processes, including reviewing the fundraising proposal, screening gift donations, making recommendations to the principal if the school should either approve or disapprove the fundraising request, or accept the gift donations. It is also responsible for the coordination of and follow-up to all donor solicitation of private support conducted on behalf of NCLS, as well as monitoring the usage of the raised fund/gift.

#### **C. Evaluation of Costs Associated with Acceptance of Certain Gifts**

Proposed gifts of property and gifts in kind must be evaluated to determine whether the costs to the school associated with receiving the gift can be accommodated prudently. Occasionally, associated costs might weigh against acceptance of a gift. The authority and responsibility for prompt, careful evaluation of such costs rests with FGAC. Should the Committee not be able to reach a consensus, the matter shall be referred to the principal for a final determination.

#### **D. Gift Acknowledgement**

FGAC shall be responsible for sending acknowledgement letters and receipts to all donors within a reasonable time frame. When appropriate, donors shall also be given tokens of appreciation.

#### **E. Acceptance and Administration of Restricted Gifts**

A donor shall be permitted to make certain donation or gift with specific restriction in writing. FGAC shall be responsible for ensuring that necessary arrangements are made to achieve compliance with such requirements within school ability and school regulations. School principal shall sign any written agreement if such document is required by any of the restricted and un-restricted donors.

#### **F. Fundraising Event and Gift Acceptance Required Documents**

All fund raising and gift acceptance events for NCLS programs and/or organizations will be coordinated through FGAC. Any NCLS members and organizations may apply for such event through FGAC. A fundraising or gift acceptance proposal shall be directed to FGAC, which should contain following parts,

##### **1. Proposal Cover Sheet**

A form for the cover sheet of a proposal can be obtained from any member of FGAC. The form provides space to list the project name, originator, goal, purpose, beneficiaries, method, individuals involved, and contact information. It should be filled in completely and submitted with the proposal body.

##### **2. Proposal Body**

A proposal body should contain following items,

- \_ Executive Summary - clearly and concisely summarize your proposal with such information as purpose, background, beneficiaries, etc.
- \_ Goal - detail the project's overall goal, and breakdown of financial segments, including income, costs, and net income of the project.
- \_ Project Team - identify and provide background information on yourself and other key players in the project.
- \_ NCLS's responsibilities
- \_ Use of the endowment (principal and income) or current operating fund
- \_ Back-Up Materials - provide letters of endorsement, pertinent articles, etc.

### **G. Raised Fund and Gift Usage Management**

All general purpose fund/gift shall be put into school operation accounts and used by school administration following the school financial policy and procedures. All other special restricted funds, a separate ledger (account) shall be created for each fund by school and they shall only be used for the designated purpose. Each usage of such restricted fund shall be recorded and tracked in the account. The usage approval process follows this policy and shall be in accordance with the school financial policy. If required, there should be an annual report for the specific funds generated and sent to the donor. The usage and the management of all donation funds and gifts shall be summarized periodically and sent to the school board.

## **IV. TYPES OF FUND RAISING ACTIVITIES AND GIFTS**

Type of Fundraising Events.

**Capital Campaigns:** Capital campaigns are designed to generate funding for a wide variety of long-term projects that are integral parts of NCLS's long range plans. Future capital campaigns will be planned by NCLS board and managed directly by FGAC.

**Direct Campaigns or Calls:** A mail or telephone campaign, gift level club, annual giving program or direct request for a contribution made to an individual, corporation, foundation or association must be approved by FGAC and endorsed by the principal.

**Corporate or Business Sponsorships and Gifts:** Any request for corporate or business sponsorship or gift (cash or in-kind, including donations of food and supplies) for any NCLS program or event must have prior approval from school board, and managed directly by FGAC.

**Events:** Any sale (art, craft, merchandise, baked goods, etc.), auction or event (car wash, dance, etc.) in which individuals outside NCLS will be solicited that will support any NCLS program or school member (teachers, staff, students or arents) which takes place on the NCLS campus must be approved in advance by FGAC. Such fund raising events being planned by member-run, NCLS-affiliated clubs or organizations must first be approved by FGAC.

### **Classifications of Gifts**

**Annual gifts** are any gifts, regardless of size, that can be expected to recur on an annual basis. These gifts rely heavily on proper donor and prospect management.

