

USTC Alumni Foundation
Board Member Orientation Document
On

General AF Introduction

Version 0.5
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Introduction

In response to request from members of the 2010 AF GB, This document is being written up to be the first in a series of orientation material for new board members of the USTC Alumni Foundation. It describes the organization and its operation in brief and general terms, and leaves the details of many aspects to other documents in the series.

Brief History

The USTC Alumni Foundation (USTC AF, or AF for short) was founded in 1995, when Shangyou Zhang incorporated it in the state of Delaware as a non-profit organization. Later in 1999 the AF obtained the 501(c)(3) status from the IRS, allowing it to accept tax-deductable donations.

Over the years, the AF has raised more than \$2,000,000 of donations, and made hundreds of awards to USTC students and teaching staff.

The AF maintains its web site at www.ustcaf.org, which provides the definitive information on various aspects of the AF operations.

Organizational Structure

The AF is a non-profit organization governed by the laws of the state of Delaware, not unlike most of the Fortune 500 companies and major NGOs.

AF is further governed by its bylaws and various board resolutions. The effective bylaws today are documented at <http://www.ustcaf.org/d/doc/bylaws/2003.html>. The various resolutions are available at <http://www.ustcaf.org/d/2007/res.html>.

According to the Delaware laws and the AF bylaws, the AF serves the interests of its members. Regular members and life-time members are the two types of members¹ AF has. The decision making body for the AF is the Governing Board (GB), which is elected

¹ The definitions of these two are not completely straightforward. At a high-level though, those who donate more than \$15 becomes a regular member for a year, and those who donate \$125 or more becomes a life-time member.

from and by the AF members every year. Most board decisions were documented and published in the form of board resolutions.

As of now the AF does not have any hired employees, nor any contractual relationship with other entities for any aspects of its operations. It does have a few un-paid volunteers to help out with a few routing donation and finance related tasks².

Communications with Members

In general the AF has the following channels to communicate with its existing and prospective membership base.

Firstly the AF periodically (but with varying frequency) sends out newsletters to the membership base, though both its internal mailing lists and various regional alumni mailing list.

Secondly the AF gets involved with certain special projects, mostly with fund raising, and sends out special fund raising messages.

Thirdly the AF asks many regional alumni association to promote the AF at various events, and optionally collect donations on behalf of the AF.

Finally we maintain our web site, and have the information available to everyone who is interested.

Fund Raising Processes

The AF has a fairly simple fund raising process. We communicate to our members and other USTC alumni by email through various mailing lists, telling them about our projects and ask them to donate to us.

Because of its tax-deductable charity organization status (501-c-3), the AF is eligible for charity donation matching at most large organizations, and we encourage our donors to apply for those matching donations at their place of work.

We also have a concept called a “sub fund”, so that donations can be ear-marked for a certain purpose, and awards managed by the manager of the “sub fund”, subject to certain conditions. An example would be a certain “memorial fund” in memory of a certain alumnus, attracting significant donations from people who were close to that person.

The AF accepts most form of payment for the donations, including credit card, checks, e-checks, PayPal, and RMBs. We also accept donations of appreciated stocks, as it represents a huge tax benefit for the donors³.

Award Programs

The AF runs a number of award programs. The general-purpose award programs include the following:

² More on this in the “finance operations” chapter.

³ More can be explained here if necessary.

- Outstanding New Student (ONS) Award: for top incoming freshman students
- Young Faculty Career Award (YFCA): for outstanding young faculty members
- Teaching Excellence Award (TEA): for outstanding teaching staff
- Goodwill Scholarship (GS): for students with financial difficulties

There are other special purpose awards under various sub funds. More detailed description of these awards problem is available on the AF web site at <http://www.ustcaf.org/d//Awards.html>. Most definitive guide for how the award programs runs would needs a separate document.

Finance Operations

The AF finance operation starts with the collection of donations in various forms. A few volunteers were responsible for various channels for many years now. The money collected is deposited into bank accounts maintained by the de-facto treasurer/accountant Mr. Shangyou Zhang.

A running ledger of AF finance related activities are available on the web site, documenting each transaction.

The asset of the AF is kept in two types of investment instruments in a 50/50 split in principle. The first type is risk free instruments such as money market fund, and CDs. The second is total US stock index fund, such as funds indexed to the SP500.

AF cash outlays (mostly awards) were approved by the GB (sometimes informally) and initiated by Shangyou with the banks.

The AF tax returns were filed by Shangyou every year, after he published them for review by GB members.

While the AF finance operation is not super complicated, it does need more description than can be fitted into this introductory document. More detailed descriptions of various aspect of it would be better described in a separate document.

Conclusion

In conclusion, we have covered superficially the various aspects of AF the organization and its operations. Should you have questions, comments or suggestions on how to improve this document, please contact the author(s).