Best Practices ♦ Ethical Considerations ♦ Case Studies

MATCHING GIFT ADMINISTRATION
Examining the Evolving World of Matching Gifts

FOURTH EDITION

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The **HEP/CASE Matching Gift Network** is the premier broker of matching gift information. Corporations administer matching gift programs and work with employees to increase philanthropy by matching individual contributions made to eligible nonprofit organizations. The HEP/CASE Matching Gift Network provides guidance and tools both to companies wishing to create or enhance matching gift programs and to nonprofit recipient organizations seeking to maximize funds raised through employer matching gifts.

The **Council for Advancement and Support of Education (CASE)** is one of the largest international associations of education institutions, serving more than 3,400 universities, colleges, schools and related organizations in 61 countries. CASE is the leading source for professional development, information, and standards in the fields of education fundraising, communications, and alumni relations. HEP Development Services helps nonprofit fundraisers recognize the value of accurate data. HEP specializes in data enhancement—focusing in the areas of prospect research, matching gift identification and address/phone/e-mail appending.

In July 2007, the CASE Matching Gifts Clearinghouse joined forces with HEP Development Services to create one collaborative matching gift program—the HEP/CASE Matching Gift Network—allowing users of both CASE and HEP services to take advantage of one comprehensive program. The organizations' combined resources make it easier for fundraisers and donors to identify match opportunities and ultimately raise more funds for their organization.

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In 1954 the General Electric Foundation introduced a new concept to the world of corporate philanthropy. This concept, which enabled the company to support the colleges and universities that had educated its employees and encouraged its employees to contribute to their own alma maters, became known as the General Electric Corporate Alumnus Program.

Introduced by Philip D. Reed, retired General Electric Company board chairman and then chairman of the General Electric Foundation’s Board of Trustees, the program accomplished many important goals. Reed’s views were clear: “It seems appropriate and fair,” he said, “that both the individuals and the organizations with which they ally themselves should undertake some measure of support for the colleges and universities which play so important a role in American life.” Time would show that in this opinion, he was not alone.

Many corporate executives, in an effort to stimulate support for educational institutions, have followed the General Electric model. The HEP/CASE Matching Gift Network now tracks more than 15,000 companies that support matching gift programs, and a growing number of these programs support organizations well beyond educational institutions, contributing to a broad range of nonprofit entities. The Council for Aid to Education’s (CAE) 2008 Voluntary Support of Education (VSE) Survey reports that matching gifts as a percentage of corporate giving increased over 2007 as did the total dollars received, which rose to $175 million in 2008, compared with $169 million in 2007.*

So, what are matching gifts? They always start with a contribution from an employee or other eligible individual sanctioned by a corporation, like a spouse or retiree, for example. This gift, when made to an eligible organization, is matched by the corporation. Current match ratios vary widely. Corporations may match employee gifts one-to-one, while other organizations may match up to five times the employee contribution. Programs have also become more flexible in recent years, in some cases (as in the “Dollars for Doers” programs) matching time with a monetary contribution.

Matching gift programs have stimulated individual giving nationally and internationally. The reasons for their success is clear: They challenge both

*Excludes corporate foundations.

Philip D. Reed, architect of the General Electric Foundation’s matching gift program, the first of its kind.
the individual and the recipient organization to take advantage of the potential increase in support offered by companies, and with the variety of different programs, matching gifts meet almost any objective and fit almost any budget. However, no standard exists with which corporate matching programs must comply, and the necessary flexibility of matching gift programs has presented challenges for those who must manage these gifts. In trying to follow guidelines, often on a company-by-company basis, recipient organizations have been faced with many questions, such as:

- How do organizations learn about matching gift programs?
- How can organizations guarantee compliance with eligibility requirements?
- What kind of information should organizations provide a company with so that they may qualify to receive a matching gift?
- Who is responsible for ensuring that matching gifts are administered appropriately and ethically?

In an effort to address these questions, the Matching Gifts Clearinghouse, now the HEP/CASE Matching Gift Network, participated in a joint task force on matching gifts nearly 20 years ago, along with representatives from the Council for Aid to Education (CAE) and the National Association for College and University Business Officers (NACUBO), as well as representatives from the corporate and education sectors. The task force had four broad goals:

1. To establish an environment in which more corporations would set up matching gift programs;
2. To promote responsible employee participation in matching gift programs;
3. To improve the management of matching gift programs for both corporations and nonprofit organizations by encouraging more communication and the development of formal standards for the administration of the program; and
4. To guarantee appropriate and ethical behavior in the solicitation and management of matching gifts.

The Matching Gifts Advisory Council (formerly the Joint Task Force on Matching Gifts) was formed and, with the aim of addressing the questions of all
concerned parties, produced two very useful books: *Guidelines for the Administration of Matching Gift Programs* (1983 and 1990) and *Case Studies in Matching Gift Administration* (1988). In 2005, the Matching Gift Clearinghouse, now the HEP/CASE Matching Gift Network, and the Matching Gifts Advisory Council felt it necessary and appropriate to revise and update these publications. This fourth edition of *Matching Gift Administration* includes all the updated information and also focuses on the ethical considerations relevant to matching gifts. The publication was written to assist both the nonprofit sector and those companies with matching gift programs by identifying and documenting policy statements concerned with matching gift administration and ensure the continued success of these programs.

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MATCHING GIFT ADMINISTRATION


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Since the establishment of matching gifts as a new philanthropic concept, programs have generated an increasing stream of income for educational institutions and other nonprofit organizations. However, matching gift programs provide more than money. The programs encourage donor motivation and volunteerism. Thousands of alumni and other friends give, or give more generously, because they know their gifts will be multiplied by their companies’ matches.

A growing number of companies are sponsoring matching gift programs, indicating the obvious strength of the concept. More than 50 years after the idea’s inception, matching gift programs continue to stimulate individual giving both nationally and internationally and their flexibility is clearly one of the main qualities that make them appealing to sponsors. With flexibility comes diversity. As a result, matching gift arrangements vary considerably from company to company. Although programs may differ, one thing is true of every one—it is understood that those who enter into the arrangement will, to the best of their understanding, adhere to the philanthropic intent and administrative parameters of a particular program.

Programs are built on trust and an understanding of mutual benefit. Ironically, what is inherently good about matching gift programs, their flexibility, is also the cause for increased concern. More than 1,000 corporations, subsidiary companies, and other small businesses utilize the matching gift concept. Each company sponsors programs with its own variations, developed to meet its own particular needs. The variety of administrative procedures, as well as differences in the nature of the programs themselves, has also increased the challenges. As a result, matching gift companies and recipient organizations are now much more likely to make errors while processing requests.

In publishing Guidelines for the Administration of Matching Gift Programs, the Matching Gifts Advisory Council sought to immediately address this increase in problems. It hoped to encourage continued growth of matching gift programs and to ensure the desired flexibility the programs provided to companies administering them. Guidelines clarified the responsibilities of those participating in the matching gift arrangement, taking the first steps to solving problems.
While that publication had great value, new concerns continued to arise. The guidelines are just that — guidelines. There are no concrete rules. Individuals must interpret the guidelines and make an ethical determination of how to proceed when faced with difficult circumstances.

This publication is designed to stimulate thinking and discussion about matching gift issues. In this role the HEP/CASE Matching Gift Network has had a unique opportunity to witness the challenges in matching gift administration that have surfaced in recent years. The original guidelines publication has been revised, updated, and incorporated into this document along with the case studies found in the previous issue of *Case Studies in Matching Gift Administration*. The purpose of the enclosed guidelines is to encourage all of us to consider every aspect of our matching gift program carefully, develop clear policies and procedures, and communicate them to interested and appropriate parties.

These guidelines are based on the recommendations of a broad spectrum of individuals experienced in corporate and nonprofit fundraising management. Development officers, business officers, and company matching gift managers reviewed earlier drafts of this document and offered their comments.

Both companies and recipient organizations administer matching gift programs within the wider context of total philanthropic support. Recipient organizations commonly receive contributions in a variety of forms outside those associated with a matching gift program. These guidelines are not meant to address general issues related to all charitable gifts. Instead, they address specific ways matching gift administration can build upon sound procedures and proper controls practiced within a more general context.

For these reasons, these guidelines are not intended to be comprehensive. While they represent a current consensus on a number of crucial issues, they do not preclude further discussions on subjects of importance as they present themselves.

Instead, these guidelines are intended to be seen as recommendations, not to set policy. This publication recommends that companies develop...
policies for eligibility or ineligibility concerning individuals, institutions, and types of contributions; it does not dictate the policies should be set.

The purpose of our guidelines is to affirm certain areas of responsibility that some companies and some recipient organizations apparently have rejected. In making these explicit in this document, we hope to expand the dialogue between companies and recipient organizations on how to improve the performance of matching gift programs in meeting mutual objectives. We would not suggest, for instance, that it is necessary that if employee spouses are considered eligible donors in one program, that every program consider them eligible, or that if museums are considered eligible recipients by one program, that every program must consider them eligible. We would instead urge institutions to thoughtfully consider adoption of the policy statements, modified to best suit the needs of the organization.

It should also be pointed out that the case studies presented in this publication are all fictional. They are, however, based on issues that have been the source of concern to both the donor and the nonprofit community. Each case presents a scenario that has as its focus an issue where serious problems have arisen in recent years. Cases are followed by sample corporate and/or nonprofit responses as well as by a discussion guide that will focus on four basic questions that should be considered whenever one is faced with a matching gift problem:

1. **What are the issues in the case study?** There may be one or many issues woven through the scenario. Some will be obvious, while others will be subtle.

2. **Does it meet the four-point test?** The four-point test has been developed to help determine whether a legitimate matching gift arrangement is really in question. If one accepts the fact that a matching gift is defined as an eligible gift from an eligible donor to an eligible organization for an eligible purpose, then if any aspect of the arrangement is ineligible, the arrangement is not legitimate. The four-point test asks: Is this an eligible gift? Is this an eligible donor? Is this an eligible organization? Is this an eligible purpose?

3. **What are the motivational factors or circumstances in the case?** The scenarios have been developed to highlight both personal and professional motivations. Some will be obvious and clearly stated; others will not. Sensitivity to these factors is the key in handling them in the most professional manner.
4. What is the responsibility of each person involved? First, you might identify the individuals in the scenario who have responsibility and who are in a position to alter the outcome of the situation. Once those individuals have been identified, you may want to review the enclosed guidelines to help determine where the basic responsibility lies. As the question of responsibility becomes more abstract, the guidelines may likely become less helpful. When faced with any situation that has the possibility of abuse of the matching gift program, the issues and appropriate ways of addressing those particular circumstances should be discussed with the institution’s or the corporation’s legal counsel.

The sample corporate and nonprofit responses that follow the case discussion guide in each section are intended to add another dimension to group discussions. Compare your responses with those provided and make note of where they agree and differ. The more open the dialogue and more time spent considering different interpretations of the sample scenarios, the more likely you are to choose the appropriate and ethical solutions to problems.

Matching gift programs should not be taken for granted. The active involvement and open communication of all involved parties will improve the process and help preserve the integrity of this growing area of support. If corporate sponsors feel they need to police programs in order to assure nonprofit compliance, matching gift programs will no longer be cost effective and corporate participation will dwindle. It is our hope, therefore, that this publication and continuing education through the HEP/CASE Matching Gift Network will serve to keep this important resource available.

* Based on findings by the Council for Aid to Education’s (CAE) Voluntary Support of Education (VSE) Survey (2008).
BEST PRACTICES AND ETHICAL CONSIDERATIONS

1. RESPONSIBILITIES OF COMPANIES SPONSORING MATCHING GIFT PROGRAMS

Prepared by Amy J. Phillips

It is the responsibility of each company to adopt a policy for its matching gift programs and to communicate this policy to eligible donors and recipient organizations.

1. Eligibility of potential recipient organizations: A clear statement should be made of those characteristics of organizations, organizational programs, or organizational activities that make organizations eligible for receiving matching gifts while others are not. Organizational characteristics that could be used to determine eligibility include the nature of clientele served; the kind of program offered; accreditation, licensing or recognition by some appropriate agency; the certificate, degree, or service provided by the institution; geographic focus; the type of relationship the organization has to the company sponsoring the matching gift program; and so on.

2. Eligibility of donors: The company should specify in its policy those individuals whose contributions to eligible organizations are eligible for matching. The eligibility should be specified by readily ascertainable criteria, such as employees with a specified minimum period of service to the company, retirees of the company, immediate family members of employees, directors of the company, and so on.

