

# Proposed SAYMA Policy on Contributions

## I. Purposes

The purposes of this policy are as follows.

1. Establish a structure that will support acceptance of contributions from donors who want to support SAYMA's work.
2. Clarify responsibility for determining functions for which earmarked contributions to SAYMA are welcome.
3. Ensure consistency and accountability in handling contributions to SAYMA, including ensuring that any donor restrictions (earmarks) are observed.
4. Establish responsibility for communicating to potential and actual contributors about relevant policies.

## II. Definitions

*Unrestricted contribution.* Contribution to SAYMA received from a donor without restriction for a specific purpose.

*Earmarked contribution:* Contribution to SAYMA received from a donor with restriction for a specific purpose.

*Set-aside funds:* Money which YM or RM has set aside in a fund for a specific purpose. The unspent balance in a set-aside fund is carried forward from year to year. Money is put into a set-aside fund with the intention that the money will be available for a specific purpose over the course of years. However, if SAYMA determines that the money is no longer needed for the purpose or that priorities have changed, YM or RM can move money out of a set-aside fund and/or close the set-aside fund.

*Pass-through contribution:* Contribution which the donor intends to be re-granted to another organization.

## III. Acceptance of Contributions

SAYMA accepts unrestricted contributions of cash or publicly traded securities. If the purpose of a contribution is not specified by the donor, it is assumed to be unrestricted. All unrestricted contributions go into the General Fund.

SAYMA accepts earmarked contributions of cash or publicly traded securities under the following conditions:

1. The donor agrees that the restriction will last a maximum of 10 years from the time of the donation. If the donated funds remain unspent after that period, SAYMA may at its discretion re-purpose the funds. Such re-purposing requires a decision by YM or RM.
2. Earmarked contributions may be made for the same purpose as any set-aside fund established by SAYMA. As of the adoption of this policy, SAYMA's set-aside funds are:
  - FWCC 3<sup>rd</sup> World Delegates Fund
  - Released Friend Fund
  - Spiritual Development Fund
  - YAF Scholarship Fund

- Youth Enrichment Fund
  - URJ Fund
3. Through the decision of YM or RM, SAYMA may accept contributions earmarked for specific purposes without a set-aside fund.

Prior to acceptance of gifts in forms other than cash or marketable securities (e.g. real property, personal property, in-kind gifts, and non-liquid securities) the Finance Committee will review them to determine whether SAYMA will accept them because they may raise special obligations or pose liabilities for SAYMA.

SAYMA does not accept pass-through contributions.

SAYMA does not accept contributions earmarked for specific lines in the General Fund budget.

#### IV. Accounting For and Spending Earmarked Contributions

Within the accounting system, a separate balance sheet fund is established for each purpose for which earmarked contributions have been approved. This applies whether or not there is a corresponding set-aside fund for the same purpose.

When both an earmarked fund and a set-aside fund support the same purpose, money from the earmarked fund is used first. The same approval authority and the same processes apply to the earmarked fund and the set-aside fund.

#### V. Responsibility for Approving Earmarks without Set-Aside Funds

Either YM or RM can add to the purposes for which earmarked contributions are accepted or can discontinue acceptance for a previously acceptable purpose. Factors to consider in adding to the purposes include but are not limited to the following.

1. **How specifically or generally to describe the purpose.** Once an earmarked contribution is accepted, it must be used for that purpose. Too broad a definition can discourage earmarked contributions from interested supporters. On the other hand, a narrowly defined purpose can needlessly constrain the use of the funds.
2. **Administrative burden.** Once a donor-restricted contribution is received, it needs to be accounted for and included in reporting until the end of the fiscal year in which it is fully expended, or until SAYMA repurposes the funds after the established period. This administrative burden needs to be balanced against the opportunity to raise more funds for an identifiable purpose, and to support donors' leadings to contribute to those purposes.
3. **Spending authority.** As noted above, when there is a set-aside fund for the same purpose, the same authority for approving expenditures is followed for the earmarked fund as the set-aside fund. When adding a purpose for earmarked contributions without a corresponding set-aside fund, YM or RM must also decide which position of responsibility within SAYMA has the authority to approve expenditures from the earmarked fund.

## VI. Communication with Donors and Potential Donors

SAYMA intends to communicate that contributions to support SAYMA's work are welcome. This can be accomplished through the SAYMA website, newsletter and other means.

Any solicitation of earmarked contributions must include an explanation that if an earmarked contribution remains unspent for 10 years, SAYMA may at its discretion re-purpose the funds. This is the responsibility of the individual or group preparing the solicitation.

The finance committee will develop a contribution form for the website and other solicitations, and update the form as needed. The form will list the purposes for which earmarked contributions are accepted as well as indicate that unrestricted contributions to SAYMA are welcome. Donors can indicate the purpose of their contribution by using the form, by writing clearly in the memo field of a check, or by a note accompanying a contribution.

The treasurer will acknowledge contributions of \$50 or more with a thank-you letter that identifies whether the contribution is unrestricted or earmarked. For earmarked contributions, the letter will also 1) acknowledge the purpose for which the contribution was made and 2) state the SAYMA policy that if an earmarked contribution remains unspent for 10 years, SAYMA may at its discretion re-purpose the funds.