

BERKELEY HIGH SCHOOL DEVELOPMENT GROUP PROGRAM BALANCES QUESTIONS & ANSWERS

What are program balances?

Program balances are funds that the Development Group holds and administers under the direction of specific school divisions, departments and programs of Berkeley High School. Scholarship funds are also a form of program balance but are subject to certain specialized issues that are not addressed here.

Where do program balance funds come from?

The principal sources of program balance funds are:

- ∞ Designated donations: contributions to the Development Group that donors have designated for the use of the applicable school division, department or program.
- ∞ Outside grants: grants made by foundations or other funding agencies to provide general support for, or to fund a specific project of, the applicable school division department or program.
- ∞ Fundraising proceeds: the proceeds of fundraising events or activities sponsored by the applicable school division, department or program.

Who controls program balances?

Spending decisions with respect to program balances are made by the applicable school division, department or program acting through the individuals who are responsible for that program. The Development Group typically receives instructions regarding the program balances of academic departments from a lead teacher for that department; instructions regarding the program balances of small schools and other school divisions may come from a lead teacher or vice principal of that school division or from a representative of its parent advisory board.

What is the Development Group's role with respect to program balances?

The Development Group serves as the non-profit fiscal agent for program balances. As such, the Development Group receives and processes designated donations, grants and other fundraising revenues, issues tax receipts for qualifying donations, makes payments as directed by the applicable school division, department or program, and provides balance and transaction information as requested.

How do program balances relate to Development Group grants?

Development Group grants are made from funds controlled by the Development Group rather than from program balances. The Development Group does, however, take program balances into account in evaluating grant requests and may condition the availability of a Development Group grant upon the applicable division, department or program agreeing to provide some of the requested funding from its program balance. Unlike outside grants, outstanding Development Group grants are tracked and reported separately from related program balances and the unused portion of any completed or expired grant returns to Development Group-controlled funds.

Do departments and programs that raise money through the Development Group have any special obligations?

The Development Group does not currently charge any fee for administering program balances but requests the following cooperation and assistance from departments and programs with respect to their program balances:

- ∞ Principal contact: It is helpful to appoint an individual to receive and disseminate information relating to your program balance and advise the Development Group of policy and spending decisions regarding that balance. If no other person is

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- appointed, we rely on the lead teacher and/or the responsible vice principal to perform this function for academic departments. We ask that each small school or other division of the high school appoint a parent to serve as the liaison between that school division and the Development Group—this parent would serve as the school division’s representative on the board and perform at least some of the functions of a designated principal contact.
- ∞ Active Use: The Development Group encourages active use of program balances. Development Group typically wish to support the high school’s current programs. Since program balances do not earn interest, they should not be regarded as equivalent to a savings or investment account.
 - ∞ Feedback: In order to serve you effectively, the Development Group needs your help and feedback. We appreciate your reviewing program balance reports to assure that they have been credited with all of your designated contributions and appropriately charged for expenses. We also rely on you to identify any special purpose sub-accounts that are no longer appropriate and so should be combined with your general purpose program balance.
 - ∞ Independent fundraising activities: Please time any large-scale fundraising activities so as not to coincide with the Development Group’s own fundraising mailings which occur in November and May of each year. If you conduct fundraising activities outside of Back to School Night or Open House, you are responsible for the initial processing of the resulting contributions. Accordingly, potential donors should not be instructed to mail their contributions directly to the Development Group. When you deliver the contributions to the Development Group, you must identify the program balance to which they should be credited and provide sufficient information for us to issue appropriate tax receipts. This includes the names, addresses and amounts contributed by any cash donors who wish to have their contributions acknowledged and, if the donors received any product or service in exchange for their donation (e.g., a meal, silent auction merchandise, books, art class supplies), a brief description of what they received and your estimate of its fair market value.
 - ∞ Classroom Fees. Teachers may administer fees collected from students to help cover the cost of classroom supplies, books or activities, including field trips, through a designated teacher account with the Development Group. This kind of payment must, however, be clearly identified when delivered to the Development Group. We will not record mandatory class fee payments as donations. Accordingly, any donations in excess of the required amount should be clearly identified in a cover note accompanying the checks,
 - ∞ Outside Grant Administration: The Development Group is happy to serve as fiscal agent for outside grants obtained on behalf of your department or program. At the application stage, if you need to include a supporting letter from the Development Group, please request this from a Development Group co-president well in advance of the application deadline. If you have been awarded a grant that includes use restrictions, reporting or other requirements, please send the Development Group a copy of the award letter or other document setting forth these requirements. You are responsible for complying with all such requirements and may not make any commitments to the funding agency on behalf of the Development Group.