3. The nature of contributions eligible for matching: The company should delineate the types of contributions made by an eligible donor to an eligible organization that are acceptable for triggering a matching gift. The types of contribution transactions on which policy should be sent include the following:

a. the maximum and minimum dollar value or the equivalent allowed to be matched for individual contributions, maximum allowed to be matched for multiple contributions within a specific period of time, or the maximum company gift will allow to be matched to a particular organization;

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b. eligibility or ineligibility of other than monetary contributions (e.g., stocks and bonds, real or personal property, in-kind gifts, volunteered time, and so on); if such contributions are eligible, acceptable methods for valuation should be defined;

c. eligibility or ineligibility of the payments that, in whole or in part, are noncharitable; examples include:

• payments to an organization that are made as a consequence of, or lead to, a material, direct benefit (such as merchandise of more than nominal value) to the donor, a member of his or her family, or an individual designated by the donor;

• monies provided to an organization for various deferred giving programs, such as a unitrust, a charitable lead trust, a pooled income fund, or a charitable remainder trust by which the donor, a member of his or her family, or an individual designated by the donor received some payment or material benefit for some period of time (until the trust is dissolved and the remainder of the monies originally provided are turned over to the recipient institution);

• payments for the services of the organization (for example, tuition, fees, charges for tickets, and so on) where such services of the institution are provided to the donor, a member of his or her family, or an individual designated by the donor.

d. eligibility or ineligibility of an irrevocable life insurance policy on the donor with premium paid by the donor and the recipient institution as a beneficiary.

A matching gift program could be set up to match any or all of the above transactions between an eligible donor and an eligible institution. However, many programs do not consider most of these transactions eligible. This is why the policy set by the company should be clear in both designating transactions deemed appropriate to trigger matching and also those types of payments or contributions that do not meet programmatic guidelines.

A common criterion of many company programs is that the donor contribution be a charitable donation (i.e., tax deductible). This criterion would preclude as eligible those payments noted above for which there is some material, direct benefit to the donor, his or her family, or an individual designated by the donor. However, at the option of the company, the charitable portion of charitable remainder of a payment (the amount left after subtracting the fair market value of the benefit) may be eligible to trigger a matching gift in an amount appropriate to the charitable remainder.
4. **Policy for payment of matching gifts:** The company’s policy should state the company’s payment schedule (e.g., monthly, quarterly, semiannually, annually, and so on), the necessary documentation to be supplied by the individual donor and recipient organization, and any deadlines for receipt of documentation in order to trigger a matching gift.

5. **Whether donor contributions can or must be restricted for particular uses by the recipient organization:** If the company decides to restrict the eligibility of donor contributions according to their use by the organization, it should indicate whether donor contributions restricted for certain purposes (e.g., athletic team) are ineligible, or state whether only donor contributions restricted for some specific purpose (e.g., the support of a particular department or institutional function) are eligible for triggering a match.

6. **Whether company matching gifts are restricted for particular uses by the organization:** The company should set policy concerning whether its matching gift must be used for the same restricted purpose as determined by the donor contribution, if it must be used for a purpose specified by the same company, or if it may be freely allocated by the organization to any appropriate institutional use.

7. **Whether company matching gifts may be triggered by donor contributions that have been (or will be) matched by funds from other sources (i.e., multiple matching of the same contribution):** If the company decides to restrict its matching gifts to contributions that are not associated with matching gifts from other donors, it should clarify any additional constraints on otherwise eligible contributions, especially those that would make them ineligible for company matching.

8. **Public disclosure:** When the company has developed a policy for institutional and donor eligibility and for the type of contribution that may be used to trigger matching gifts, this information should be made public so that eligible donors and institutions can determine the circumstances under which a request for a matching gift is appropriate. The program guidelines can be made public by a variety of means, such as:
   a. including eligibility criteria on the matching gift request form;
   b. including eligibility criteria in an annual report on gifts and grants that is available to the public;
   c. listing eligibility criteria in a letter or pamphlet mailed to eligible institutions and made available to others upon request or, alternatively, on the company’s Web site;
   d. Sharing up-to-date eligibility criteria with the HEP/CASE Matching Gift Network for inclusion in their Gift Plus (formerly DETAILS) database (accessed via online subscription and a .PDF directory).
Communication of the eligibility criteria is most direct when the criteria are listed on the matching gift request form. The listing of eligibility criteria on the form implies current company policies to the individuals filling out the request for a matching gift at the time each donor contribution is transmitted. Furthermore, the company may indicate that in completing and submitting the form, the individual donor or institutional representative is certifying compliance, to the best of his or her knowledge, with the eligibility criteria indicated on the form.

Administration of matching gift programs

1. The administration of a matching gift program should be the responsibility of a specific program officer. This individual should be identified by name, contact address, e-mail, URL, or telephone number so that donors’ and recipient institutions’ questions about policy and procedures can be handled readily.

2. The main responsibility for case-by-case screening of eligibility of individual donors in a matching gift program should rest with the company. Most recipient institutions will not have the capacity to check current employment status of individual donors. (For responsibilities of recipient organizations, see Chapter 2.) While a company should be able to rely on some screening of individual eligibility by recipient institutions, the major responsibility of screening the eligibility of individual donors rests squarely on the company’s administration of its own program.

3. The company’s matching gift program administrator should be available to communicate freely with recipient organizations and potential donors and to answer questions and clarify criteria for eligibility of donors, recipient organizations, and gift transactions. The eligibility of organizations, individuals, and types of contribution transactions may change or some borderline cases may need a special determination. Thus, it is crucial to maintain open and easy channels of communication, to indicate changes in matching gift programs, and to clarify conditions surrounding individual matching gift requests that are not obviously within program guidelines.

4. In implementing the policy for its matching gift program, the company should minimize complexity of procedures and documents required of donors and recipient institutions. In order to reduce the administrative cost to the company of handling what are relatively small gifts to recipient organizations, the information sought and the procedures for checking on requests for matching gifts should be reduced to the prudent minimum.
A major goal of these programs is to benefit the recipient organizations. For this reason, the administrative burden placed upon recipient organizations by the rules and administrative requirements of a company are best kept to a prudent minimum to decrease administrative costs of securing and handling matching gifts. If (for example) payments to recipient organizations are accompanied by a record of the transactions covered by each check, including dates, names, and contribution amounts, then accounting for the gifts becomes substantially easier.

Furthermore, since the matching gift program of any one company commonly represents only one of several programs a recipient organization must administer, to the extent that is consistent with the company’s own guidelines, the rules, documentation, and administrative requirements should parallel those of other companies to reduce cost and confusion to the organization.
RESPONSIBILITIES OF RECIPIENT ORGANIZATIONS AND DONORS

Prepared by Amy J. Phillips

Recipient Organizations

Matching gift programs are not capitation or entitlement programs that merely reimburse recipient organizations for constituents currently employed in various companies. They are conditional grant programs designed to fulfill certain purposes.

A recipient organization, in soliciting a matching gift by completing an appropriate form, should be signifying that it understands the conditions of the program and that — to the best of its knowledge — the request being submitted fulfills those conditions. Recipient organizations are expected to encourage eligible donors to use matching gift programs. However, the recipient organization should neither encourage nor knowingly permit the solicitation or participation in a matching gift program of ineligible donors or contributions (for example, transmission of contributions of ineligible donors via an eligible donor).

PROPER INTERNAL CONTROLS

1. Board responsibility: The board of trustees, regents, or governing board of the recipient organization should ensure that internal controls of contributions and gifts are sufficient to protect the assets and reputation of the organization.

2. Chief executive’s role: The chief executive officer of the recipient organization should establish the administrative structure and general procedures to achieve appropriate internal control, including procedures for matching gift programs. In setting up structures and procedures, the CEO should refer to College and University Business Administration, published by NACUBO; and Codification of Statements on Auditing Standards, published by the American Institute of Certified Public Accountants (AICPA).

3. Responsible officer’s duties: The recipient organization should designate one office or staff member to be responsible for administration of all donor contributions for matching and company matching gifts. Where the recipient organization is expected to act on a donor contribution and solicit a company matching gift, this office or staff member should:

   a. Review and verify all donor contributions for which matching gifts are to be requested, before they are requested, to ensure that they conform to
the guidelines for donations to the recipient organization and the relevant company matching gift program; any apparent questions should be resolved by appropriate inquiries before a matching gift is requested;

b. Maintain records of donor contributions and matching gifts under auditing control in such a manner that there is a clear record of the individual contribution, the related company gift, and compliance with the company's matching gift program;

c. Sign and transmit all matching gift requests, thereby certifying review of donor gifts;

d. Be available for questions concerning transactions, and communicate with donor and matching gift company as appropriate in confirming transactions.

4. Role of institutionally related foundations, funds, or associations: Some recipient organizations designate a separately incorporated foundation, fund, or association to handle their matching gift program administration. Such an organization should be under the advisement of the organization. Provisions should be made to ensure that such a parallel, though independent, organization will act on behalf of the recipient organization in receiving, recording, and dispensing monies from donor contributions and company matching gifts only for purposes pertinent to the recipient organization's normal activities.

Furthermore, such an organization should be an appropriate charitable recipient organization (designated 501(c)(3) by the Internal Revenue Service) that will honor any restrictions on uses of contributions and gifts when dispensing such funds to the recipient organization.

5. Importance of audits: Recipient organizations should include donor contribution and matching gift records in internal and external audits as deemed appropriate by auditors and by good business practices. These records should also be made available to matching gift companies.

Donors

1. A donor, in seeking to participate in a matching gift program, should learn about the goals, provisions, and procedures that are a part of that program.

2. The donor should learn about any restrictions or requirements related to making a contribution to a recipient institution.

3. No donor should request a matching gift knowing that:
   a. He or she is ineligible as an individual;
   b. The organization for which the matching gift is being requested in ineligible;
   c. The purpose of his or her contribution — or the type of contribution — is ineligible for matching under the program to which the request is being made.
Three.

GUIDELINES CONCERNING MATCHING GIFTS FOR RELIGIOUS OR POLITICAL USES

Prepared by Jeremiah Christenot

One question frequently raised by corporate administrators is whether matched gifts have been used for religious or political purposes. Many companies prohibit such matches, but it is often difficult to clearly determine if an ineligible match has been made. Any organization that requests and receives corporate or foundation matching gift funds has a specific responsibility — both legal and moral — to ensure that the funds are being used in accordance with each company's policy. Prior to requesting matching gifts, fundraising administrators should make absolutely certain they understand the corporate donor's restrictions on the gift.

After receiving the corporate donor's policies, the organization's administrators are responsible for providing adequate financial safeguards. They must also develop reporting mechanisms to ensure that the funds provided by the corporate donor are not used for purposes other than those intended by the donor. Recipient organizations should adapt and publicize procedures to satisfy a corporate donor that matching gifts will not be used directly or indirectly for religious or political purposes when it is made clear that the donor has prohibited such use.

A recipient organization should indicate that it will use all reasonable and necessary means to maintain its credibility with the corporate donor. If a question is raised regarding participant eligibility, the recipient institution should quickly provide all requested information — financial or otherwise. It is the recipient organization's responsibility to show eligibility for any company match, although the company has complete discretion regarding the bestowal of the gift. Recipient organizations can find program guidelines by subscribing to GiftPlus OnLine or by referencing the Matching Gift Directory PDF. Both are produced by the HEP/CASE Matching Gift Network.

Financial records may provide answers

Full disclosure of all pertinent, financially related records by any organization receiving matching gifts is imperative. Upon request, organizations should be prepared to provide financial reports, bylaws, fundraising materials, mission statement, budget, or other records that may give insight into operations.

The Internal Revenue Service has provided all organizations receiving matching gifts tax-exempt status. These organizations disclose information through a return filed each year with the Internal Revenue Service (IRS Form 990). These reports are a matter of public record, and any organization applying for matching gifts should be ready and willing to provide copies.
of these forms for review. If an organization is not forthcoming with copies of its IRS Form 990, copies may be obtained by calling toll free 877-829-5500 during business hours or by writing to the Internal Revenue Service at TE/GE Customer Account Services Room 4010, P.O. Box 2508, Cincinnati, OH 45201. The organization's ID number (usually the Employer Identification Number) should be used to expedite the request; however, if the ID number is not immediately available, the institution's name and address will suffice.

In addition to providing copies of IRS Form 990 and other materials cited above, an organization should provide completed and audited financial statements.

**Review questions for corporations**

When in doubt as to whether a matched gift is being used for political or religious purposes, corporations should consider certain questions as they review the audited financial statements:

1. Does it appear that an organization other than a bank, real estate firm, mortgage association, or other firm normally in the business of providing mortgage funds, retains as collateral a significant portion (e.g., 10 percent or more) of the assets of the organization? If so, is the organization's purpose primarily religious or political?

2. Does any religious or political organization regularly contribute a substantial portion (e.g., 10 percent or more) of the current funds of the organization that is requesting matching gift funds?

3. Is there any indication of interrelationships between the administration of the organization receiving the matching gifts and another organization established primarily to serve a religious or political purpose?

