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A Smart Way to Stretch a School's Budget

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By: Joanne Levine

With the help of gifts-in-kind organizations, schools put free merchandise to good use.

With budgets tighter than ever, few schools have any extra dollars to spend on special events. So how did a small, cost-conscious elementary school in Galesburg, Illinois, afford to host a family arts and crafts night?

Steele Elementary School turned to a gifts-in-kind organization called NAEIR for all the arts and crafts supplies—everything from wooden shapes for holiday ornaments, paint brushes, tablecloths, stickers, pipe cleaners and paper plates— it would need to entertain the 341 students that participated that night.

Gifts-in-kind organizations solicit donations of valuable, new merchandise from American corporations and redistribute that merchandise to members, which include schools, churches and other nonprofit organizations.

The need for supplies and materials is certainly great, and membership in gifts-in-kind organizations like www.NAEIR.org allows schools to obtain a great deal of merchandise for an extremely low administrative cost. Schools can browse catalogs of donated supplies and request what they need, thereby saving on classroom and other supplies and limiting teachers' out-of-pocket costs.

Companies like Microsoft, Stanley Tools, 3M, Rubbermaid, Rand McNally, Reebok, Gillette, Xerox, Hallmark and thousands of others make such contributions, supporting charitable causes while at the same time taking advantage of tax deductions, reducing storage costs, clearing warehouse space and avoiding hassles with liquidators. And as an added bonus, huge amounts of materials are reused and prevented from heading directly to our nation's landfills.

Items donated include office supplies, class materials, clothing and shoes, maintenance items, tools and hardware, toys and games, computer software, sporting goods, books, tapes, CDs, arts and crafts, personal care items, holiday and party items, janitorial supplies and more.

Schools and nonprofit organizations usually pay a small membership fee and nominal shipping and handling charges to participate in gifts-in-kind programs, but the merchandise itself is free. The gifts-in-kind organization handles sorting, processing, cataloguing and redistribution of the merchandise.

Organizations that participate must agree to use the merchandise in accordance with IRC section 170(e) (3), which states that the merchandise must be used for the care of the ill, needy or minors and cannot be bartered, traded or sold. The merchandise can be given directly to the qualifying individuals served by an organization or used in the administration of the organization.

Schools across the country are taking advantage of this service to help stretch their budgets while providing the best for their students. As one Chicago teacher said: "I use the merchandise for gifts, awards, prizes, tools and to meet the different needs of the children. Over the years, we have received pens, papers, office supplies, scrapbook supplies, hats, push brooms, flashlights, lunchboxes, tools and clothes. As a teacher, 'free' is a very important word!"

Gary C. Smith is the president and chief executive officer of the National Association for the Exchange of Industrial Resources (NAEIR), the oldest and largest gifts-in-kind organization in the country. NAEIR solicits and receives donations of excess inventory from American corporations and distributes the material to a membership base of more than 13,000 charities. It has collected and redistributed over \$2 billion worth of new, donated supplies and equipment since its founding. NAEIR members average more than \$18,000 worth of free products per year for their organizations.

NAEIR is celebrating its 35th anniversary this year. For more information, schools can call 1-800-562-0955 or visit NAEIR's website at www.naeir.org.

To schedule an interview, please contact JoannePR@aol.com.

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