

Salem High School Alumni Association

Gift and Recognition Policy



The Salem High School Alumni Association (“association”) is incorporated in the state of Ohio under the name "The Scholarship Committee, Incorporated, of the Salem High School Alumni Association." The corporation operates as a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code.

INTRODUCTION:

The Salem High School Alumni Association was organized in 1882 and created the first high school alumni scholarship fund in Ohio in 1903. The first scholarship was awarded in 1908.

At the time of this policy creation in 2019, more than \$7.6 million has been awarded to nearly 2,900 recipients. Thanks to generous alumni and donors over the past 137 years, the association’s portfolio stands at over \$10 million.

In order to standardize recognition of our past and future donors for their significant gifts in advancing the mission of the association, the Salem High School Alumni Association has created this Gift and Recognition Policy.

PURPOSE:

The purpose of the Gift and Recognition Policy is to define the procedures to be used in the acceptance of gifts and the procedures for recognition of such gifts.

A separate Finance Policy establishes the responsibilities, methods, and procedures for the maintenance and oversight of the financial records of the assets, receipts, and expenditures of the association.

As well, a separate Investment Policy establishes the long-term investment goals and objectives of the association; defines the procedures and standards for managing, overseeing, and monitoring performance of the portfolio; and sets forth the requirements for the investment advisor(s) who may be chosen to oversee the funds of the association.

These policies are intended to protect the association and its members, board, staff, and volunteers.

ACCEPTANCE OF GIFTS:

A charitable contribution is a donation or gift to, or for the use of, a qualified organization such as the Salem High School Alumni Association. It is voluntary and is made without receiving or expecting to receive anything in return.

The association may accept gifts made by individuals, families, class years, organizations, businesses, or foundations in accordance with the provision of this policy.

Acceptance of all gifts shall follow requirements of the Internal Revenue Service for a 501(c)(3) organization.

Nothing shall compel the association to accept any gift. Acceptance of a gift shall not imply or require endorsement of the donor. All gift acceptance decisions are made solely by the board. Possible reasons for a gift not being accepted include, but are not limited to, the following:

- An actual or perceived conflict of interest exists.
- Donor's private or professional values and actions do not align with those of the association.
- The gift runs counter to or beyond the scope of the association's mission.
- The gift or terms set forth by the donor are deemed inappropriate or illegal.
- The gift could financially jeopardize the association.
- The gift could jeopardize the tax-exempt status of the association.
- The gift has unreasonable restrictions.
- The association does not have the resources to honor the terms of the gift.
- The fair market value of the gift could not be reasonably determined or will result in an unreasonable expense to the association for such determination.
- There are physical or environmental hazards associated with the gift.
- The gift would inhibit the procurement of other gifts from other donors.
- The donor does not have a Donative Intent as the primary reason for making the gift. Donative Intent shall be defined as the intent to give away something of value for the betterment of the association.
- The gift disproportionately benefits the donor rather than providing benefits to the association.

Board approval shall also be required for all gifts for which (1) specific tax-reporting requirements may exist or (2) the donor has requested specific restrictions on the use or distribution of such gifts.

Acceptance of Cash, Marketable Securities, and Other Non-Cash Gifts:

The association will accept cash gifts and marketable securities. Single cash contributions of \$250 or more shall be issued a receipt according to the Internal Revenue Service requirements for a 501(c)(3) organization. The board shall direct the investment advisor to liquidate marketable securities within 14 days of receipt.

Memorabilia shall only be accepted if affiliated with the Salem City School District or related extracurricular activities.

Acceptance of any other type of gift shall be made only with approval of the board.

Nothing shall require the association to retain and hold memorabilia or other physical assets, in donated form, unless agreed to in writing at the time of acceptance.

For tax receipt purposes, the value of any non-cash gift, including marketable securities, memorabilia, and other physical assets, shall be neither valued by the association nor reported on a receipt provided to the donor. Special Internal Revenue Service reporting of the disposal may be required.

Estate Planning: The association may assist living donors with estate planning to memorialize gifts. The

board, in conjunction with the donor, may create and maintain specific written criteria to honor the intent of the donor.

Estate planning methods include, but are not limited to, charitable remainder trusts, charitable lead trusts, bequests, remainder interests, retirement plan assets, and life insurance designations. The association will not provide legal advice but may be consulted in such planning.

Restricted and Unrestricted Funds: Restricted Funds are monetary gifts accepted by the association for a particular purpose as a result of designated giving or through specific fundraising. Funds may also be board-designated as Restricted Funds to a specific purpose. Improper use of Restricted Funds could result in legal jeopardy, tax penalties, or potentially loss of tax-exempt status.

Unrestricted Funds are monetary gifts which may be used for any legal purpose appropriate to the mission of the association.

The finance committee shall make a recommendation to the board to designate gifts as either Restricted Funds or Unrestricted Funds.

