MASTERING THE MAZE

A guide to the labyrinth of laws that regulate campus fund raisers

BY RITA A. FUERST

Think you know the laws that apply to fund raising for education? Write down your answers to these four questions:

1. You're at a Canadian college that's preparing to solicit gifts for a new campus theater. You'll be mailing to alumni throughout the United States as well as to nonalumni who've bought your theater tickets in the past three years. Do you need to register as a charitable organization in the states that have such laws? And should your solicitation carry the disclosure statement that some states require?

2. You're the executive director of a state university foundation. A reporter for the local paper walks into your office and requests a copy of the foundation's Internal Revenue Service form 1023,

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your original request for exemption, and the IRS 990 forms you've filed for the last three years. Do you have to comply?

3. As the annual fund director at a private college, you decide to hire a telemarketing firm to make your phonathon calls. Do the callers have to identify themselves as paid solicitors? Are they bound by the calling-time restrictions that for-profit telemarketers must follow?

4. You're on the board of an independent school that resides on a large piece of land. The board decides to sell a part of the property—and three trustees offer to buy it. Under the new intermediate sanctions regulations, can the school sell the land to the trustees? Could the school—or the trustees—face any additional taxes or fines?

There's no one book that answers all these questions or one government body that creates the laws and regulations you must follow. In the United States, fund raising falls under the jurisdiction of the IRS, the Federal Trade Commission, and state governments as well as many cities,