

ClassExchange

a newsletter for class officers from the Class Affairs Committee

Spring 2001

LETTER FROM THE CHAIR

Dear Class Officer:

The Class Affairs Committee is pleased to provide to you this issue of *ClassExchange*. As you probably know, the Class Affairs Committee is a standing committee of the Alumni Council's Executive Committee and is here to assist you in your role as a class officer. One way we do this is through *ClassExchange*.

In this issue of *ClassExchange* we focus on class dues. While some classes have high participation and others don't, all classes have room to increase classmate participation. We hope the articles we have here will give you some useful tools to boost your participation.

ClassExchange is mailed to all Class Presidents, Vice Presidents, Secretaries, Treasurers, Reunions Chairs and Class Associate Chairs. If you think any other leaders in your class would find this newsletter useful, let us know and we can send you extra copies. In addition, if you have topics you think others would benefit from seeing here, please contact us.

We hope you enjoy the issue!

Sara N. Love '89

Chair, Class Affairs Committee
Former President, Class of 1989

2000-2001 CLASS AFFAIRS COMMITTEE

Sara N. Love '89, *Chair*

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Alumni Council Staff:
Dottie Ferrara h27
Dawn Reading
Adrienne A. Rubin '88

THE VALUE OF A CLASS

By Nancy Cassels '73

A class is only as good as its members make it, and the value of a class is certainly strongly influenced by participation and strong leadership. It is likely that the value of a class will change over time, as class offices change hands, and individual lifestyles change; and in some classes, events such as the 25th Reunion are influential in drawing classmates together and rekindling participation and interest in class activities.

The monetary value of a class is also important. The more funds available to a class, the more a class can do. Throughout the year there are regular opportunities for classmates to get together, such as football weekends, Alumni Day and Reunions; a class in good financial shape can take full advantage of these opportunities by doing things like providing tents and refreshments at football games, class lunches at off-year Reunions, etc; also being able to afford some of the extra touches such as sending out class birthday cards or hosting mini-Reunions can also tend to increase appreciation for and participation in the class.

One of the greatest values of a class, however, is something that cannot be measured in terms of money: it is the sense of community that belonging to a class can foster among its members. The shared experiences of our college years and beyond become increasingly meaningful as time goes on and is one of the many factors that contribute to making Princeton "the best darn place of all."

THE TOP TEN CLASSES IN DUES COLLECTIONS FOR 1999-2000

ARE...

#10	1954	with	68.0%
# 9	1950	with	68.3%
# 8	1936	with	70.0%
# 7	1938	with	73.0%
# 6	1943	with	74.3%
# 5	1937	with	79.6%
# 4	1934	with	80.0%
# 3	1999	with	84.0%
# 2	1939	with	84.4%

**...AND...THE # 1 CLASS IS...
1930 with 84.8% !!!!!**

BEING A TAX-EXEMPT ORGANIZATION

By Adrienne Rubin '88

Alumni class organizations further the interests and welfare of Princeton University by promoting the fellowship and unity of the members of the class and by providing a means of contact with Princeton University. Because of this, the University assists classes in qualifying for tax-exempt status under the Federal tax code. In order to qualify, each class has to conform to certain criteria, adherence to which is mandatory under the Federal tax code and IRS guidelines. Without qualifying as a tax-exempt organization with the IRS, classmates' dues (or gifts) to the Class are not legally deductible as "charitable contributions" on personal tax returns.

The Class Officers Handbook contains a detailed explanation of the responsibilities of officers of a tax-exempt organization and the criteria and rules for overseeing and conducting the activities of that organization. Below are some highlights.

Benefits of Tax-Exempt Status

There are several tax advantages for organizations that are included in the University's 501(c)(3) tax-exempt umbrella.

- Documented tax deductibility for contributions and dues.
- Eligibility for New Jersey sales tax exemption.
- Exemption from income tax on investment income and realized capital gains.
- Tax deductibility of unreimbursed expenses incurred by class members for service to the class, including cash outlays and mileage.
- Eligibility for non-profit postal mailing privileges.

Responsibilities of the Tax-Exempt Organization

To maintain its tax-exempt status, each class has to conform to the criteria below. Adherence to these criteria is mandatory under the Federal tax code and IRS guidelines. Failure to do so can result in a revocation of the tax-exempt status.

- The completion and timely return of the annual financial report and the annual organization activity report. (Failure to do this will result in the organization needing to file its own tax returns with the IRS and the State of New Jersey.)
- Non-engagement in activities for profit that are unrelated to the purpose of the tax-exempt organization.
- Complete segregation of **separate activities** unrelated to the purpose of the tax-exempt organization, including a major reunion, travel tours, assistance to individual members or personal expenses incurred in connection with reunions.

- Complete segregation of funds related to the **separate activities** described above, including separate bank accounts (such as a Reunion Account), which are not identified with the organization's tax identification number.
- *No evidence of payment of deficits from separate activities (especially Reunions) from the organization's tax-exempt funds.*

Record Keeping Requirements

Financial records supporting all receipts and disbursements for a fiscal year must be kept by the organization's Treasurer for at least four years from the end of the fiscal year. The University reserves the right to review and inspect the organization's books and records, as it does for all departments of the University. This includes the right to know to whom money is paid, from whom money is received and the purpose for such payments. Bank and investment accounts should be reconciled monthly on a timely basis.

Documents that must be retained are:

- Bank statements
- Brokers advices
- Deposit slips
- Paid invoices
- Documentation (e.g., receipts) supporting payments to officers and others who provide services to the organization for out-of-pocket expenses.