4. Do the bylaws or financial statements of the organization receiving matching gifts disclose that its governing board is accountable to or subject to the control of an organization established primarily to serve a religious or political purpose?

5. Are all or a substantial portion (e.g., 10 percent or more) of the funds of the recipient organization managed or controlled by an organization established primarily to serve a religious or political purpose?

If the answer to any of the above questions is “yes,” the corporate donor can and should insist that the matching gift recipient provide a copy of the organization's financial records and bylaws. The company would then be better prepared to decide for itself whether there is a real and significant potential for misuse of the matching gift program.
4. **MODEL MATCHING GIFT PROGRAMS**

To illustrate how a corporation and a nonprofit organization might administer a successful matching gift program, two program models should be viewed as examples. The details of these programs are provided as prototypes and not necessarily as defining administrative practices that must be strictly followed. The variety of organizations receiving matching gifts, as well as the vast number of objectives that corporations have designed their matching gift programs to meet, necessitate a variety of procedures.

**Corporate Model: ExxonMobil Foundation Educational Matching Gifts Program**
Prepared by Bill Carpenter

The ExxonMobil Educational Matching Gifts Program was established to encourage ExxonMobil employees, retirees, and surviving spouses to contribute to higher education. Donors may make up to $5,000 in gifts to U.S. colleges and universities each calendar year and have the gifts matched three-to-one by the ExxonMobil Foundation.

Gifts to two- and four-year degree-granting colleges and universities located in the United States, with which the donor, or the donor's immediate family, is affiliated, are eligible to receive matching grants. In addition, donations to the United Negro College Fund, the American Indian College Fund, and the Hispanic Scholarship Fund are eligible for matching.

For gifts to be eligible for matching, they must be an actual donation, not a pledge, and in the form of cash or publicly traded securities. The gift must also be a charitable contribution, meaning that the donor, or donor's family, cannot receive a benefit or gift in return. Gifts used to support intercollegiate athletics, including gifts for athletic scholarships or athletic facilities, are not eligible.

To initiate the matching gift process, the donor must complete the first section of the matching gift application, which includes personal information, the donor's affiliation with the college or university, and the type, date, and amount of the donation. The application form is then forwarded to the recipient college or university for verification of the donation. If the donation meets program guidelines, the college or university completes the second section of the form and forwards it to ExxonMobil.

After a review for eligibility, the donor is advised that the gift will be matched by ExxonMobil Foundation. Matching gift checks are issued once a year, in April, for gifts made in the previous calendar year.

In addition to the Educational Matching Gifts Program, ExxonMobil Foundation also has a Cultural Matching Gifts Program and a Volunteer Involvement Program. The Cultural Matching Gifts Program matches gifts to 501(c)(3) nonprofit organizations that have arts or cultural programs as a primary and substantial part of their activities on a one-to-one basis, up to $1,000 a year. The Volunteer Involvement Program provides a grant up to
$500 to any 501(c)(3) nonprofit organization after eligible ExxonMobil participants volunteer at least 20 hours of their time to the organization during a calendar year. The Volunteer Involvement Program provides a $500 grant to any 501(c)(3) nonprofit organization after eligible ExxonMobil participants volunteer at least 20 hours of their time to the organization during a calendar year.

In the United States, ExxonMobil Foundation is the primary philanthropic arm of ExxonMobil Corporation. The foundation engages in a broad range of charitable activities, focusing on education, health, and the environment. For more information, visit the foundation’s Web site at www.exxonmobil.com/community.

Corporate Model: Verizon Volunteers — The Power of Giving Grows Greater
Prepared by Susan Sullivan

Verizon Volunteers is an employee volunteer program that provides matching funds for nonprofit agencies and encourages Verizon employees to spend more time and resources helping the agencies they care about the most.

Through matching gifts and grants from the Verizon Foundation, Verizon Volunteers gives employees the opportunity to donate to the nonprofit agencies and educational institutions of their choice, giving of their time and money.

All active Verizon employees are eligible and defined as someone who is on payroll for 90 days or more and who works full or part-time, permanent or temporary.

The program is nicknamed “V-squared” because it increases — to the second power — the reach of employee volunteer efforts and because the foundation has increased, exponentially, the scope of the programs it will support with matching gifts.

“Verizon Volunteers puts the power to help nonprofit agencies in the communities we serve into the hands of our employees nationwide,” said Patrick Gaston, president of the Verizon Foundation. “Employees' good works — both on the job and through their volunteer efforts — strengthen our bond with our communities and our customers.”

Verizon Volunteers is a paperless program. Employees can register their volunteer hours and donations online or through a toll-free call.

Because Verizon Volunteers is Web-based, employees have more flexibility and options for choosing nonprofit agencies. A Web portal on the foundation site links employees to information about volunteer organizations. The program's low operating cost allows 100 percent of employees' donations to go directly to the charity of their choice.

Active employees can donate to eligible nonprofit organizations in the United States that are designated tax exempt as a 501(c)(3) under IRS laws. All eligible donations are matched at the end of each quarter.

For more information, visit www.verizon.com/foundation.
Corporate Model: GE Foundation Matching Gift Program
Prepared by Amy J. Phillips

The GE (General Electric) Foundation, established in 1953, is widely recognized as the corporate founder of the matching gift concept. Its matching gift program was launched in 1954, with the program's primary directive to support education initiatives at academic institutions. The assistance for these organizations continues through its Higher Education Matching Gifts Program. The GE Foundation matching gift program has since expanded to provide significant annual support via its Community Matching Gifts Program. The program matches contributions to locally based nonprofit organizations — nominated by GE employees and retirees — that have broad-based GE employee/retiree support, meet basic program criteria, and provide services to meet important community needs. These have included community organizations offering social services for the disadvantaged, environmental organizations, museums with educational outreach programs, and hospitals and other medical institutions.

The GE Foundation matches contributions made by eligible employees and retirees of the GE Company. Gifts are matched by the GE Foundation for eligible individuals up to $50,000 per calendar year and include contributions of cash, securities, and real estate (not to exceed 50 percent of the appraised real estate value). The GE Foundation may match donations directed through certain planned giving instruments upon submission for review and approval. The minimum qualifying amount for gift matching eligibility is $25 and must be made from the donor's own assets. Matching gift disbursements are paid annually in May for qualifying individual gifts in the previous calendar year.

PROCEDURES

The GE Foundation requires each recipient organization to verify all gifts submitted for matching; however, it does not require organizations to have a dedicated staff person for this task.

Recipient organizations must provide a copy of the IRS determination letter granting their organization 501(c)(3) status, a copy of the organization's nondiscrimination policy, and a recent annual report or other similar descriptive material as part of the qualification process for receiving matching gifts.

In order to be eligible for consideration as a GE Foundation matching gift recipient, organizations must be recognized by the IRS as a 501(c)(3) tax-exempt institution, fit the criteria, and give evidence of broad-based GE employee/retiree support. Once approved by the GE Foundation, an organization must receive at least $1,000 per calendar year from a minimum of 10 qualified GE employees or retirees. The GE Foundation will match individual organizations to a maximum of $100,000 per calendar year unless reviewed and granted special approval. In 2003, the GE Foundation processed roughly 19,000 gifts for over $18 million in funds for charitable organizations.
Corporate Model: Citigroup Volunteer Incentive Program
Prepared by Patricia Byrne

The Citigroup Volunteer Incentive Program (VIP) is designed to recognize employees of Citigroup companies who devote their personal time to community service and to support the nonprofit organizations for which they volunteer.

The Citigroup Foundation awards a $500 grant to eligible nonprofits that benefit from an employee’s volunteer service. To qualify for a grant, an employee must complete 50 hours of service with an eligible nonprofit organization during a period of 12 months or less. Grants may be requested one per organization each calendar year.

Eligible participants are active, full-time U.S. employees of Citigroup companies with at least three months’ service. They may request grants for eligible organizations such as IRS approved 501(c)(3) tax-exempt nonprofit organizations, public or nonprofit private schools, or municipal service organizations designated as IRS 170(c)(1) instruments of state or local governments. Political and advocacy organizations, unions, professional, social or fraternal organizations, or religious organizations (when the volunteer activity is related to promoting religious doctrine) are not eligible.

Citigroup sets certain conditions on this program, such as:

• Volunteer grants apply to the year in which an employee’s service is completed. Applications must be submitted to the VIP Center no later than March 31 of the year following completion of service.

• VIP grants may not be used to directly benefit volunteers or their families, i.e., tickets for fundraising events, membership dues, or school tuition.

• The Citigroup Foundation may suspend, amend, or discontinue the program at any time and reserves the right to determine whether a grant shall be made based on the eligibility criteria.

Payments are made in the form of checks that are processed on a quarterly basis and sent to the employee to present to the nonprofit.

Additional information about Citigroup Volunteer Incentive Program is available by calling 1-866-545-9207 or at www.easymatch.com/citi.

Nonprofit Organization Model: The United Negro College Fund, Inc. Matching Gift Program — A Work in Progress
Prepared by Paulette Jackson

The United Negro College Fund, Inc. (UNCF) is the oldest minority educational assistance organization in the country, providing operating support to 39 private historically black colleges and universities as well as
financial assistance to deserving students. Matching gifts offer UNCF an opportunity to attract gifts for financially disadvantaged students. Matching gifts are a byproduct of an expanded Workplace Leadership Initiative instituted at the College Fund in 2002. The following promotional processes are employed as part of UNCF’s matching gift program.

1. **Proactive campaigns**: UNCF’s most successful matching gift campaign is its volunteer-driven workplace campaign. Non-executive volunteer leaders direct efforts inside the corporation to conduct fundraising campaigns. Employees designate use of the funds and the corporation matches gifts typically at the level of one-to-one.

2. **Postscripts on direct mail correspondence**: Donors are reminded that they can increase their contribution to UNCF by participating in the matching gift program. A statement on UNCF’s direct mail reply form reminds donors about the importance of matching gifts and encourages them to send in their matching gift form with their contribution or to obtain a form from their company’s matching gift coordinator.

3. **Area office campaigns**: Local UNCF area offices are encouraged to augment their matching gift contributions by distributing matching gift materials at alumni groups activities, special events, and workplace luncheons and receptions. Area offices are also encouraged to promote matching gifts in local area newsletters and written solicitations. The UNCF National Workplace Office supports area office efforts in soliciting and managing matching gifts.

4. **The matching gift program brochure**: This brochure lists all of the companies that match contributions to UNCF. It is included in direct mail packages where appropriate, and placed into UNCF packages prepared for new workplace volunteers and individual donors.

5. **“An Evening of Stars” advertising**: Each year, UNCF airs a four-hour nationally televised entertainment special called “An Evening of Stars.” This special provides viewers with an in-depth look at how UNCF works and offers viewers the opportunity to pledge their support while enjoying the special. A pre-produced video commercial on matching gifts is included in the program. The commercial advertisement is generously aired throughout the broadcast and highlights the importance of matching gifts to UNCF.

   Donors, whether individual or corporate, are the life-blood of any nonprofit organization. Donors who take advantage of matching gift programs have the satisfaction of knowing that they are making a difference in the lives of deserving students, their families, and the nation.
Recipient Organization Model:
Brigham Young University Matching Gift Program
Prepared by Jeremiah Christenot

BYU's matching gift program sustained a 51 percent growth from 2002–2003. The growth occurred through refocused reactive efforts and new proactive efforts.

While operating under the direction of the Annual Fund of Brigham Young University (BYU), the matching gift program also works closely with the Corporate Relations/Donations Office. One employee has been given complete responsibility for managing the matching gift program. Secretaries and gift entry processors coordinate the processing of the forms. BYU's matching gift program sustained a 51 percent growth from 2002–2003. In 2003, 1,703 donors and 684 company gifts totaled $1,658,078 through the matching gift program. The growth occurred through refocused reactive efforts and new proactive efforts.

Reactive

1. Weekly letters: On a weekly basis, letters are generated for all donors who made donations during the previous week. Depending on previously obtained donor information, one of seven personalized letters is sent. The letters contain specific information, e.g., company contact information (phone number, e-mail, name), exactly how to obtain the match, etc. No letter is sent if employment information is already known and the employer is not a matching company. In addition to collecting matches, the letters ask the donors to update their information. A reply envelope is provided.

2. Collection of information: When various colleges and departments across campus obtain employment information, this information is captured in the donor database.

Proactive

1. Corporate Agent Program: The majority of the matching gift managers' time is devoted to building and coordinating this program. The Corporate Agent Program has been created to identify and recruit at least one alumnus in each matching gift company. These volunteers then act as a mouthpiece within the company. They are used in various ways as they organize specific giving campaigns within the company, help update records, or send e-mails or letters to colleagues encouraging them to donate and utilize the matching gift program.

2. Telefund: Student telefund callers request employment information on every call. This information is then captured in the database, enabling matches and personalized letters in the future.

