Electronic and Internet Fundraising
(January 2000)
(Department of Catholic Schools)
January, 2000

Re: Electronic and Internet Fundraising

Dear Pastors and Principals,

It has come to the attention of the Department of Catholic Schools that websites have been developed whereby individuals can engage in "virtual store" shopping on the Internet, with merchants crediting a portion of the total purchase price to the school of the individual's choice. While this type of program can indeed benefit local schools, it is important, both for purposes of complying with Internal Revenue Code restrictions on tax-exempt organization business activities as well as Archdiocesan policy prohibiting product and service endorsements, to carefully minimize the active role of the schools in these programs.

Given these concerns, the following restrictions shall apply:

1. Any solicitation you may receive from companies seeking your involvement in Internet based shopping/non-profit rebates must be directed to the Development Office.

2. The Development Office will review the proposed program and, if acceptable, will assure that the school "sign-up" forms contain clear terms and conditions which protect the interests of the school and limit the nature and extent of the school's role in marketing the particular website, merchants etc.

3. The Development Office will periodically provide to schools a list of those electronic and website programs which have been found acceptable. The current approved programs include E-Scrip and SchoolPop.com. Schools are cautioned, however, that any such listing of a website does not indicate endorsement by the Archdiocese of the particular program. Schools choosing to refer the various websites to potential supporters (e.g., via the weekly envelope and/or on any school website fundraising page) will be required to include a cover note to any materials clarifying that there are various websites available and that the Archdiocese and School do not promote or endorse the products or services of any particular website or participating merchant and that the terms and conditions pertaining to the use of the website and any resulting purchases are between the supporters, the website and participating merchants and that the parish/school makes no representations or warranties concerning the products and/or services of the website operator or participating merchants. Finally, the cover note must state that no portion of payments made by supporters to merchants participating in the program are tax deductible.

4. No ongoing promotional efforts on behalf of a particular website program, merchant group, etc., is permitted. For example, some organizations will recommend full-scale marketing plans which include presentations by website representatives, rallies, visits to merchants, press releases, ongoing flyers, etc. For the reasons stated above, this type of activity is prohibited. Website operators and merchants are, however, free to take out paid ads in the local paper or parish bulletin; though the parish/school must be careful not to allow itself to be referred to as a "sponsor."

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5. Under no circumstances is a school authorized to operate, or facilitate the operation of "virtual mall" shopping on the school's website. (however, subject to the restrictions set forth in #4 above, the website addresses of approved commercial website shopping operators can be listed on the school's website).

Sincerely,

Sister Glenn Anne McPhee
Superintendent of Schools