Personal Liability

A Class, as a qualified tax-exempt organization, is a legally-defined entity and the elected officers of the organization are responsible for their decisions and actions in their individual capacities. Each individual officer can be held legally liable for misrepresentations, illegal actions taken, or illegal behavior or consequences resulting from their actions. The University does not indemnify Class officers for their personal liability. For example, if the Treasurer were to abscond with the Class Treasury funds, the University is not liable, nor is it responsible to "cure" the Class. The Treasurer would be personally responsible for the theft and the other officers would have to pursue the matter themselves and determine the Class's course of action and recourse.

* * * *

This article is a collection of highlights from Section II (The Tax-Exempt Organization) of the Class Officer's Handbook. We recommend that you review this section of the handbook on a yearly basis, in order to ensure that you have not inadvertently jeopardized your tax-exempt status. **It is especially important to review this in a major Reunion year.** If you have any questions or concerns, please contact Adrienne Rubin at the Alumni Council Office at adp@princeton.edu or 609-258-5844.



THE ALUMNI ASSOCIATION CELEBRATES 175 YEARS

All alumni are invited to attend a special 'Birthday Bash' in Jadwin Gym before the Yale Game, November 10, 2001. The Alumni Council will provide FREE tailgate space **inside** Jadwin for this special occasion. Watch for details in the Class Officers' summer mailing sent out by the Alumni Council office in late June.

IDEA OF THE ISSUE

HINTS TO IMPROVE YOUR DUES PARTICIPATION

Here are a few incentives that classes are using to increase dues participation.

If your class has a special technique, please share it with us!

- Free Off-year Reunion Attendance
- Discount for next major reunion
- Free class directory—a simple listing, but free!
- Free lunch at the Harvard or Yale Tailgate
- Publish an Annual Honor Roll listing payers and include it with each dues request or event mailing.

CLASS DUES & ANNUAL GIVING: DIFFERENT BUT EQUALLY IMPORTANT

By Sara Love '89 and Brian McDonald '83

Time and time again, class officers are asked: "Why do I have to pay class dues? I already gave to Annual Giving." As you know, the answer is that the money you give to class dues and the money you give to Annual Giving go to different things. Both are important to the University and we hope you give to both. We have outlined some specific differences below to help you snaser this reoccurring question.

CLASS DUES

The dues you pay to your class go to three main areas: Class Activities, Alumni Council Dues and PAW subscriptions.

Class Activities. Your dues goes to pay for the President's letters that keep you informed of the state of the class, Secretaries' newsletters, and other class correspondence that informs you of upcoming or class-related activities. The dues also pay for class activities such as tailgates, mini-reunions, and other parties.

Alumni Council Dues. All classes pay dues to the Alumni Council. These dues help to pay for Alumni Council activities, such as the Service of Remembrance and Alumni Council Standing Committees. Although staff salaries and the office operating budget are provided by the University, important dollars for volunteer support are provided by these dues. For example, the Class Affairs Committee that gives you this wonderful newsletter and other support for class officers; receives its entire budget from Alumni Council dues. Many people don't know the extent of the alumni support given by the Alumni Council, so here's a brief list of some of the highlights: Reunions, TigerNet, support of alumni interviews of applicants to Princeton, regional association support, affiliated group support, development and implementation of Alumni Education programs, Alumni Day and the Service of Remembrance.

PAW Subscription. All classes pay for their classmates to receive the PAW. Recently, there was a shift in PAW financing due to Classes needing relief from the subscription rate, as well as classes being frustrated by paying for classmates who don't pay their dues to receive the PAW. Under the new structure the Classes, the University and advertising each pay 1/3 of the cost. This averages out so that the University in essence pays for the PAW for non-dues paying classmates.

ANNUAL GIVING

Annual Giving is the University's primary fundraising program. It raises unrestricted funds from alumni, parents and friends for the University's educational and general expenses. Last year, Annual Giving raised \$35.7 million — approximately 10 percent of the University's budget. Every gift to Annual Giving, whatever its size, makes a valuable difference at Princeton and helps to ensure the continuation of financial aid, need-blind admission and all of the other academic and student life programs that collectively provide Princeton's "margin of excellence." For example, the recent success of Annual Giving enabled the University to modify its financial aid program. 60.8% of undergraduate alumni participated in Annual Giving in 1999-2000 — the highest percentage in the country. Cumulatively, 89.4% of all undergraduate alumni, including those in the youngest classes, have participated in Annual Giving.

We hope this helps you explain to your classmates why class dues are important. If you have any explanations that have worked particularly well for you, please let us know them by emailing Sara Love at slove@alumni.princeton.edu.

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COMING ATTRACTIONS...

REUNIONS • May 31 - June 3, 2001 • NOT Memorial Day Weekend!

Harvard Game • October 20, 2001 @ Harvard

The Princeton Association of New England sponsors a large group tailgate - "The Tiger Tent at the Harvard Game" and rents space to classes for a nominal cost. This is a great time to gather your Boston area classmates!

Alumni Association Birthday Bash! • Yale Game Tailgates • November 10, 2001

Be sure to sign up for your class tailgate by the October 16 deadline. There will be class tables inside Jadwin Gym and outside under a tent (location yet to be determined). This is also a good weekend to plan a reception or dinner as many classmates will be in the area. (See note below to reserve a space on campus.)

Alumni Day & The Service of Remembrance • February 23, 2002

Take advantage of this pre-planned event that your classmates are already looking forward to.

Reunions 2002 • May 30 - June 2, 2002

Questions?

Contact Dottie Ferrara h27 at 609-258-5451 or dferrara@princeton.edu.

Planning Your Class Reception or Dinner

The Alumni Council can reserve space on campus for you for any gathering. Please contact Maggie Johnson at 609-258-5836 or mhj@princeton.edu for assistance.