3. Mass mailers: A matching gift leaflet is inserted in one annual fund mailing per year. This card can be produced or purchased through the HEP/CASE Matching Gift Network.
4. **Education of deans and development officers:** The manager of the matching gift program educates all development officers regarding matching gifts. Additionally, the deans in each of the eleven colleges at the university see the value and benefit of collecting the corporate match. Many of these college deans and development officers have contacts within matching gift companies, building a joint effort to identify and utilize the Corporate Agent Program.

5. **Specific company alumni mailings:** The manager coordinates a specific company mailing to employees of matching gift companies. This mailing allows BYU to update the alumni regarding how past matching funds have been utilized and encourages them to give in the future.

The matching gift program not only contributes necessary revenue to the total fundraising goals of BYU but also makes valuable and lasting corporate connections. These contacts benefit BYU beyond the matching gift program itself. Some of these benefits include corporate partnerships, bolstered recruiting, and corporate gifts. Many of these ancillary benefits are occurring as a result of the Corporate Agent Program. This program connects the university to the companies through key alumni.
CASE STUDIES, DISCUSSIONS, AND WORKSHEETS

Each of the following case studies is accompanied by a worksheet. You can take notes on the worksheet and use it as a way to compare your thoughts on each case with the ideas and perspectives offered by the contributors. Notice that the worksheet outline matches the questions and points addressed at the end of each case study:

• What are the issues in the case study?
• Does it meet the four-point test?
• What are the motivational factors or circumstances in the case?
• What is the responsibility of each person involved in the case?

The following definitions may also be helpful:

• An eligible donor refers to the corporate policy criteria regarding whose gifts may be matched, for example, length of employee service, member of the corporate board of directors, spouse of an employee, alumni status, etc.

• An eligible gift refers to the corporate policy regarding the type of gift and whether it permits duplicate matches. Usually a contribution must be from one's personal assets. The corporation may not allow volunteer services, deferred gifts, and insurance policy payments to be eligible for matching. Additionally, some corporations do not match a gift if another corporation is also matching it.

• An eligible organization refers to the corporate policy regarding location, control, level of learning, accreditation status of the institution or the organization, etc.

• An eligible purpose refers to the corporate policy regarding the purpose for which the funds may be designated by the recipient organization.
CASE STUDY 1: POOLING GIFTS

Mary Barth had been a dedicated and active alumna since she graduated in 1970. She always hoped to make a major contribution to the college, but supporting her family on a middle manager’s salary from Fullbright Motor Corporation had made that impossible. She couldn’t wait to tell Bret Smith, the director of annual giving at Minder College, about a plan she hoped to implement in her role as chair of Minder College’s Reunion Fund Committee that she was sure would significantly increase the annual fund.

Bret was delighted to hear from Mary. He agreed to meet her at a restaurant near the office at the end of the day. Bret was quite aware that volunteers like Mary were increasingly difficult to come by these days, and he had to be creative to attract the volunteer support he needed to get his job done. He didn’t know what he would do without Mary’s assistance this year.

When Mary walked into the restaurant she was grinning from ear to ear. “Tell me you just won the lottery and you’re turning your winnings over to Minder College!” Bret said with a grin. “Not a bad guess,” Mary said. “I’ve figured out how our class can meet its 25th reunion goal!”

They sat down and ordered coffee. Mary launched into her plan. “Bret, you know Fullbright Motor Corp has a generous matching gift program. The company’s program matches gifts three-to-one, up to $5,000 a year. I’ve been doing my homework. Out of all my classmates, only 18 work for companies that provide three-to-one matches. And of those 18, only four take advantage of it to its maximum.”

Bret was impressed with Mary’s research. She continued, “Do you realize that if all 18 used the program to the extent they are entitled it would mean another $200,000 for Minder College? I know Fullbright really wants its employees to use the program. There are posters up in the halls, and last month the company’s president sent a letter with our paychecks urging us to have our gifts matched.”

Mary went on to outline a plan in which she would have all her classmates who were not affiliated with a matching gift program write their donation checks to Mary. Mary would deposit all of the checks, write one of her own for $5,000, and use her check to initiate a three-to-one match from Fullbright. Mary would call the other 13 classmates entitled to similar benefits and arrange to write each a check for $5,000 from the account where she had deposited classmates’ gifts. Then those classmates would write another check to initiate a match. “I’ll handle all the logistics, Bret,” Mary said. “I just need you to be sure that all of my classmates are properly credited for their gifts.”

Bret thought for a moment. Last year’s 25th reunion class didn’t reach its goal, and the president of the college was less than pleased with him. Bret knew this suggestion was not one to be taken lightly. Fullbright employed
27,000 people. From his point of view, they certainly weren’t going to notice that all of a sudden some of their employees were making significantly larger contributions. And besides, the plan was coming from Mary. Minder College couldn’t find a harder worker or a more solid graduate if it tried. And Mary was right: If the company was doing all that advertising, it must have reasons for wanting its employees to use the matching gift program. Maybe it had a certain amount of money budgeted, and it would look bad to the Board of Directors if the funds were not spent. Obviously, the company considered Minder a good cause. In addition to the money received through the matching gift program, Fullbright had made a number of direct grants to the college. Mary’s suggestion just might be one that was going to work to everyone’s advantage.

“Well Bret,” Mary beamed, “what do you think?”

**What would you do? Why?**

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A Corporate Response

Driven by a strong allegiance to Minder College, Mary has come up with a “creative” approach to fundraising. Bret sees an opportunity for personal recognition through a successful fundraising effort. But Mary’s plan is a misrepresentation — a perversion of truth in order to induce her company to make a matching gift to Minder College — and it’s fraud.

Gift matching companies do not have limitless funds; they can’t afford to match the gifts of the world. It is the responsibility of college administrators and donors to do their homework on gift-matching guidelines and, when in doubt, to ask questions. If policies on gift matching are violated due to misinterpretation, future relations between the corporation and the college may be jeopardized.

Bret must tell Mary that he cannot endorse her plan. What she is suggesting is termed pooling and is a violation of the trust between Fullbright Motors and its employees who use gift matching. Mary would be falsifying a document when she submits a gift-matching application for a gift she certifies is made from her personal assets but that is actually made up of friends’ contributions. If it does not meet the requirements of a charitable contribution for income-tax purposes, it is not a legitimate gift for gift-matching purposes. Bret should tell her that in good conscience he could not take such money and set up the bank accounts necessary to carry out this plan. It would be unethical. Bret should let Mary know how much he appreciates her enthusiasm and suggest that, in lieu of this plan, she contact the 13 employees of her company who don’t utilize the gift-matching program and encourage each one to participate individually.

Discussion Guide

What are the issues in the case study?
The issues in this case study are threefold: the pooling of contributions from several individuals to obtain a greater corporate match; the falsification of the matching gift verification form; and collusion on the part of the institution through the development officer, Bret, and the volunteer, Mary.

Does it meet the four-point test?

Eligible Gift: The $5,000 check written by Mary is not an eligible gift. Only the amount that represents Mary's personal gift is eligible.

Eligible Donor: Mary is presumed to be an eligible donor. Her classmates who are not employed by Fullbright Motor Corporation clearly are not eligible to have their gifts matched by Fullbright.

Eligible Organization: Presumed to be eligible, but there is insufficient information presented in the case study to make the determination.

Eligible Purpose: Presumed to be eligible.
What are the motivational factors or circumstances in the case?
This scenario presents an overly zealous donor who is unable to support
the institution at the level she desires. The donor has a misconception that
because the company has money to give and desires to promote its
matching gift program, the procedure is not hurting anyone. The
development officer’s need to meet a predetermined fundraising goal is
also a motivating factor.

What is the responsibility of each person involved in the case?
The development officer should prepare a response that clearly explains to
Mary the problems involved and why her plan is not within the acceptable
parameters of the corporate policy regarding matching gifts. It is important
to protect the integrity of the institution, the development office, and the
concept of matching gifts by adhering strictly to the corporate policy. Bret’s
fundraising goal must be secondary to the integrity of the institution and its
fundraising efforts.
CASE STUDY 2: RETURNING DONOR'S CHECK AFTER CORPORATE MATCH IS RECEIVED

Betty Marks had been a vice president for development for 10 years, four at BIX State and six at Master College. Never before had she faced this problem. Only seven more weeks before the end of the fiscal year and only halfway to the annual fund goal! This year's campaign had been a disaster. Why did she ever agree to that new case statement the consultant recommended? Betty had never been particularly comfortable with the case statement, but she knew that if she had rejected it the president would suggest that she do the rewrite. She should have taken the time and done just that last summer, but she just couldn't work it into her hectic schedule. She had a hunch that BIX alumni wouldn't buy the new case for support.

The president was confident that with Betty’s experience, she would manage to reach the goal in the end. Betty had an appointment to meet with the president the next day. Betty reviewed the list of donors who had given last year but not this year. There were hundreds of alumni who fell into this category, most of whom were employed by Preston Parts Company, located just a few miles from campus. Many of the university's graduates were employed in managerial positions at Preston Parts. For the past 10 years, the company had done very well, and Preston Parts employees received generous bonuses. Michael Baldwin, the alumni fund chair, works at Preston Parts and first suggested ten years ago that his fellow employees give half of their bonus checks to BIX. After all, it was the education they got at BIX State that launched them on their successful careers.

The initial response was overwhelming, and it became a habit that grew stronger every year. And since Preston Parts sponsored a matching gift program, each gift was doubled. But this year things were different because Preston Parts had a terrible year. Although the company did not have to lay off workers, there weren't any bonuses. BIX State was losing not only the gifts from their alumni but also the match from Preston Parts.

Michael Baldwin was pushing a plan to cut the university’s losses. He would contact his coworkers at Preston Parts who gave last year but not yet this year and suggest they renew their support. If they told him they couldn't afford it because of the lack of bonuses, he would suggest that they let Preston Parts make the gifts for them, and they would get the credit. All the employees would have to do would be to write a check to generate the match. When the match was received, the development office would return their personal checks to them. BIX State could benefit without costing the alumni anything.

Betty assumed that Michael Baldwin's plan met with the company's approval. She considered checking to be sure but figured the clerks who administer the matching gift program wouldn't have the authority, or know the difference for that matter. Michael had been working with Preston Parts for 14 years, had been promoted four times, and had a good track record.
He was the one who came up with the successful bonus donation program. Betty knew the president thought the world of Michael and felt sure that the president would go for this new plan without requiring her to wrap herself in corporate red tape. Since the company had been making these contributions for years, Betty thought she wasn’t actually going against corporate policy.

The next day Betty seriously considered canceling her meeting with the president. Perhaps the program would run more smoothly if fewer people were aware of the details. Sometimes the president didn't really understand the development function and got bogged down with the process rather than with the results. She picked up the phone and dialed the president’s office, still unsure whether or not she should make up an excuse and delay the meeting or lay Michael’s plans out for her boss.

**What would you do? Why?**

**STUDY GUIDE WORKSHEET**

What are the issues in the case study?

Does it meet the four-point test?

- Eligible gift: ____________________________
- Eligible donor: __________________________
- Eligible organization: ____________________
- Eligible purpose: ________________________

What are the motivational factors or circumstances in the case? ____________________________

- ____________________________
- ____________________________
- ____________________________
- ____________________________

What is the responsibility of each person involved in the case? ____________________________

- ____________________________
- ____________________________
- ____________________________
- ____________________________

MATCHING GIFT ADMINISTRATION
For individual use only
A Campus Response

It is clear that these checks are not gifts. Therefore, there is no question that this plan is both unethical and illegal. Simply because it was suggested by a longtime employee of the company, one cannot assume that the plan has been approved by the company.

Betty should inform Michael that this procedure is outside the guidelines of all other matching gift companies and that it is illegal in her opinion. She should talk with him personally to make him aware of her concerns. If he is still eager to proceed, she should suggest that to satisfy her board of trustees, and to make certain that all parties are in agreement, she would need a letter from the corporation president endorsing the procedures.

A Corporate Response

The proposed plan in this case is not only unethical but also fraudulent. At least two employees of a company were terminated for engaging in a very similar plan.

Any contribution that is truly a charitable contribution, and thus eligible for a matching gift program, should be reportable as a charitable contribution on an employee’s federal income tax form/statement. Returned and uncashed checks would hardly qualify in either case. At many companies, employees must sign a certification that reads: “I certify that my gift is a voluntary contribution. I verify that these are my own resources and not the gifts of loans of any other person or organization. My gift does not represent, in any way, tuition or payment in exchange for or because I expect some monetary or other benefit to be given to me, or to any person or organization named by me.” The recipient organization must sign a similar verification. Employee misuse of the matching gift program can be cause for termination from the company, as well as other legal action.