All future income and growth from Restricted Funds shall not accrue to said Restricted Funds. All income and growth from both Restricted Funds and Unrestricted Funds shall fall under the spending provisions set forth in the Finance and Investment Policy.

Restricted Funds shall be reviewed annually by the finance committee (Exhibit 1).

Pass-through Gifts: Restricted gifts which are accepted by the association to be directly distributed (Pass-through Gifts) are not encouraged by the association and will be only accepted with approval of the board. If accepted, Pass-through Gifts shall be designated as Restricted Funds until the gift is fully distributed. The balance of a Pass-through Gift which is not distributed in the same calendar year shall be held in cash, cash-equivalent, or US Treasury bills until fully distributed.

The income and growth of a Pass-through Gift, while in the possession of the association, shall fall under the spending provisions set forth in the Finance and Investment Policy.

DOCUMENTATION:

Gifts to the association may be made in the name of a donor, family, friends, class year, organization, business, or foundation; in recognition, honor, or memory of an individual or family; or for a Special Fundraiser such as a capital/building fund.

Single donation of funds to the association may be only designated for one purpose such as to the donor, a memorial, a class donation, or a contribution toward a future Named Scholarship. When more than one designee is requested at the time of fund donation without a donor-provided breakdown, such donated funds will be split equally to all designees. Unspecified donations will be designated to the donor.

In the case of a gift in memory of a deceased individual or family, an acknowledgement letter will be sent to a family member or other designated individual.

Unless anonymity is requested, donation of funds will be made public through the communications of the association.

When requested, future donated funds may be tallied over time toward a specific designation such as a Named Scholarship for the donor or a class.

RECOGNITION:

In order to standardize recognition of our past and future donors for their significant gifts in advancing the mission of our association, the Salem High School Alumni Association has created the following recognition Societies (Exhibit 2):

- **1882 Founders Society:** membership for donation of funds totaling at least \$500,000
- **Quaker Lady Society:** membership for donation of funds totaling at least \$250,000
- **Quaker Sam Society:** membership for donation of funds totaling at least \$100,000
- **Leaders Society:** membership for living donors of funds totaling at least \$10,000

- **Lifetime Society:** membership for continuous annual donations of at least \$100, recognized after three years of giving

- **Legacy Society:** membership for living individuals who commit to leave a legacy through estate planning

- **Memorial Society:** membership for deceased individuals or families who have given or bequeathed funds, or for whom memorial donations have been made, totaling at least \$10,000 but less than \$100,000

Special recognition will be given to Society members at the association office and in the communications of the association.

The association's **Academic Merit Scholarships** are provided through the generous donations of all donors to the Salem High School Alumni Association.

The association's endowed **Named Scholarships** are bestowed in recognition of donation of funds totaling \$100,000 or more (Exhibit 3).

The association's **Memorial Society Awards** are provided to honor the Memorial Society members.

1882 Founders, Quaker Lady, Quaker Sam, and Leaders Societies: For individuals, families, class years, organizations, businesses, or foundations that have made donation of funds to the association, including through an estate or with the assistance of other benefactors, totaling at least \$500,000 for 1882 Founders Society, \$250,000 for Quaker Lady Society, \$100,000 for Quaker Sam Society, or \$10,000 for Leaders Society, the board may bestow membership at the appropriate giving level for their significant gift in advancing the mission of the association unless anonymity is requested.

The association's endowed Named Scholarships may be bestowed in recognition of donation of funds totaling \$100,000 or more.

Upon their passing, Leaders Society members shall be transferred to the Memorial Society to commemorate their generosity.

Lifetime Society: For individuals who make continuous annual donation of funds to the association of at least \$100, recognized after three years of giving, the board may bestow Lifetime Society membership unless anonymity is requested.

Membership will terminate at the beginning of a new year if donations are not received within the past calendar year.

Legacy Society: For living individuals who commit to leave a legacy through estate planning and who submit the approved written acknowledgement of such intent, the board may bestow Legacy Society membership unless anonymity is requested. The board, in conjunction with the donor, may create and maintain specific written criteria to honor the intent of the donor.

Memorial Society: For deceased individuals or families who have given or bequeathed funds, or for whom memorial donations have been made, totaling at least \$10,000 but less than the \$100,000, the board may bestow Memorial Society membership unless anonymity is requested.

Special financial awards will be given in honor of the Memorial Society members (Memorial Society Awards).

Academic Merit Scholarships: Unrestricted Funds are used to provide scholarships to reward academic achievement through the generous donations of all donors to the Salem High School Alumni Association under the terms set forth in the Scholarship Policy.

Named Scholarships: For individuals, families, friends, class years, organizations, businesses, or foundations that have made donation of funds to the association, including through an estate or with the assistance of other benefactors, totaling at least \$100,000, the board may bestow an endowed Named Scholarship with the intention of distributing \$5,000 annually in scholarship funds unless anonymity is requested.

