

SOUTH SHORE WALDORF SCHOOL FUNDRAISING FOR CAPITAL PROJECTS

BORROWING AND DONATING COMMUNITY CIRCLE

How to significantly support your school's capital projects with small monthly payments.

FAQ

How does the Borrowing and Donating Community Circle (BDCC) work?

A lender makes money available to a recipient and a third party, the donor, pays back the lender in monthly payments over a period of years. The recipient gets all the money up-front from the lender; the lender gets all the money back over time, plus interest, from the donor; the donor pays only small monthly payments but gets a tax receipt for the full amount of the donation right away.

In the case of SSWS, money in pre-set amounts (increments of \$500, starting at \$1,000 and capping at \$3,000) is made available by the Nova Scotia Branch of the Anthroposophical Society in Canada (the lender) to the school (the recipient). It is paid back in monthly installments over a period of 5 years at an interest rate of 4% by supporters of the school (the donors). A major portion of the interest is donated by the Anthroposophical Society to the school.

The donors agree to guarantee each other. If anyone fails to make payments the others will cover for them up to 100% of their own agreement.

Where does this idea come from?

This is a type of micro lending, which is used extensively throughout the world. The model was brought to us by our current lawyer, Kathryn Dumke, one of the founders of SSWS. It was adapted from the model used by the GLS Bank in Germany (Gemeinschaftsbank für Leihen und Schenken), the first social and ecological bank in that country. It was modified for specific use of SSWS through input from former SSWS treasurers Rita Landgraf and Jim White.

What is the history of this model at SSWS?

The first Borrowing and Donating Community Circle at SSWS was formed in 2009 to help build the Red Roof Portable. The Nova Scotia Group of the Anthroposophical Society in Canada agreed to advance funds against SSWS Borrowing and Donating Community Circle member contracts and fifteen individuals or families joined. \$36,000 was raised and all "BDCC I" obligations were fulfilled by 2016.

Borrowing and Donating Community Circle II was formed in 2013 to help buy the school property, rented for the previous 12 years from St. James Anglican Church in Mahone Bay. Twenty-seven individuals or families joined and \$37,000 was raised. The final payments were made in 2021.

Borrowing and Donating Community Circle III, launched in February 2018, helped to finance an essential part of SSWS infrastructure: a new septic system. The projected cost is \$40,000. Completion date for this third circle is 2023.

Borrowing and Donating Community Circle IV started in 2021 and raised \$8,500 for capital projects, such as the yurt.

Why is it called a “Community Circle”?

This is a community-held bond, meaning that community members and friends of the school trust each other enough to stand as guarantors for each other. Those who join the circle are all parents, faculty, or friends of the South Shore Waldorf School. Even though some members may not have met all other members, all members cross guarantee each other to the extent of their own borrowing commitment. It is a community of trust and mutual support exhibiting a shared dedication to the future of the school. The payments are a monthly reminder that the donor has made a 5-year commitment to stand by the school and the members of the community that hold and support the school. With many small contributions from the community the school can raise significant funds quickly for important projects.

Who can join?

Current families and members of their extended family; alumni/ae families and members of their extended family; declared friends of the school; faculty and staff.

What does a mutual guarantee mean in terms of my personal liability?

The guarantee means that when any one member is unable to cover any specific monthly payment other members pay it, shared and pro-rated. In this unlikely event, you would be notified by the representative.

Have these circles ever failed?

No. We have two completed circle, and are about to close BDCC III. The BDCC IV circle is in year three, and there has not been a single missed payment.

How much am I/are we able to borrow in order to donate to SSWS?

From \$1,000 to \$3,000 in increments of \$500. When the BDCC III contract is signed, the principal amount is directed to the school as a donation in the name of the member. The school issues a charitable receipt to the donating member for income tax purposes.

How does the school get the money?

As soon as the family or individual (the donor) signs a contract to join the circle, the Society directs the agreed amount to the school. The donor then begins to pay a monthly amount by direct debit back to the Society through Lahave River Credit Union.

What does the Nova Scotia Branch of the Anthroposophical Society do with the interest I/we pay?

The income from the 4% is donated according to the society’s mandate as registered charity. The society has given a grant to SSWS faculty nearly every year for faculty development to be used at the discretion of the faculty.

What is the monthly repayment?

If a donor agrees to give \$1,500, for example, the monthly payment would be \$27.62, about the cost of 2 medium pizzas in Mahone Bay.

Do I get a tax donation receipt?

Yes, immediately and for the full amount of the loan. It can be used in the current year or in one of the next four years, whichever fits your circumstance best.

How are the loans of members repaid?

All BDCC member contracts are made for five years through 60 monthly payments of blended principal and interest at 4% per annum via a signed PAD.

What is a PAD and why is it needed?

Pre-Authorized Debits (PADs) are a convenient way to make payments automatically. Instead of you sending a payment to the Nova Scotia Branch of the Anthroposophical Society each month, the LaHave River Credit Union withdraws funds from your bank account automatically and deposits these repayments into the society's bank account.

Why doesn't the Nova Scotia Branch of the Anthroposophical Society just lend the money to SSWS directly?

The society does lend some money to the school at a modest interest rate and is paid back regularly by the school. But the amount that the society is permitted to lend is limited by the policies of the society instituted to protect the integrity of its gifted principal. Creating a community of shared liability allows the society to direct the proceeds of the loans made to BDCC members as gifts to the school. In other words, the funds raised in this way are free-and-clear donations to the school instead of loans that must be repaid by the school.

Who do I talk to about joining?

B&DCC IV administrators

Jim White greerwhite@eastlink.ca

Rita Landgraf rlandgraf@lbserv.com

Past B&DCC participants available to answer your questions:

Paul Pickering PaulWPickering@gmail.com

Donna Himmelman donna@windyhilldevelopers.com

Anne Greer anne.greer@waldorfns.org