Discussion Guide

What are the issues in the case study?
The issue is the return of the donor's check by the institution after the corporate match is received. Implementing such a plan, as proposed by Michael Baldwin, would be fraudulent.

Does it meet the four-point test?
Eligible Gift: There is no gift because the check is being returned.
Eligible Donor: Presumed to be eligible.
Eligible Organization: Presumed to be eligible.
Eligible Purpose: Presumed to be eligible.
What are the motivational factors or circumstances in the case?
The motivating factors in this situation include the emphasis placed on meeting the fundraising goal at any cost and the college's desire to keep the company's support at a high level.

What is the responsibility of each person involved in the case?
The development officer has a responsibility to protect the integrity of the institution and to ensure compliance with the corporate policy. She should contact the company to confirm their matching gift program guidelines, and she must not assume that someone else would have the correct information. It is also her responsibility to explain to the alumnus, Michael Baldwin, that his proposed plan is not acceptable and would be fraudulent. The employee also has a responsibility to know his company’s matching gift policy.
**CASE STUDY 3: CHANNELING MATCHING GIFTS TO AN INELIGIBLE DIVISION OF THE INSTITUTION**

Sterling State University (SSU) is a nationally known and highly regarded institution. Due to the nature of its academic programs, SSU attracts a considerable amount of corporate support and involvement. Its graduates are in demand at many leading corporations throughout the nation. Since large numbers of scientists and engineers are educated at SSU, many companies make sizable contributions to the university through their matching gift program. SSU alumni are loyal, and the development office has made a major effort to remind individuals to participate in matching gift programs.

General Graphics Corporation employs a significant number of SSU alumni. Of all the educational institutions that participate in General Graphics' matching gift funds program, SSU receives the largest amount of the company's support. Perhaps that is why Mitch Thomas, SSU’s vice president for development, was so distressed when he received a letter from General Graphics Corporation. Along with the letter, questioning the legitimacy of some of the gifts that had been matched, was a copy of a solicitation from the Beeker Club.

A privately incorporated foundation, classified by the Internal Revenue Service as a 501(c)(3), the Beeker Club had been established on the SSU campus for the purpose of providing much of the religious-life programming for students. In addition, the organization plays a part in the cultural aspect of campus affairs. University-sponsored cultural events are frequently held in the Beeker Club’s auditorium. It is an attractive facility and is unlike other campus halls both in size and atmosphere. Meetings, conferences, special dinners, occasional lectures, and small concerts are held in the auditorium from time to time. Its primary use, however, is for weekly religious services that are sponsored by the club, not by SSU.

The solicitation that General Graphics Corporation brought to Mitch's attention requested funds to support the religious program of the club. The solicitation asked persons not working for matching gift companies to make their checks directly payable to the Beeker Club Foundation. For those working for matching gift companies, the solicitation requests that checks be made payable to SSU and designated for cultural activities.

The Beeker Club has an agreement with the university. No rent is...
charged to SSU for use of the building for cultural activities. Rather, the university makes an annual contribution to the Beeker Club Foundation. Any gifts to the university designated for cultural purposes, along with the accompanying matching gifts, are forwarded to the club as part of the institution’s annual contribution. The agreement requires the annual contribution from the university to the foundation to be at least $10,000.

The solicitation disturbed Mitch. Here in black and white was a request for support for religious purposes. He knew that General Graphics Corporation did not match religiously related gifts. It was in their written policy. He became increasingly concerned about the situation and decided he had better map out a plan of action to be certain the reputation of SSU and its fundraising program were not in question.

What would you do? Why?

STUDY GUIDE WORKSHEET

What are the issues in the case study? ________________________________________________

Does it meet the four-point test?

Eligible gift: _____________________________________________________________________
Eligible donor: ___________________________________________________________________
Eligible organization: _____________________________________________________________
Eligible purpose: ________________________________________________________________

What are the motivational factors or circumstances in the case? ________________________
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What is the responsibility of each person involved in the case? ________________________
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Match ing G ift Administration

For individual use only

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A Corporate Response

Mitch Thomas should assure General Graphics Corporation that any contributions to the Beeker Club matched by General Graphics would be returned. Mitch's assurance to General Graphics would solve the first part of his ethical dilemma; funds may have been collected from a matching gift program for purposes that lie outside the program's guidelines. Irrespective of any relationship between SSU and the Beeker Club, the fact that the Beeker Club has made the solicitation for funds, and would seem to control subsequent donations, means that the money collected will be used for non-university designated priorities. It will be necessary for Mitch to ascertain if matching funds from other companies were also wrongfully collected and to return those as well.

Circumstantially, by requesting that donors designate their check for cultural activities at SSU, it seems that the Beeker Club was attempting to obtain funds normally not available to them. Whether this is true or not, this incident creates the impression that it may be true. It is important that Mitch guard the integrity of all SSU solicitations. Mitch should prepare guidelines on solicitations and ask the university president to issue them to all programs and departments affiliated with the university in order to obtain their compliance. Or, Mitch may have the president designate that all university-affiliated solicitations must be approved by Mitch's office. Then, his office should apprise all matching gift donors of the steps taken.

Abuse of matching gifts programs, whether intentional or unknowing, can create the need for extra, expensive administration by donors and recipients. It can also imperil future gifts. It is important to solve problems immediately, but it is even better to foresee and prevent them.

A Campus Response

This case study describes a conflict that should be as much a concern to the SSU administration as it is to the General Graphics Corporation. It is a generally accepted principle that most freestanding organizations on a university campus are entitled to support. In the case of the Beeker Club, a substantial amount of support comes from the university administration through the annual grant that must reach the $10,000 level. To use gifts as a part of the grant is an acceptable practice on behalf of the university. However, the fundraising tactic employed by the Beeker Club that requests donors to designate their gifts to the club for “cultural” activities is highly questionable and borders on misrepresentation.

Virtually every university campus supports a large variety of cultural activities that include drama, dance, arts, and music, to name a few. Identifying a religious organization as a “cultural” group involves questionable semantics. Many corporations deliberately avoid any involvement in religious activities in deference to the variety of religious affiliations and theological beliefs of employees, customers, and stockholders. The execution of a policy prohibiting direct support to religious...
organizations or their affiliates is a proper position for both public and private companies. It is the university's responsibility to insist that every institutional activity be clearly identified to its donors and the public. The administration should insist, in this case, that the Beeker Club inform its support group that its primary purpose on the campus is the promotion of a religious belief. The fact that its facilities are used for other purposes demonstrates an ecumenical and collegial attitude on the part of its leadership but does not alter the fundamental direction of the club. The administration must define the fact that its “cultural” activities programs include religious organizations, or insist its campus religious organizations not solicit funds under the banner of a “cultural” activity.

Discussion Guide

What are the issues in the case study?
Based on the information presented, it is difficult to believe that the Beeker Club solicitation was innocently designed. The issue appears to be collusion to obtain matching gift funds that the foundation would not otherwise be able to obtain. This is a case of channeling matching gifts through an eligible institution to an ineligible division of the institution. Directing funds to the Beeker Club Foundation to be used for religious purposes is not permissible under the corporate program guidelines.

Does it meet the four-point test?
Eligible Gift: Presumed to be eligible.
Eligible Donor: Presumed to be eligible.
Eligible Organization: Although the university is an eligible institution, the Beeker Club Foundation, to which the gift is being designated, is not eligible.
Eligible Purpose: The primary purpose of the Beeker Club is to provide religious life programs for the students. General Graphics Corporation’s policy does not permit matching gifts to be used for religious purposes.

What are the motivational factors or circumstances in the case?
The individual responsible for the fundraising efforts of the Beeker Club is to obtain corporate matching gifts to support the religious purposes of the club.

What is the responsibility of each person involved in the case?
The vice president for development should: (1) identify the ineligible gifts, contact the company and explain the situation, and be willing to return those dollars to the company; (2) inform the individual donor of the circumstances and why the gift cannot be matched; (3) inform the president and other key institutional personnel; and (4) preserve the integrity of the institution and ensure compliance with the corporate policy by issuing well-defined matching gift guidelines to all departments and programs on the campus.
CASE STUDY 4: DUPLICATE MATCHES AND QUALIFYING DONORS FOR GIVING CLUB MEMBERSHIP

Winston Fellman was irate, and he had no intention of keeping it a secret. He picked up the phone and called Kay Marshall, president of Clearie College. Kay was delighted to hear from him, but could tell within a few moments that this wasn't a social call.

“Calm down, Winston,” she said. “No matter what happened, I'm sure we can take care of it.” And she certainly meant that. Not only was Winston a member of the Clearie Board of Trustees, he was also one of the college's largest donors.

“It's your new director of development, Kay. I think you should get rid of him. He sent me a letter explaining that I would no longer be eligible for the Gold Circle Club. The letter said that the entire $25,000 gift had to be from my own funds. What in the world does that mean? For each of the past four years I've given the college $5,000, and the four companies where I am a member of the board of directors matched my gift. That makes $25,000 a year,” Winston shouted. “And I deserve credit for that entire amount! Without my initial $5,000 those company gifts would not be generated.”

Kay remembered her conversation with the new development director, Tyler Davis. He convinced her that it was unfair for one donor to give $100 and another donor only $50 and receive the same recognition. He urged Kay to note in the donor's record that the donor was also responsible for obtaining a corporate contribution, but Kay should not consider the match for giving club recognition. He claimed it kept donors from giving at their full potential. When she went along with the new plan she hadn't thought of Winston Fellman's situation. He was one of a kind. There weren't any other Clearie donors who served on four major corporate boards of directors. Kay calmed Winston down and told him she would get back to him as soon as she had a chance to get to the bottom of the situation with the new development officer.

As soon as Kay put down the phone, she called Tyler and asked him to come to her office immediately. She told him about Winston's call, but he wasn't willing to change his stance.

“President Marshall,” he explained, “this is really something we should look at very carefully. To tell you the truth, I am not even sure it is totally legitimate for Mr. Fellman to get his one gift matched by four different

 MATCHING GIFT ADMINISTRATION
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companies. I plan to look into that as soon as I can. And as far as the gift club goes, we have already discussed that, and you know how I feel. Mr. Fellman should be giving $25,000 to Clearie out of his own pocket.”

Kay knew Winston was angered enough already. She wasn't keen to have Tyler poking around with corporate executives to find out if it was OK for one gift to generate all those matches. She thanked Tyler for his opinions and then spent some time pondering how to follow up with Winston Fellman as soon as Tyler left.

What would you do? Why?

STUDY GUIDE WORKSHEET

What are the issues in the case study? ________________________________________________

Does it meet the four-point test?

Eligible gift: ______________________________________________________________________
Eligible donor: ____________________________________________________________________
Eligible organization: ________________________________________________________________
Eligible purpose: ________________________________________________________________

What are the motivational factors or circumstances in the case? ________________________
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What is the responsibility of each person involved in the case? ________________________
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A Corporate Response

This is mostly an institutional issue and not of major concern to the corporate matching gift programs. Whether institutions give an individual recognition credit or not for legitimate matches they receive is their decision. What the corporate matching gift program officer is concerned about is ensuring that if the institution does give the individual recognition for the gift made by the corporation that it not result in that individual — or the corporation — receiving a tangible benefit. If that were to be the case then the value of that benefit must first be subtracted from the original gift before applying for the match. It is worth noting, though, that some corporations may have stipulations in their guidelines that an individual’s gift may only be matched once through a corporate matching gift program. While these instances are rare, the institution should confirm that multiple matches by other corporations are possible before completing the match application.

A Campus Response

First give Winston time to cool off. He probably won’t be able to accept a reasoned explanation in his current, agitated state. Call the HEP/CASE Matching Gift Network or the company itself to check on the legitimacy of having the same gift matched by four different companies. You will find that it bothers some, and some don’t care. Certainly any company that matches gifts from directors knows that these people may work or serve on the boards of other matching gift companies. Look up Winston’s companies in GiftPlus OnLine or the Matching Gift Directory PDF. Determine the corporate policy for donor recognition and for duplicate matches. Also determine if any will match more than $5,000. Then call Fellman and inform him of the companies’ policies and the reasons for them. Appeal to his role as a trustee. Convince him that, while the policy may not work in his favor, it serves the best interest of the university. While you’re at it, try to raise his sights. Given his potential and his leadership role, he probably should be giving more. As a last resort, find a compromise. Agree to continue listing as Gold Circle members those who qualify because of matching gifts, but mark those people with an asterisk and a footnote explaining that corporate matches are included in the amount credited to the donor.

Discussion Guide

What are the issues in the case study?
The issues in this case are: (1) can a corporate match be added to the donor’s personal gift to qualify for membership in a particular gift recognition club,
and (2) are duplicate matches permitted by those particular companies?