During a Special Fundraiser such as a capital campaign, unless the donor or estate restricts or requests that such donated funds at the time of receipt be attributed to a Named Scholarship, the board may bestow special naming recognition toward such purpose rather than a Named Scholarship.

Donation of funds made above \$100,000 shall be considered Unrestricted Funds to the association and will assist in providing Academic Merit Scholarships and other support of the association unless at the time of donation receipt, the donor or estate restricts or requests that additional donated funds, in \$100,000 increments, shall provide for (a) multiple Named Scholarships, (b) additional \$5,000 annual distribution toward their existing Named Scholarship, or (c) a restricted gift toward a board-approved purpose. When requested, residual donated funds below \$100,000 may be tallied with future donations toward additional recognition as above. For each Named Scholarship, the amount of \$100,000 shall be designated Restricted Funds.

Named Scholarships funds may be distributed only to current students or graduates of the Salem High School. Named Scholarships funds may be directed to a specific educational level, an educational or career vocation, or to an individual with unique achievements or characteristics as approved by the board following applicable scholarship policies.

The association, through the scholarship committee under the terms set forth in the Scholarship Policy, shall (1) create the name and selection criteria for the scholarship in conjunction with the donor or donor representatives, as possible, (2) advertise and oversee the annual application process, (3) select the recipient or recipients for the scholarship and the amount of funds to be distributed based on association guidelines, and (4) present the scholarship at the Annual Reunion and Banquet or other event as determined by the board. In no case will the association be compelled to award funds to any specific individual except those chosen through the above process.

Unless otherwise specified by the board, initial scholarship disbursement shall be granted no sooner than 12 months after the acceptance of such donation. Nothing shall require the board to distribute funds each year unless a qualified individual or individuals apply for and are selected by the scholarship committee. Funds may be split among multiple recipients or across multiple Named Scholarships of the same donor. Undistributed funds will not be rolled forward to a future year without board approval.

Named Scholarship donors will be honored at the association office, acknowledged at the Annual Reunion and Banquet or other event, and in the communications of the association. A Named Scholarship donor may make a change to the name or selection criteria of the scholarship with approval of the board. The donor will be responsible for any reasonable costs associated with such change which could include purchase of replacement plaques, signage, and website design.

The board reserves the right, at its sole discretion, to modify or revoke any obligation regarding Named Scholarship designation, selection criteria, application process, recipient selection, and distribution and shall have no financial responsibility to return any funds to the donor. Such revocation may include a significant perceived or proven legal or ethical impropriety on the part of the donor.

Memorial Society Awards: Unrestricted Funds are used to provide financial awards given in honor of the members of the Memorial Society.

SPECIAL FUNDRAISERS:

From time to time, the association may hold a Special Fundraiser for a specific purpose such as a capital campaign, the proceeds of which shall be restricted. Such events may provide recognition tokens, meals, plaques, or other such items. Other than token gifts, the value of such items shall be documented and disclosed on the donor receipt per Internal Revenue Service guidelines for the exchange of goods and services.

Exhibit 1

FUNDS WITH RESTRICTION

Updated: 10-1-2019

<u>DONOR RECOGNITION VEHICLE</u>	<u>RESTRICTED AMOUNT</u>
DORIS TETLOW SCHOLARSHIP	\$100,000
EMMA BAUMAN HOLMES VOCATIONAL SCHOLARSHIP	\$100,000
FLORENCE C. SCHAFER SCHOLARSHIP	\$100,000
FLOYD AND CORA MAY REICH STONE VOCATIONAL SCHOLARSHIP	\$100,000
GREENISEN COLLEGE LEADERSHIP SCHOLARSHIP	\$100,000
GREENISEN LEADERSHIP SCHOLARSHIP	\$100,000
HICKEY METAL FABRICATION VOCATIONAL SCHOLARSHIP	\$100,000
HOWARD (DOC) PARDEE INSTRUMENTAL MUSIC SCHOLARSHIP	\$100,000
J. ROBERT SEBO ACHIEVEMENT SCHOLARSHIP	\$100,000
J. ROBERT SEBO BOWLING GREEN STATE UNIVERSITY SCHOLARSHIP	\$100,000
J. ROBERT SEBO COLLEGE SCHOLARSHIP	\$100,000
JOHN F. CONE HUMANITIES SCHOLARSHIP	\$100,000
JOHN MICHAEL POZNIKO ENGINEERING SCHOLARSHIP	\$100,000
JOHN P. SHARP JR. ENGINEERING SCHOLARSHIP	\$100,000
JOHN P. SHARP JR. OUTSTANDING PERFORMANCE SCHOLARSHIP	\$100,000
JOHN P. SHARP JR. SCHOLARSHIP OF PROMISE	\$100,000
JOHN P. SHARP JR. ENTREPRENEURSHIP SCHOLARSHIP	\$100,000
JOHN R. STRATTON AND CAROLYN WEBSTER-STRATTON MEDICAL STUDENT SCHOLARSHIP	\$90,000 (Pass-through) Total Distributed \$10,000
LEON H. AND ENID COLLEY SCHOLARSHIP	\$100,000
LOIS A. PETERS MEMORIAL BUSINESS SCHOLARSHIP	\$100,000
NANCY HICKEY MEMORIAL HEALTHCARE SCHOLARSHIP	\$100,000
NINA J. CONE AND STEPHEN F. CONE MUSIC SCHOLARSHIP	\$100,000
SALEM HIGH SCHOOL CLASS OF 1966 SCHOLARSHIP	\$100,000
SALEM HIGH SCHOOL CLASS OF 1968 SCHOLARSHIP	\$100,000
VIRGINIA E. SNYDER SCHOLARSHIP	\$100,000
TOTAL RESTRICTED	\$2,490,000