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Are there funds that the Development Group is unwilling to administer as a program balance?

In order to use our limited resources effectively, the Development Group limits program balances to charitable contributions, grants from non-profit organizations or government entities, and proceeds from fundraising events. While we are happy to accept donations and other revenues from fundraising activities conducted to support school-related trips, we cannot serve as your “treasurer” for fees or expenses that are being paid by participating students’ families.

How do I set up a new program balance?

New program balance accounts, including special purpose sub-accounts of existing program balances, are set up through the Development Group’s co-treasurers. Before soliciting funds for a new program balance, please take the following steps:

- ∞ Find out if there is an existing program balance that may be used for your purposes. If you are in an academic department or a small school, you can find this out by talking with the lead teacher for your department or school division. In other cases, you may need to contact a Development Group co-treasurer or other officer to find out if a program balance exists and, if so, the individuals responsible for it. You can contact us by leaving a message at (510) 464-1181.
- ∞ If you conclude that a new program balance account is necessary, contact the Development Group co-treasurers to discuss the purpose of the new program balance and how this should be communicated in your fundraising and to identify the contact person for the new program balance and set up reporting procedures.

What is the procedure for delivering designated contributions for a program balance to the Development Group?

Designated contribution checks should be made out to “Berkeley High School Development Group” or “BHDSG,” and the program balance for which they are intended should be specified in the memo line or an accompanying note. Donors may mail these directly to the Development Group at the following address:

Berkeley High School Development Group
PO Box 519
Berkeley, CA 94701-0519

If you have collected designated contributions from one or more donors, please comply with the following additional guidelines for forwarding these to the Development Group:

- ∞ As a courtesy to your donors, please forward collected checks promptly. While checks are technically valid for 6 months, earlier processing assures that donations are acknowledged for the correct tax year and reduces the risk of having checks returned for insufficient funds.
- ∞ The contributions should be placed in an envelope with a cover note that (1) says how many checks you are enclosing, (2) identifies the program balance to which they should be credited, (3) identifies any of the checks that are not fully deductible contributions (e.g., a personal check substituted for cash contributions, class fees, or a contribution in exchange for which the donor received something of value), (4) lists the names, addresses and amounts contributed by any cash donors who desire a tax receipt, and (5) provides a phone number or e-mail address that the Development Group may use to contact you with any questions.

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- ∞ Checks may be mailed to the address specified above or, during the school year, placed in the Development Group's box in the Berkeley High School mailroom. It's helpful to write "Attention: Deposits" on the enclosing envelope.
- ∞ If you are sending more than 12 checks, please make two copies of each check you are sending (you may include multiple checks on a single page so long as each can be read) and attach them to your cover note.
- ∞ Do not send cash to the Development Group. We recommend substitution of a personal check for any cash contributions. If this isn't feasible, contact a Development Group co-treasurer to arrange for personal delivery of contributions that include cash.
- ∞ It's a good idea to keep a copy of forwarded checks until you have confirmed that they have been properly credited to the program balance.

Are there any limits on the purposes for which program balances may be used?

Program balance funds administered by the Development Group must be used for purposes of supporting and augmenting the educational programs and student services at Berkeley High School, and purchases made and expenses paid out of program balances must be appropriate for organizations exempt from tax under federal and California law. A school division, department or program may agree to additional constraints on the use of their designated donations or outside grants, but the principal responsibility for tracking and complying with these constraints rests with the applicable department or program.

How do I access program balance funds?

The Development Group will issue checks to pay or reimburse qualifying expenses and purchases out of program balance funds following receipt of a completed check request (current form available from our web site), signed by an individual responsible for the program balance and accompanied by an invoice, receipt or other similar documentation evidencing the amount of the obligation and the identity of the person or organization to whom payment should be made.

What kind of reporting does the Development Group provide with respect to program balances?

The level of regular reporting depends on the department or program's preferences. Interim balance sheets with detailed program balance information are prepared in conjunction with monthly meetings of the Development Group's board of directors, and the Development Group's Faculty/Staff Liaison uses this to provide relevant program balance information to department or program contacts. Departments or programs that require more detail regarding revenues and expenditures may contact a Development Group co-treasurer to arrange for automatic e-mails to a designated contact of monthly transaction reports along with balance information.

What is the relationship between the Development Group and the high school's special-purpose fundraising organizations?

Rather than administer program balances for Berkeley High School programs that are supported by separate, specialized non-profits, the Development Group forwards donations designated for those programs to the applicable non-profit. Currently, these are the Berkeley Athletic Fund (BAF) for donations to the high school's athletic program and Berkeley Jazz for donations to the high school's jazz music program.