**Does it meet the four-point test?**

**Eligible Gift:** Presumed to be eligible.

**Eligible Donor:** Presumed to be eligible.

**Eligible Organization:** Presumed to be eligible.

**Eligible Purpose:** Presumed to be eligible.

**What are the motivational factors or circumstances in the case?**

Winston Fellman does not want to lose the stature and the recognition he has previously received. The donor considers his personal gift of $5,000 to be as valuable to the college as any of the other Gold Circle Club members' personal gifts of $25,000, because his $5,000 gift brings in an additional $20,000 in corporate gifts.

The development officer is concerned about giving appropriate and equal recognition to donors for their personal contributions and about giving appropriate recognition to corporations for their contributions.

Corporations vary in their approaches and policies regarding these issues.

**What is the responsibility of each person involved in the case?**

Even though the four-point test appears to be met, this situation requires further exploration by the development officer to ensure compliance with the corporate policy.

The development officer should review the corporate policies of Fellman's companies. If the policy on duplicate matching and gift club recognition is not stated on the matching gift form, he should refer to the Matching Gift Directory, call the HEP/CASE Matching Gift Network, or contact the company for clarification. The donor also has a responsibility to know what is permitted by each of his companies regarding these issues.

The development officer should recommend to the president an institutional fundraising policy regarding qualifications for membership in gift clubs. In developing the policy, one should be aware of the variety of corporate viewpoints on this issue. (Remember that a gift recognition policy could be different from gift recording. Official records should show that the matching gift was given by the corporation.) Once approved, the president and the development officer should disseminate the policy and the guidelines for the administration of the matching gift program.
CASE STUDY 5: PERCENTAGE OF FUNDS RAISED BY AN ALUMNUS RETURNED TO HIM OR HER AS A LOAN

When Dennis Gallagher, Alpha College’s business officer, walked into the president’s office he had a grim expression on his face. “Things are not looking good, Carl,” Dennis reported. “If enrollment continues to drop at the present rate, we just aren’t going to be in business for many more years.”

Carl Frost had been president of Alpha College for eighteen months. He had taken the job with the dream of turning the institution around. A young man with limited experience, Carl saw the Alpha College presidency as a shining opportunity to make a name for himself in the higher education community.

He was sure his management skills would carry him through, but lately he had begun to think that rather than opening doors to his future this job might ruin his career forever.

Dennis was a good man, and Carl was pleased to be working with him. A bright and savvy business officer, Dennis was also young enough to be concerned about where he was going professionally. There was no way Carl wanted to be the one to announce that Alpha College would be closing its doors. It was for that reason that Carl was fairly sure Dennis would respond positively to the plan that had been presented by one of Alpha’s alumni.

“Come in and close the door, Dennis,” Carl said firmly. “We’ve been presented with an opportunity, and I need your advice.”

Carl told Dennis that Thomas Brewster had been in to see him earlier in the week. Thomas was a graduate of Alpha College and had made considerable sums of money in recent years in real estate. Both Carl and the vice president for development, Margo White, had been trying to cultivate him for the past year. They hoped a major gift would be forthcoming. In fact, Carl believed that was what Thomas wanted to talk about when his secretary called to arrange the meeting. While it was true Thomas wanted to talk about support for Alpha College, it wasn’t exactly a personal gift he had in mind.

The plan Thomas Brewster had lain out for the president was very interesting. Knowing the difficult financial situation Alpha College was in, Thomas thought this might be an opportunity for both him and the college to profit. Thomas explained to Carl that he knew a large number of people who worked for Merriam Steel Corporation, whose headquarters were about twenty miles from the college. Thomas also happened to be dating the woman who processed Merriam’s matching gift requests. Thomas was sure he could use his influence to convince those employees to become supporters of Alpha College.

This was significant because Merriam Steel matched employee gifts on a two-to-one basis. That could quickly add up to a considerable amount of

MATCHING GIFT ADMINISTRATION
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money. Thomas explained that he formulated the plan because he needed cash for a real estate deal he was negotiating in Florida. He asked that Alpha give him a loan for this project representing 25 percent of the dollars his plan would raise for the college. In 10 years, Thomas would agree to return the money to Alpha with 20 percent interest. He didn’t consider there would be any problem, since he was certain that his Florida project would be extremely successful.

Dennis could see a light in the president’s eye. “That extra money could make a big difference, Carl,” Dennis explained. “But it seems to me there are an awful lot of questions we should be asking Brewster before we go ahead with this deal.” The president explained that Thomas wanted a response by the end of the week. There would be no time to run this by the board of trustees or through other regular channels.

“Maybe it would be best not to ask too many questions, Dennis,” Carl shrugged. “Keeping Alpha College afloat couldn’t hurt either of us professionally. What is it you think we should know?”

**STUDY GUIDE WORKSHEET**

What are the issues in the case study? ____________________________________________

Does it meet the four-point test?

Eligible gift: ___________________________________________________________________
Eligible donor: __________________________________________________________________
Eligible organization: __________________________________________________________________
Eligible purpose: ___________________________________________________________________

What are the motivational factors or circumstances in the case? ________________________
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What is the responsibility of each person involved in the case? ________________________
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**What would you do? Why?**

**A Corporate Response**

The proposal is offensive to read about. The purpose of a corporate matching gift program is to stimulate charitable giving activities on behalf of its employees for the benefit of the charitable organizations those individuals routinely support. Here, at least on the surface, it appears that pressure is to be placed on employees of the firm to make donations to an institution they might not otherwise support — and to do so through a personal relationship between the corporation and recipient organization. It is fair to say that while this scheme might not be specifically outlined in the matching program guidelines as impermissible it clearly violates the underlying philosophy of the program. Where the scheme to be discovered it would be hard to find a corporation that would not put an immediate stop to it and suggest that any evidence of further collusion be grounds for the cessation of all matching gifts to that organization.

**A Campus Response**

The issues in this case, when taken together, present a questionable proposition, a financial risk, and an opportunity for fraud. The issues are: the matching gift scheme that Brewster proposes for Merriam Steel looks satisfactory on the surface, but Brewster's relationship with the person who processes matching gifts at Merriam Steel presents the possibility of a conflict of interest; lending any of the college's scarce resources could present serious financial risk to the college; lending the proceeds represented by corporate matching gifts could be fraudulent. On the other hand, Brewster is a potential major donor and, if possible, a solution should be found without alienating him.

A loan to Brewster for investment in Florida real estate could be a prudent move, especially in anticipation of a 20 percent annual rate of return. Such an investment would obviously need the prior review and approval of the investment committee of the board of trustees. Review could begin by telephone and, if necessary, a special meeting of the board could be arranged within the time limit. Such a loan would require collateral, no doubt in the form of the real estate involved. A decision against such a venture might be made because the Florida real estate might be so distant that the college could not assure adequate oversight of the investment. If handled in this manner, the president and business officer would remain friends with Brewster because the trustees would make the decision.

Under no circumstances should the college proceed without first obtaining the full support and cooperation of the senior officers at Merriam Steel. In this case, Margo White, vice president for development, can call the president or a vice president of Merriam Steel (but not the person who processes matching gift requests) and discuss the idea. She may well get an enthusiastic response, especially if she explains how important the college is to the community in
which Merriam Steel’s employees reside. On the other hand, she may get a negative response and she should be prepared to abide by that. In either event, the process of communicating with Merriam Steel will build a sense of trust and cooperation and could easily lead to additional grants to the college from Merriam Steel, Brewster, and others. President Frost would gain stature in the community by virtue of his handling of the affair. Integrity is everything in this situation, and far from being a problem, this circumstance presents several opportunities to build trust and confidence between the college and prominent people in the community.

A SECOND CAMPUS RESPONSE

The proposal to the president of Alpha College by the alumnus is manipulative and abusive of a matching gift program. Matching gift programs were never intended to provide personal benefits to employees, donors, and others involved in solicitation efforts. Further, the relationship between the alumnus and the employees of the steel company could possibly make the college a party to fraud if the scheme were completed. Accordingly, the business manager should attempt to persuade the president to divorce himself of the proposed scheme very quickly. The alumnus should be told politely but firmly that the college will not and cannot legally and ethically support the proposal to obtain funds for the college and for his personal investments.

The results associated with these proposed actions could mean: (1) the loss of a potential alumnus supporter (both monetarily and as an ambassador of good will), and (2) possible further deterioration of the college’s financial condition. In the long term, however, other donors as well as the local steel company might be forthcoming with contributions to the college.

Discussion Guide

What are the issues in the case study?
From the information provided, it appears that there could be manipulation of the matching gift program. Although it is not stated clearly, the situation requires discussion and investigation. Certainly, matching gift programs are not intended to provide personal benefit to the donor or to others involved in the solicitation effort. The college personnel seem to view the circumstances as a question of how they will invest the institution’s resources for future income. But the fact that the resources they will have available to lend to Brewster will have been given to the college from corporations requires that the college determine and honor any corporate restrictions of use of those funds.
Does it meet the four-point test?

**Eligible Gift:** Presumed to be eligible.

**Eligible Donor:** Presumed to be eligible.

**Eligible Organization:** Presumed to be eligible.

**Eligible Purpose:** The institution’s purpose is questionable because of the personal gain that the solicitor will receive.

What are the motivational factors or circumstances in the case?
The college personnel are attempting to find ways to keep the college afloat and are also concerned about maintaining their own professional recognition. Although the alumnus may be genuinely interested in helping the college's fundraising efforts, he also is seeking personal gain.

What is the responsibility of each person involved in the case?
The development officer, president, and business officer should avoid any solicitation that appears to be a manipulation of a corporation's matching gift policy. The college officers must contact the senior-level corporate personnel and request clarification of their policy regarding such a plan. Once the corporate decision is obtained, the college must abide by it.
CASE STUDY 6: DISCHARGING ONE’S FINANCIAL OBLIGATION TO ONE’S CHURCH

To Bob Warner, the minister’s suggestion seemed like a good one. “In lieu of your church donation, make your gift to the Wisler School,” he told the congregation. “Be sure to get a matching gift form from Tellstar, and your generosity will go that much further.”

The Wisler Church and the Wisler School were located in Wret, Pennsylvania. In this town of 22,000 people, Tellstar Corporation’s manufacturing plant was by far the town’s major employer. The Wret plant was Tellstar's largest, and about 6,000 of the townspeople were in some way affiliated with the corporation. Tellstar did sponsor a matching gift program for its employees. The corporation would match on a one-to-one basis for gifts made directly to educational institutions; however, gifts made to churches or other religion-based organizations were not eligible for the match. Matching gift forms obtained from Tellstar were sent to the corporate headquarters in Augusta, Maine, for processing.

Bob had been a Tellstar employee for 14 years. He had always accepted the Tellstar policy of not matching gifts to churches and had never thought about getting his gifts to his church matched. It certainly would make a difference, however, if he and other employee members of the congregation had their gifts doubled. And why not? The church was certainly a nonprofit organization. They were undoubtedly putting the funds contributed to good use. And the more he thought about it, the Tellstar rule didn't make sense. Why was it acceptable to give to the church school, but not to the church itself? Bob was also sure the church pastor would never suggest a route that was anything but upright.

Bob decided to proceed as the church representative suggested. When he made his next gift, he would designate the school rather than the church as the recipient. From discussions with other members of the congregation he knew the church would take care of giving him the proper credit, and the company match would probably help him meet his commitment to the church.

A month later he received notification from the Tellstar Augusta office that his gift had been matched. Bob didn't give it any further thought until a few weeks later when the company's local matching gift coordinator asked if he would stop by her office. Apparently she had a few questions about his gift. The meeting was scheduled for the next day. Bob began to grow anxious about the upcoming conversation and wondered how he would approach it.

What would you do? Why?
STUDY GUIDE WORKSHEET

What are the issues in the case study? ________________________________________________

Does it meet the four-point test?

Eligible gift: ________________________________________________________________
Eligible donor: _____________________________________________________________
Eligible organization: _______________________________________________________
Eligible purpose: ___________________________________________________________

What are the motivational factors or circumstances in the case? ______________________
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What is the responsibility of each person involved in the case? ______________________
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**A Corporate Response**

The primary issue from a corporate perspective is that the church is trying to get around the fact that it is not eligible for corporate matches (by some companies) by funneling those gifts through its affiliated school, which is match eligible. Our problem is that the church is knowingly helping its members essentially falsify their donations to take advantage of matching programs. Furthermore, the church is essentially permitting its donors to use matching funds to settle personal pledges — something most matching programs will not allow. Much like the corporate response in case study 5, while there may not be a paper trail proving what the church is really doing, clearly it is encouraging unethical practices and, if discovered, would likely be severely reprimanded by the corporation.

**Discussion Guide**

**What are the issues in the case study?**
The first issue is the minister's roundabout attempt to obtain a corporate match for church members' contributions to the church. His statement implies that gifts from members of the congregation would satisfy their financial obligation to the church and, secondarily, would benefit the church school. The second issue is the donor (the Tellstar employee) disregarding his employer's corporate matching gift policy.

