



TrueGift Donations

2003 Annual Report For TrueGift Donations

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 donor’s 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 both models are working well. TrueGift became a registered 501(c)(3) charity in 2002. In 2003 donations were obtained from several sources. In kind donations of supplies totaled \$307.50. Cash donations totaled \$5506.41. These funds, and some reserves, were used to purchase, pack and ship supplies to 131 teachers in 30 schools nationwide. Over the course of the year TrueGift learned ways to purchase larger quantities of goods at lower prices, ship them most efficiently, and simplify the company recordkeeping.

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 further improvements in automating the



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registry and it now handles registrations with fewer errors and duplications. He also sorted the lists by teacher, city and school, which makes it easier to find a particular classroom. At this writing, the site contains lists for 269 teachers in 75 schools in 22 states. The site also works as an effective way to explain TrueGift's mission and provides a tangible presence for the organization.

TrueGift has provided or facilitated donations of approximately \$6100 worth of school supplies in 2003, a 74% increase over 2002. Shipping costs consumed significant funds in 2002, and made it impractical to donate paper through the mail. With this in mind, a significant portion of all donations went to schools in San Jose (hand delivered) such as Steinbeck middle school and Pioneer High School, with the balance going to 28 other schools in 15 states. A total of 131 (up from 73) teachers participated and received supplies such as pencils, glue sticks, and construction paper. This year, there were a number of anecdotal reports of direct donations as well. Of course, because of the direct donation model, it is difficult to confirm or measure these - and there may be contributions we don't know about. Total strangers can contribute using the online registry. There was one confirmed report of approximately \$94 in supplies going to George Meany Middle school in New York.

TrueGift's funding this year came through the generosity of 5 donors, including PG&E. In addition to a cash contribution, PG&E was kind enough to donate some supplies, which were distributed to classrooms in PG&E's service area.

Calendar year 2003 marked the fourth year of operation for TrueGift Donations. We expect TrueGift to continue operations in 2004 and donate approximately \$10,000 worth of supplies to various schools. This will require some fundraising, as well as additional improvements in internal efficiency. The challenge is to provide maximum efficiency for our donors while providing the critically needed supplies to America's Schools.



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Financial Statement

1/1/2003-12/31/2003

Assets

Opening Balance	3698
Opening Inventory	1672
Direct Contributions	5506
In Kind Contributions	308
<hr/> Total Assets	<hr/> 11184

Liabilities

Supplies Delivered (including postage)	6187
Website Expenses	300
EFax Expenses	100
Year End Balance	683
Year End Inventory	3914
<hr/> Total Liabilities	<hr/> 11184

Treasurer's Notes

1. In kind contributions consist mostly of school supplies purchased for TrueGift for inventory or delivered directly to schools. Price was determined through receipts or through price paid by TrueGift for similar items at about the same time.

2. Postage and mailing supplies added up to \$165 or about 3% of the operating budget. This is not listed as a separate expense because some supplies were purchased with delivery included. For those supplies it is not possible to determine the amount paid for delivery.

3. Website expenses consist of the service provider fees for connecting the Internet; essentially, electronic rent for www.truegift.com. EFax expenses represent the costs of maintaining a fax number. Together these represent about 7% of supplies delivered.