Exhibit 2

Updated: 10-1-2019

1882 FOUNDERS SOCIETY MEMBERS (\$500,000 and above):

- Leon H. and Enid Colley

QUAKER LADY SOCIETY MEMBERS (\$250,000 and above):

- John F. Cone '44, Ph.D.
- Max M. Fisher '26
- Charles F. Fox
- Robert '50 and Nancy Howell '53 Hickey Family
- J. Robert Sebo '54
- John P. Sharp Jr. '46
- Floyd W. Stone, D.D.S., and Cora May Reich Stone '35

QUAKER SAM SOCIETY (\$100,000 and above):

- Joel E. Greenisen '51
- Emma Bauman Holmes '43, Ph.D.
- Howard (Doc) Pardee Family and scholarship benefactors
- C. Richard and Dorothy Pozniko '52 Beam
- Florence C. Schafer '23
- Virginia E. Snyder '43 and scholarship benefactors
- John R. Stratton '64, M.D., and Carolyn Webster-Stratton, Ph.D.
- Doris Tetlow '22
- Salem High School Class of 1966
- Salem High School Class of 1968

LEADERS SOCIETY (\$10,000 and above):

- Nancy Cope Murphy '58, Michele Cope Weaver '60, Susan Cope Guehl '65
- Philip '61 and Marjory Greenisen
- David '66 and Kathleen Scahill Roberts '68
- Matt Yerkey '82, D.D.S., and Wanda Yerkey

LIFETIME SOCIETY (annual giving of \$100 and above per year for at least past three years):

LEGACY SOCIETY (commit to leave a legacy through estate planning):

MEMORIAL SOCIETY (deceased individuals or families who have given or bequeathed funds, or for whom memorial donations have been made, totaling at least \$10,000 but less than the \$100,000 needed for a Named Scholarship):

- Ruth Ann Altenhof '53
- D. Nelson and Marion Bailey
- John George Birk '36
- Burt (Carl) '42 and Mary Capel
- Fred E. '25 and Doris S. Cope
- Mary Anderson Dunn 1897
- Wade '29 and Stella Loop
- William Guappone '35
- Harold F. Hoprach '38, M.D.
- Betsy Young Johnson '59
- David W. Jones '43, M.D.
- Henry '37 and Aliliva Juhn
- Joseph F. Kelley '45, M.D.
- Jack B. Lozier '48
- John Mulford Sr. 1917
- Donald and Betty Roessler '42 Greenamyre
- Mildred Barber Schuster '33
- J. Floyd Stamp '32
- Dorothy Failer Sullivan 1921
- Eleanor Szkola '37
- Olive Tetlow
- Harvey Walken '46
- Edith Lynn White 1917
- Eugene '27 and Virginia Young

Exhibit 3

Updated: 10-1-2019

NAMED SCHOLARSHIPS:

- CHARLES F. FOX MEDICAL SCHOLARSHIP
- DORIS TETLOW SCHOLARSHIP
- EMMA BAUMAN HOLMES VOCATIONAL SCHOLARSHIP
- FLORENCE C. SCHAFER SCHOLARSHIP
- FLOYD AND CORA MAY REICH STONE VOCATIONAL SCHOLARSHIP
- GREENISEN COLLEGE LEADERSHIP SCHOLARSHIP
- GREENISEN LEADERSHIP SCHOLARSHIP
- HICKEY METAL FABRICATION VOCATIONAL SCHOLARSHIP
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- JOHN R. STRATTON AND CAROLYN WEBSTER-STRATTON MEDICAL STUDENT SCHOLARSHIP
- LEON H. COLLEY SCHOLARSHIP
- LOIS A. PETERS MEMORIAL BUSINESS SCHOLARSHIP
- MAX M. FISHER ATHLETIC SCHOLARSHIP
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