**Does it meet the four-point test?**

**Eligible Gift:** Presumed to be eligible.

**Eligible Donor:** Presumed to be eligible.

**Eligible Organization:** On the surface, the Wisler School might appear to be eligible; however, the inference in this case is that the gifts will go to the benefit of the church. Tellstar Corporation's policy does not permit matching gifts to churches and therefore the institution is not eligible.

**Eligible Purpose:** Given the corporate policy, this is not an eligible purpose.

**What are the motivational factors or circumstances in the case?**
The minister seeks to increase financial support of the church and school. Although that is an honorable purpose, the method is not appropriate. Each party has a responsibility to know and follow the corporation's guidelines.

On the part of the corporation, there is an additional problem because of the geographic distance between the plant location and its headquarters, where the corporate matches are processed. On the surface, the headquarters office would not necessarily know that the Wisler School is a church school. Concern exists on the part of corporations that dollars raised through matching gifts for religious schools also benefit the church. Almost all matching gift programs preclude matching employees' gifts that fulfill their religious commitments.
What is the responsibility of each person involved?
The minister, viewed as the church's policy representative, is abusing his authority. He has the responsibility to be fully informed about the corporation's matching gift policy and to honor that policy. The individual donor also has a responsibility to know and honor his employer's matching gift policy. And, the corporation has a responsibility to clearly define what it means by the terms religious organizations and religious purposes.
Sally Parsons was not in a good mood. The figures her assistant just handed her were not going to be easy for her, as director of admissions at Trustor College, to justify to the president. This was especially true because she had convinced him to throw an extra $10,000 her way at the end of the last fiscal year “to spruce up the student recruitment program and develop a marketing plan or the competition will end up with students that should be here,” she had said. Sally was not a business school graduate, but she knew the extra money would enable her to employ her common sense techniques. Unfortunately, her plans were not working and panic had begun to take over. Fourteen more students declined the college that morning alone. Meeting her target for the incoming freshman class was not going to happen if the rejections continued.

Glancing over the list of names of prospective students who did not accept Trustor College’s offer, one stood out — Margaret Belamy. She remembered the interview well. Her father, an executive at Perfecta Corporation in West Virginia, had been really enthusiastic about Trustor College. His two sisters had degrees from Trustor, and he had made it clear that this was both his and Margaret's first choice. Sally wondered what happened to change their minds.

The next morning, Sally called Mr. Belamy. “The reason I'm calling,” Sally explained, “is that I am so disappointed Margaret decided not to attend Trustor College.” “Actually,” Mr. Belamy responded, “so am I. It's just that another institution offered a special tuition program that could be paid through my company's matching gift program.” He told her that since the company matched on a two-to-one basis, he would only have to pay half of the funds from his own savings. The company would be paying the rest.

Sally told Mr. Belamy she would look into it immediately. She was sure that if the program was available at other institutions, Trustor could offer a similar plan. Mr. Belamy was thrilled. “Please call me back as soon as you find out,” he told her. “If what you are saying is true, Margaret will be attending Trustor in September. It would make both of us very happy!”

Sally hung up and called Mike Bell, the vice president for development. “Mike, I need to tell you about the matching gift tuition plan I just heard of at Perfecta Corporation,” she said. She explained the process to Mark as Mr. Belamy had explained it to her. “You see, Mike, all you have to do is sign the form indicating to the company that the tuition check is a gift, and they match it two-to-one. All of the other institutions are doing it. As long as the check is made out to the college, the company doesn't care. If they did, I am sure they would have told the other institutions to stop the procedure. With so many local parents working for matching gift companies, I bet it could make a big difference in Trustor's fall enrollment. In addition, Mr. Belamy
implied that if Perfecta Corporation would help him pay Margaret's tuition, he would have money left for a generous gift to the Parent's Fund. Mike, this could mean a lot to both of us.”

Mike could certainly see the plus side of what Sally was presenting. They both would look good. The college would have more students paying more tuition, which would translate into less pressure on his fundraising operation. And, like Sally said, it would likely give the Parent's Fund a big boost. Although he didn't like the idea of signing forms stating tuition payments were gifts, maybe he could come up with a way to work around that. Maybe the way to go would be to require that an actual gift be made, and when the match came in just credit it toward tuition. The bottom line was that the college would be getting company money that the company wants it to have. What difference did it make exactly how it got there, or how it was used? “Sally,” Mike said with some hesitation, “let me think about the process a bit more. I'll get back to you very soon.”

**What would you do? Why?**

### STUDY GUIDE WORKSHEET

What are the issues in the case study? ________________________________________________

Does it meet the four-point test?

- Eligible gift: ____________________________
- Eligible donor: __________________________
- Eligible organization: ____________________
- Eligible purpose: _______________________

What are the motivational factors or circumstances in the case? _________________________

- _______________________________________________________________________________
- _______________________________________________________________________________
- _______________________________________________________________________________
- _______________________________________________________________________________

What is the responsibility of each person involved in the case? _________________________

- _______________________________________________________________________________
- _______________________________________________________________________________
- _______________________________________________________________________________
- _______________________________________________________________________________
A Campus Response

The type of program outlined in this scenario is in violation of the intent and purpose of the matching gift program. Furthermore, it may be in violation of IRS regulations governing the deductibility of gifts to charitable organizations that specify that the donor relinquishes dominion and control over the gift property, and that there must be an absence of full and adequate consideration for the transfer. The donor must be left without power to change the disposition of the property either for his or her own benefit, or for that of others. Therefore, an explanation to Sally is needed to show clearly why, in the long run, it is best for Belamy and Trustor College not to follow the program as outlined. The next step is to explain very carefully and fully to Belamy why Trustor cannot participate in this type of program. Specific reference to IRS regulations may be appropriate in the explanation. Also, most corporate matching gift programs have specific guidelines that prohibit this type of program. If Perfecta has such guidelines, these also need to be referenced. A program of this type is not legal and must be avoided.

A Corporate Response

The general provisions of and the attestation statement on many corporation’s matching gift forms clearly indicate that funds will not be used to “fulfill payment of a pledge, any fees, services, or in lieu of tuition or in any way directly benefit myself, members of my family.” Trustor College officials should have studied this form and been knowledgeable of this restriction in the program. Given this restriction, it would not be ethical for anyone at Trustor to suggest that a gift be made and the matching funds credited toward tuition. In the short term, it would undoubtedly jeopardize Trustor College’s eligibility for future funding not only from matching gift programs but also from all corporate giving to the institution.

It is incumbent upon an official at Trustor College to inform Belamy that the college knows it is not the corporate foundation’s policy to match funds that are intended for tuition payments, and to process Belamy’s payments sub rosa would most certainly threaten Trustor’s position for future funding. The long-range impact of such an abuse would be the corporation’s careful reevaluation of the merits of continuing the matching gift program.

A Cultural Organization Response

This is an obvious manipulation of the original intent of the matching gift program. It is a transparent attempt to confuse the commonly held differences between charitable gifts and tuition. According to the Internal Revenue Service, tuition is not a gift and a gift is not tuition. A gift is deductible, but tuition is not. Sally is wrong in pursuing this approach to increase admissions and make herself look good. It appears that her colleague, Mike, has serious reservations about the whole plan.
Sally should go back to the executive whose daughter is trying to enroll in the college and explain the importance of the college’s matching gift program that many local and national corporations have supported. She should emphasize the need to keep the program as pristine as possible in light of the college’s reputation — and the corporation’s. She should also emphasize the IRS’s strict accounting and the audit system of the college would not permit matching gifts and tuition to be confused. And she should also ask for a meeting of the development staff and the appropriate administrative officer, the result of which would be to issue a strong policy statement clarifying the very important differences between the concepts.

Discussion Guide

What are the issues in the case study?
Based on information from this admissions office, the donor assumes that his tuition payment qualifies for a matching gift from his corporation. But by pursuing this, the donor is attempting to use a corporate matching gift for his personal gain. Other issues include the falsification of the forms and collusion on the part of the institution with intent to defraud. By seeking to obtain a corporate match for payment of tuition, the actions of the donor and the college personnel are fraudulent.

Does it meet the four-point test?
Eligible Gift: Tuition payment is not a gift.
Eligible Donor: Presumed to be eligible.
Eligible Organization: Presumed to be eligible.
Eligible Purpose: Payment of tuition is not an eligible purpose.

What are the motivational factors or circumstances in the case?
The circumstances that led to this situation include the need for the admissions office to meet enrollment projections, the development office to meet fundraising goals, and the donor to seek personal gain.

What is the responsibility of each person involved?
The responsibility of the development officer is to know and honor the corporate policy and to inform the director of admissions, the president, and the donor. The donor also should consult his company’s policy.

Because it has been stated that other schools are requesting matches for tuition, Mike should consult with the college’s legal counsel regarding appropriate next steps to be taken to make the corporations aware that it is likely that there is abuse of the program.
Case Study 8: Special Fund Established to Mislead Corporations into Supporting Athletics

The University of Montrose certainly had one thing going for it — athletics: winning football, hockey, and basketball teams. The university’s coaching staff had sustained these winning records for many years, and it did wonders for campus morale. Everyone from student, to faculty, to administrator was proud to say that he or she was affiliated with UM. Montrose was a name people knew, and it was a name that implied excellence in athletics and pride. The institution’s name frequently appeared in the sports section of newspapers nationwide. Coaches from UM were interviewed on a regular basis. The sports arena was usually sold out and many games were nationally televised. Montrose athletes had gone on to become professional athletes and Olympic competitors.

The outstanding sports record had a more tangible impact than strictly high morale. It translated into big dollars contributed by alumni whose pride in their alma mater increased with every winning score. The university’s development office was smart enough to know that this was a unique situation and its benefit could be maximized. There were often special fundraising events created around key games, and across the board, these were sellouts. The money raised in connection with them was impressive by any standards and typically designated to maintain the sports facilities, reward the coaching staff, and support activities that would maintain the high degree of athletic accomplishment at Montrose.

While this athletic fundraising was impressive, there was one “brick wall” that the development staff continually came up against — corporate sponsored matching gift programs. Many company policies specifically stated that gifts designated for intercollegiate athletic purposes were not eligible for a company match. These companies felt that their funds should be directed to educational purposes in the strictest sense of the word. Athletics, from their standpoint, did not fall into that realm. With the number of companies matching gifts made by employees, UM was losing a considerable amount of money that the university felt it was due. From the perspective of the development office, companies excluding intercollegiate athletics under their corporate matching gift policies lacked understanding of higher education and were totally unsophisticated. In this day and age, when
colleges and universities compete fiercely for students and dollars, restrictions of this nature seem antiquated.

UM's vice president for development, Margaret West, had considered this problem for years. As the competition for funds became more intense, she decided the university should devise a policy that would enable it to benefit from all matching gift funds, regardless of restrictions. With the president's blessings, she created the Montrose Educational Fund. It was a big hit with the alumni. By designating gifts to this fund, which was an artery of the development office rather than the athletic department, companies seemed willing to kick in their matches to further the standing of Montrose's sports programs. The development office directed the money to the athletic department after the matching gifts were received, and made it clear to all who contributed to the fund that priority seating was available for contributors. This certainly didn't hurt the fund's success, and both the development office and the athletic department believed they had come up with a winning program. Finally, they were going to be the recipients of the matching gift money they needed and believed they deserved.

A problem arose when they received a call from Artright Communications Corporation requesting more information on the use of the Montrose Educational Fund. Margaret figured it was only a formality and that it just needed some details about this new vehicle of support for the record. As more than $100,000 in matching funds had been raised from various companies since the creation of this fund, there couldn't be any real problem. She decided to write a loosely worded description of the fund's use that would satisfy the corporation, without blatantly disguising the fund's true purpose.

**What would you do? Why?**
A CORPORATE RESPONSE

Clearly this is an intentional effort to bypass the corporation's matching gift guidelines. The proposed actions by the institution are nonetheless in direct violation of the corporate matching gift guidelines and, as such, should not even be contemplated by the institution. Were UM to move forward regardless, and were these proposed actions discovered during a routine audit, not only would the improperly obtained funds be demanded back, possibly with interest, but many corporations would likely cease matching contributions to that institution in its entirety.

A CAMPUS RESPONSE

It appears that the vice president of development has a shallow understanding of the corporate matching gift program. A loosely worded response to an inquiry from a potential matching gift corporation is not

MATCHING GIFT ADMINISTRATION
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appropriate. The title “Montrose Educational Fund” suggests the funds are used for academic purposes. It does not seem either sensible or ethical to misrepresent the Montrose Educational Fund. Further, this could jeopardize potential major corporate contributions from Artright and risk the loss of matching funds for individual gifts to Montrose that are clearly eligible. Corporate giving is a major source of support for universities. It is likely that the inquiry is based on some sense within the management of Artright Corporation that the Montrose Educational Fund may not meet its guidelines. Surely, if the university’s response fails to meet the ethical standard to which the university community is held, then Montrose can expect that Artright management will be less willing to respond positively to proposals for corporate support and may inform other corporations to be careful in dealing with Montrose.