**Current use gifts** are those intended for immediate or near-term expenditure.

**Designated gifts** are those in which the donor specifies a specific use, for example a program, scholarship, project, etc.

**Endowment gifts** are gifts maintained, invested and managed by FGAC to fund an initiative in perpetuity. The gift is used as principal and only investment earnings are distributed. The minimum level for an

endowed account is \$10,000.

## **V. GIFT ACCEPTANCE PROCEDURES**

The following procedures relate to the types of gifts typically accepted by the NCLS. At this point, the school encourages cash related gifts. However, special gifts under certain circumstances might be accepted as well. This may require a case-by-case review and may not be addressed by this document.

### **A. Outright Gifts**

#### **1. Cash**

- a. Gifts in the form of cash and checks shall be accepted by NCLS regardless of amount unless, as with any gift, 1) there is a question about whether the donor has sufficient title to the assets, or 2) if the donor is mentally competent to legally transfer the funds, and 3) the cost associated with receiving the gift is bigger than the gift value.
- b. Checks shall be made payable to "NCLS." In no event shall a check be made payable to an employee, agent, or volunteer who represents NCLS.
- c. Gifts can come from following donor classes,
  1. Individual – either from NCLS members or from none members
  2. Corporations – either direct funding or through gift matching program
  3. Charities – either direct funding from these charities or through donor appointed transfer programs.

#### **2. Gifts of Non-Real Estate Personal Property**

- a. In general, NCLS does not accept personal properties other than cash or check. However, certain personal properties that can be directly used in school's operations can be accepted following a special evaluation of the acceptability of such personal property. Typically, these properties include personal computer, communication equipment, office equipment and supplies, etc.
- b. In evaluating the costs associated with receiving a gift of personal property, the following will be taken into consideration:
  - transportation costs;
  - storage costs;
  - cost of maintenance and repairs;
- c. The value of a gift of personal property shall be determined by a qualified appraisal under the terms of the Internal Revenue Code. Donors must complete IRS Form 8283 and all other required government documents. Donors will be informed at the time of the acceptance of such a gift that NCLS will fully cooperate in all matters related to IRS investigations of non-cash charitable gifts.

### **B. Restricted Gifts/Endorsements**

1. Gifts to NCLS may be restricted in their use if the proposed use is consistent with the school's educational and cultural exchange missions, and the restrictions do not violate the school's ethical standards or require illegal discrimination.
2. FGAC may approve significant restricted gifts only after consultation with the school principal and school board if needed.
3. FGAC reserves the right to change the designated purpose or purposes of any restricted gift if the restriction prevents the school from using the gift to fulfill the donor's intentions or becomes impractical, unnecessary, or undesirable. Approval of such change shall require a unanimous vote of FGAC members as well as

the principal.

4. Prospective donors will be made aware that the school can change, at its discretion, the purpose of a restricted gift and that no changes will be made before a reasonable effort is made to hold a discussion with the donor, or if then deceased, his or her surviving spouse or children, or such other persons designated by the donor.

5. Types of Restricted Gifts

- a. Designated cash gifts of any size may be made to an existing endowment fund of NCLS.
- b. A Named Endowment gift carrying the name or names of the donor may be established with a minimum of \$ 10,000, assuming that the purpose of the endowment is acceptable to FGAC.

**C. Payment of Fees Related to Gifts**

- 1. NCLS may incur and pay reasonable fees for the professional services rendered to the in direct connection with the completion of a gift to NCLS.
- 2. In the instances in which advisors retained by NCLS prepare documents or render service of any kind to NCLS and/or the donor to NCLS, the donor shall be informed that the professional involved is in the employ of NCLS and is not acting on behalf of the donor, and that any advice given or documents prepared should be reviewed by counsel for the donor before completion of the gift.

**VI. GIFT RECOGNITION**

NCLS encourages gifts in support of its mission as a private non-profit community language school. All donors are to be sent gift acknowledgement letters and receipts as soon as gifts are accepted. In addition, NCLS will recognize and honor the donor family with appropriate awards.

Once again, NCLS welcomes gifts in any sizes. NCLS encourages its staffs, students, parents and any other school members to generously donate gifts to school. With these helps, NCLS will become more financially sound, therefore carry out more activities in promoting its mission statements, provide better learning environment for our students in learning Language and culture, and provide more programs within the school and to the mainstream society.