

Annual Report For TrueGift Donations

1/12/02

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 nations 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, the second model is working much better than the first. The first model relies on the 501(c)(3) status of TrueGift – a status that that Truegift does not yet have. Some progress has been made in understanding the application process, but no application has been made at this time. It is TrueGift's intention to apply for 501(c)(3) status .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 and the site was not up to date at the start of the school year. However, this year Charles Merriam has made great strides in automating the registry and it now handles registrations and requests without difficulty. The site also works as an effective way to explain TrueGift's mission and provides a tangible presence for the organization

TrueGift has facilitated donations of approximately \$3400 worth of school supplies in 2001. These came from four different donors including two who are not known to us. Most of these were donated to Steinbeck middle school and Pioneer High School in San Jose, with the balance going to various schools in Washington, New York, South Carolina, and Kansas. Approximately 30 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. Of course, because of the direct donation model, there may be contributions we don't know about. Total strangers can contribute using the online registry which contains about 200 schools and 250 teachers at this writing. Most expenses (internet registration, ISP service, etc) were handled by the founders and are not claimed as a tax deduction, however we received one contribution of \$400 from Pipevine.

Calendar year 2001 marked the second 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 2002 and donate approximately \$5000 worth of supplies to various schools. A key part of the strategy involves publicizing TrueGift at the school level to involve parents of students. We also expect to achieve 501(c)(3) status and increase the number of different donors from four to ten.