**Discussion Guide**

**What are the issues in the case study?**
The issue in this case is the deliberate establishment of a fund with a title that misleads corporations into thinking that corporate matching gifts will be used for an academic purpose.

**Does it meet the four-point test?**

- **Eligible Gift:** Presumed to be eligible.
- **Eligible Donor:** Presumed to be eligible.
- **Eligible Organization:** The university is an eligible organization, but the department to which the university's development office will direct the funds, the athletic department, is not eligible.
- **Eligible Purpose:** Because the corporate policy excludes matching gifts to athletic programs, this is not an eligible purpose.

**What are the motivational factors or circumstances in the case?**
The motivating factors are those directly stated in the text of the case. “With the number of companies offering multiple matches for gifts made by employees, Montrose was losing a considerable amount of money that the university felt was rightfully theirs,” and “As the competition for funds became more and more intense, they decided that the university should initiate some policy that would enable it to benefit from all matching gift funds, regardless of restrictions.”

Some institutions mistakenly think that corporate matching gifts are the institution’s absolute right to receive. If the institution violates the terms of the corporate policy, it also waives any rights that may have been implied by the corporate policy.
What is the responsibility of each person involved in the case?
The responsibility of the university's development officers is to formulate and recommend to the president policies that conform with corporate matching gift policies. The vice president for development should respond to the corporation's request with full disclosure and be prepared to return the dollars that were generated through misrepresentation.

The responsibility of the donor is to know the employer's matching gift policy and therefore not request the corporate matching gift from the company. He or she should call the corporate policy to the attention of the institution. If the institution does not take corrective action, the donor/employee should share this information with the corporation. The donor can, of course, make a personal contribution to the fund if desired.
CASE STUDY 9: VALUE OF BENEFITS RECEIVED

When Sentry School was the only thing in Canton Woods, parking was never a problem. Whether you arrived on campus at 8 o'clock in the morning or 10 o'clock at night, you had little trouble finding a convenient location to park your car. You could park either on the street or in one of the small campus parking lots with a permit, which could be purchased for a small fee. But that had changed. Since the new shopping mall and entertainment center had been completed within walking distance of the campus, congestion had become the rule rather than the exception. The new complex had misjudged its popularity and its parking facility was completely inadequate for the number of visitors.

Carol Winters, Sentry's director of development, decided that the school definitely should take advantage of this situation. Since a large number of the institution's donors lived in the vicinity, the parking issue was close to everyone's heart. She thought that some type of parking-related privileges could potentially be used to increase the number and size of contributions. This could add considerably more revenue to the school than the small parking fee.

After discussions with the shopping center and entertainment complex manager, as well as the school's physical plant manager, it became clear that linking a parking privilege to a Sentry School Annual Fund contribution might attract “friends” from the community. These community donors, not necessarily alumni, would be particularly significant in terms of annual fund growth because a large percentage of the town was employed at a local manufacturing plant, a division of a major national corporation. Since this corporation sponsored one of the most generous matching gift programs in the country with a three-to-one match, attracting community friends could translate into big dollars for the school. The school's physical plant manager assured Carol there was little use of the school's parking lot during the evening hours when the shopping and entertainment center required additional parking. It was decided that with a minimum contribution of $100, donors could have free access to the lots after 5 o'clock.

The new annual fund appeal was based on Carol's concept and, as she predicted, there was considerable interest and support. Contributions from community friends rose dramatically, and the dollars generated from the matching portion of their gifts were impressive. Amelia Glenn, the headmaster of the school, was extremely pleased and told Carol so whenever the opportunity arose. Carol's achievement was the focus of many discussions around the school, and she received a special note of thanks from the board of trustees.
This morning, however, Carol was confronted with a dilemma. A new person had been hired to process the matching gift forms. The employee noticed a clause in the form that made it clear that when gifts provided donors with benefits, the value of the benefit is not a gift and therefore is not eligible for a match. Carol had never noticed that clause, nor had she ever given thought to that issue. Literally hundreds of matching gifts had already been processed and the cost of the benefit of parking access, which had not even been calculated, had certainly not been subtracted from the amounts submitted on the matching gift request forms. She knew that Amelia would not be pleased with her lack of attention to this critical detail and wondered whether the best way to handle this would be to ignore what the new employee had just brought to her attention.

*What would you do? Why?*

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**STUDY GUIDE WORKSHEET**

What are the issues in the case study?

Does it meet the four-point test?

- Eligible gift:
- Eligible donor:
- Eligible organization:
- Eligible purpose:

What are the motivational factors or circumstances in the case?

What is the responsibility of each person involved in the case?

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MATCHING GIFT ADMINISTRATION


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A CORPORATE RESPONSE

Corporate matching gift programs are nearly universal in the requirement that the corporate match will only be made for charitable donations. Thus, the match can only be made for that which the IRS will recognize as a tax-deductible donation. Therefore, all benefits of value that exceed the IRS annual de minimus levels must be subtracted from the amount contributed in order to derive the net charitable gift amount. It is only this net amount that can be reported as a gift on the matching gift application and only that amount can and will be matched by the corporation. Intentional violation of this requirement is grounds for legal action both on the part of the IRS and the corporation who has been defrauded as well.

A CAMPUS RESPONSE

First, it is virtually never an acceptable solution to ignore this type of situation, and it could be grounds for Winters' dismissal if she fails to notify the headmaster. This is a simple and honest case of uninformed human oversight; it should not be compounded by deliberate human error. Winters should notify the headmaster immediately of the situation and present the matter factually, optimally outlining a proposed solution while at the same time seeking the headmaster's counsel and approval. The solution to this seems very clear.

The value of any benefit needs to be established. Given agreement regarding the precise amount and supporting rationale, Sentry School should communicate immediately with the company. Winters should visit or call the matching gift company (depending upon distance and cost) and follow up with a formal letter. In this exchange, Sentry School should explain the error and apologize for the situation. Winters should explain the basis Sentry has now used to compute the value of the benefit, vis-à-vis the gift portion of the contribution, and send a check in the established amount to the company.

It is important that Sentry School gain the company's understanding and, possibly, agreement as to the method of settlement and the amount. Whether it is considered necessary, ethical protocol or not, it is good public relations. Throughout this exchange, particularly if it is with the company's headquarters, the local plant manager should also be informed of the situation.

There is one additional matter that may need attention. Sentry School, if it has issued gift receipts for the full face value of the gifts to the employees, needs to communicate the actual gift value to the individuals, whether by letter or reissued gift receipts, to avoid any IRS-related consequences for its valued donors.
Discussion Guide

What are the issues in the case study?
The major issue is that the value of the material benefits received by the donor is not a gift and therefore is not eligible for a corporate match. In addition to wanting to provide support to the school, some donors may be attracted to the material benefit made available to them because of their donations.

Does it meet the four-point test?
Eligible Gift: Only the amount remaining after the value of the material benefits has been subtracted would be eligible.
Eligible Donor: Presumed to be eligible.
Eligible Organization: Presumed to be eligible.
Eligible Purpose: Presumed to be eligible.

What are the motivational factors or circumstances in the case?
The development officer wanted to take advantage of the local parking situation in order to increase the number of donors, to increase the size of the donors’ gifts, and to increase corporate matching gifts. There does not appear to be any ulterior motives in this case. Rather, the situation results from a simple oversight: not giving appropriate attention to each clause of the corporation’s policy, specifically on matching the value of material benefits.

What is the responsibility of each person involved in the case?
The director of development should: (1) notify the headmaster and clearly explain the situation; (2) establish the value of the parking benefit; (3) immediately communicate with the company to explain the error, apologize for the situation, and explain the basis it has used to compute the cost of the benefit; and (4) return the appropriate amount to the company.

The development director should also issue revised gift receipts to the donors. In the future, the school should notify donors in advance, through its literature or other correspondence, of the specific value of the benefits or services that the donor is receiving and, therefore, the amount that will be considered a gift.

The company fulfilled its responsibility of clearly stating in its matching gift policy that the recipient organization should assign values to material benefits and that these values should be subtracted from the reported value of the gift before submitting a request for a corporate match.
Maximize your annual fund dollars. The HEP/CASE Matching Gift Network is rolling out the latest tools to help you enhance your matching gift revenue. Our toolkit increases donor awareness regarding matching gifts and helps automate the process for your donors.

The amount of untapped "free money" available from matching gifts is staggering. Some large nonprofits have dramatically increased their matching gift revenues – one went from $2 million to $7 million per year.

Our tools to help your college or school include:

- **GiftPlus Online**
  GiftPlus Online HEP's premier tool for annual fund/gift accounting. Staff provides detailed access to more than 15,000 matching gift companies and their subsidiaries' policies nationwide.

- **eMatch Donor Link**
  eMatch Donor Link The eMatch Donor Link is a custom-created link on your website that helps your constituents and friends match their gifts to your institution. Instead of pointing your DONORS to their employer personnel office, they can now check their match eligible status online in seconds! Information includes a link to matching gift forms for many of the companies, so the donor can simply print and fill out the form.

- **AutoMatch**
  Match Screening (AutoMatch) HEP can electronically screen your constituent employer names as well as organization records for matching gift eligible donor identification and verification. Match rates between 4-12% are typical.

- **Match Leaflets**
  Increase donor awareness by including Matching Gift leaflets in your solicitations. Fundraising has never been easier.

- **Custom Leaflets**
  Unique, dynamic, and focused, the HEP/CASE Matching Gift Network can help you tailor your campaigns by adding a customized look to your leaflets.

- **Post-it™ Notes**
  Create a simple yet effective match reminder.

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**FOR MORE INFORMATION**

web  >>  www.hepdata.com/case

call  >>  703-669-6767 or 800-669-5602
e-mail  >>  case@hepdata.com

HEP Development Services and the Council for Advancement and Support of Education (CASE) merged their matching gift programs, giving users access to an expanded database of companies that match private donations to charitable organizations.
What Are Matching Gift Programs?
The idea was the brainchild of Philip Reed, chair of the General Electric Board of Directors. Reed wanted to encourage GE employees to contribute to their alma maters and believed the incentive to contribute would be greater if the company matched the employee's gift. GE launched its matching gift program in 1954; other companies soon followed suit. Since 1954 employers and their employees have contributed more than $2 billion to education, thanks to corporate matching gifts programs.

Over the years, companies have extended their gift giving to other charitable organizations. Today, museums, hospitals, public television networks, and community organizations all are counted among nonprofit organizations that receive corporate matching gifts.

Why Establish a Matching Gift Program?
A Virtuous Cycle
By giving to the institutions that educate their employees, companies “give where they get.” And by giving to charities and cultural and arts groups, they give back to their communities. Through a matching gift program, a company is able to advertise its corporate image at a low cost and complement other support programs without conflict.

Corporate Citizenship
Companies often want to support educational institutions and nonprofit organizations where their offices and plants are located. Even if matching gift companies do not employ alumni of local colleges, universities, and schools, they may receive indirect benefits from these institutions. They may enjoy the institutions’ contributions to the economic or cultural well-being of the community, or the education of family members of their employees.

Employee Relations
A matching gift program can be an employee benefit as well as a gesture of appreciation by directors. By respecting and reinforcing the preferences of those who work for it, a company can promote and improve relations among management, employees, and directors. Matching gifts are more effective than regular grants in promoting society's support of education, charities, and cultural and arts groups. They encourage a company’s employees to give, thus expanding the base of contributions to all nonprofit organizations.
**Broad-Based Philanthropy**

Gift matching gives companies broad coverage in their contributions. Recipient organizations may be educational institutions (public, private, elementary, secondary, higher ed.), cultural organizations (public radio and TV stations, museums, zoos, libraries, botanical gardens), and charitable organizations (hospitals, health, social service, civic, environmental, United Way).

**Flexible Giving**

Matching gift programs are flexible. Companies can design them to meet a variety of objectives — to encourage first gifts, larger gifts, continued gifts, and so forth — and to fit within almost any budget.

**How Does a Matching Gift Program Work?**

Gift matching procedures can vary from company to company. The following example is typical.

1. **An employee gets a matching gift form from the employer,** usually from the human resources department.
2. **After completing the form, the employee sends it along with the donation** to the educational institution or nonprofit organization.
3. **The nonprofit certifies on the form that it has received the gift** and meets the company’s guidelines for receiving a matching gift.
4. **The nonprofit returns the form to the company.**
5. **The company verifies eligibility of the employee and the nonprofit recipient** and sends the check to the nonprofit.

For more information contact

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