

AHSEF Frequently Asked Questions

Can we have some way to give gifts online?

Yes. We have added a Paypal Donate button to the website to facilitate online gift giving. Gifts collected through Paypal will be transferred to the Vanguard account on a quarterly basis. Please note there is an associated Paypal transaction fee of 2.9% + \$0.30.

Can we wire money directly to the Vanguard account?

Yes. Please follow the AHSEF customized wiring instructions below. They are based on Vanguard's instructions at <https://personal.vanguard.com/us/whatweoffer/accountservices/wiretransfer>. Please note that Vanguard doesn't charge a fee for incoming wires, but your financial institution might.

Wire to	FRB ABA# 021001088 Swift Code (MRMDUS33RTL) must be given for incoming international wires only. HSBC Bank USA 452 5th Ave New York, NY 10018-2786
For credit to	Account 000112046 Vanguard Incoming Wire Account
In favor of	Fund # 724, Account # 88080604891, Alliance High School Endowment Fund, 12765 Lorne, North Hollywood, CA 91605

I am concerned about the pending status of your 501(c)(3) application.

Regarding the IRS, we are confident on the 501(c)(3) status application. It is simply a process issue and we have a diligent team of lawyers, including Jacob Sitati, who is a lawyer, looking into this.

It is on the strength of this confidence that the initial donor provided the initial gift. On the small and irreparable chance that the 501(c)(3) status is denied, US donors who take a tax deduction on gifts to AHSEF will have to amend their tax returns.

What would be a transparent and deterministic way to select need based recipients if there is excess income and the fund is therefore able to provide need based scholarships?

From the original AHSEF proposal document from March 2013 - If excess income still exists after merit based distribution, we could distribute the remaining income using a deterministic and transparent need based formula e.g. previous years merit based recipients use a rank voting system to rank all students who express a need, and that the principal has verified as having a need, and the excess income is distributed until it runs out. Students can get both merit and need based awards, but total award amount not to exceed X.

Why are you prioritizing merit over need based scholarships?

The current mode of distribution is designed to reward academic excellence. The need over merit is an issue we discussed at length. We chose to go with merit primarily because it was what the initial benefactor wanted and we realize the need issue requires a lot more money than we currently have to use our income model. Need is a big issue at AHS and our little money at the moment is but a drop in the bucket for a long-term solution. Need has to be addressed at AHS but this approach using income returns would not be the ideal at the moment with our base capital. With a higher capital operating base yielding higher income returns maybe need can be a consideration (and we hope we get there) but even then it will still be capped at some point. We hope to get not just to need over time but also to other areas of achievement, sports, music, leadership, etc. That will only happen with a bigger capital base and that is what we are working on with the solicitations. Bottom line, a need-based distribution has not been ruled out - it has been deferred.

Why are there so many initiatives on giving to AHS? Why don't you align them?

We understand and agree that donor fatigue is an issue with all the initiatives going on. However, we feel that we have not had a credible approach at AHS since the last 3 Ring project, which some of us were part of. We think 3 ring is a good idea and if it can continue, that would be a great achievement but we still believe a more institutionalized approach has a larger footprint such as this one or the endowment effort currently underway in Kenya. Our goal is to align these two efforts in the long run but we have to begin somewhere. This is a beginning that hopefully, Diaspora can join in (at least we hope). It is a structure that will outlive individuals and can potentially have a larger foot print in outcome. Alternatively, maybe both approaches, 3 ring and endowment can complement one another.

Why does the board have so much power? If I give a gift, I want more say in how it is used.

We set up the board with a typical 501(c)(3) structure. We have laid out the model for disbursement clearly and it is available on the website in the Financial Policy document. If anyone would like to determine how their money is spent, we have given a provision in the "directed giving policy" where all it needs is a threshold amount of \$15,000. We did this because it is pointless to decapitate our functionality by operating via committee. Everyone will have an opinion on what we should do, thus we opted to set-out an operational framework, which we have, and work with it. It is public knowledge for all to see. Over time we shall do a continuous evaluation like any credible organization and if this is not working, or if there are better approaches, then changes can and will be made.

We are also not ignorant of the fact that some individuals may want a bigger say in how their funds are used. However, if everyone had a say then the fund will not move. If you agree with the overall vision and mission of the fund, then your support is your voice. We are open to ideas and are looking into all options feasible and reasonable. We acknowledge that some will not give because they want a direct say, which is okay. We also realize we shall get a lot of criticisms and some encouragement, which is the nature of such endeavors. Bottom line, we are trying to provide a model and if others find a more acceptable way to direct their efforts to AHS that is also ok. Ultimately, we all achieve our goal of assisting AHS. Ours is a clear model and we have put it out there. We hope we can get your support but even if we do not, your support to AHS through other channels is still appreciated.

How about a weighted system for both financial need and academic merit whereby the weight attributed to need is more than the weight attributed to academic excellence (say 0.75 and 0.25 respectively)? Once people see that they are actually making a difference through their little sacrifice, I believe it will be easier to convince them to support the fund.

There are many different approaches that we could take. We debated about this for a while and finally we took the approach suggested by our original benefactor, academic merit. However, we agreed to have a "directed giving approach" where a donor who gave a substantial amount (\$15,000) can determine how his contribution's returns are distributed. Our goal is to have a large enough endowment that can be used to make distributions into various areas of excellence captured in the student life at AHS akin to the many facets of AHS recognized throughout the school year at AHS e.g. sports, arts, science congress etc. Finally, we realize there may be others with alternative approaches and we may not satisfy everyone's interests. Our hope though is that we can at least begin a solid effort that endures and can encourage students in all aspects of student life at AHS - academic, sports, social, and leadership to strive for excellence.