

Annual Report For TrueGift Donations
1/20/01

TrueGift Donations was founded with the mission of filling a critical need – the need for ordinary supplies such as pencils, glue and construction paper in our nation's schools. Our research indicates that this need is only superficially addressed in the budgets of school districts nationwide. Nearly every teacher we surveyed spent substantial amounts, sometimes 5% of gross salary, simply to supply their classroom with the basic implements of their trade. TrueGift believes that our children can be better served.

TrueGift provides, as a service to the community, an internet based registry of the supplies needed most urgently by each participating classroom. The teachers articulate these needs to form the registry, and the registry is updated as supplies are contributed. The TrueGift business model provides two ways for donors to contribute.

The first model, which I'll call the conventional charity model, depends on cash donations to TrueGift as a 501 (c) (3) corporation. Individual contributions may sometimes be matched by corporate employers. These contributions are then used to purchase and deliver school supplies according to the donors instructions, if any. For example, the donor can select a state, district, school or classroom to which contributions are directed. In addition to providing the registry of needed supplies, TrueGift has developed expertise and efficiencies in purchasing and delivery that result in more supplies being delivered.

The second model, which I'll call the direct donation model, depends on in-kind donations of supplies directly to classrooms. Donations to accredited schools are usually tax deductible. Using the registry, donors can be assured of the need for their donations. By delivering supplies themselves or via U.S. Mail, donors can be assured that 100% of their contribution has reached the desired classroom(s). By informing TrueGift of their donation, they can help keep the registry up to date.

At this time, neither model is working especially well, though they fail for different reasons. The first model relies on the 501(c)(3) status of TrueGift – a status that is expected in 2001. At this time TrueGift is a registered non-profit in the state of California. The second model relies on an accurate registry and a reliable way of keeping it up to date. Since TrueGift is an all volunteer organization, the registry must be more or less automatic. Creating an effective internet site for this purpose has taxed the technical know how of TrueGift. At present, the site works as an effective way to explain TrueGift's mission, sign up teachers and schools, and post a static registry updated periodically.

In spite of these problems TrueGift has facilitated donations of approximately \$1000 worth of school supplies in 2000. Most of these were donated to Steinbeck middle school in San Jose, with the balance (about \$100 worth) going to the School of Wisdom and Knowledge Preparatory Academy in East Palo Alto. All told, 29 teachers participated and received supplies such as pencils, glue sticks, and construction paper. An accounting of the donations, and a current registry is contained in an appendix. All donations used the direct donation model – TrueGift did not handle any donated money. All expenses (internet registration, ISP service, etc) were handled by the founders and are not claimed as a tax deduction.

Calendar year 2000 marked the first year of operation for TrueGift Donations. A number of important steps were taken, and with each step we learned more. We expect TrueGift to continue operations in 2001 and donate approximately \$3000 worth of supplies to various schools. We expect to add approximately 20 teachers, including some from states other than California. We also expect to achieve 501(c)(3) status and increase the number of different donors from two to four. TrueGift will seek corporate donations in 2001.