



Charitable Giving and In-Kind Donations Policy

The Pucusana Project is a nonprofit 501(c)(3) corporation (tax ID #82-4616372) organized under the laws of the State of Colorado.

- a. The Pucusana Project is working to alleviate poverty in Pucusana Peru through education, community projects and business training.
- b. The Pucusana Project encourages the solicitation and acceptance of gifts to the organization for purposes that will help to fulfill its mission. The following policies and guidelines govern the acceptance of gifts made for the benefit of any of its programs or affiliated entities.
- c. The Pucusana Project reserves the right to refuse any gift that it deems too restrictive in its purposes or not in the corporation's best interest.

Section 1. Acceptable Gifts:

All charitable contributions (financial giving or in-kind donations) are seen as a gift to the corporation and **are nonrefundable**.

- a. **Checks**
 - Check donations must be made out to The Pucusana Project and can have any specific project the donor prefers their donation to go toward written in the memo line.
 - If the memo line is left blank or has a general meaning, the check amount will go toward the "General Operations Budget" and be spent at the discretion of the Board of Directors.
- b. **Cash**
 - Cash donations are accepted with the understanding that they will go toward the "General Operations Budget" and be spent at the discretion of the Board of Directors.
- c. **Automatic Bank Deposits**
 - Monthly or one-time automatic bank deposits are acceptable when there is a general understanding between the donor and a The Pucusana Project representative for what the funds will be used for. This understanding can be a spoken agreement, written in an e-mail or a formal contract.
 - If the donor does not specify where they want their donation to go, it will go toward the "General Operations Budget" and be spent at the discretion of the Board of Directors.
- d. **In-Kind Donations**
 - In-kind donations, or non-cash contributions, or any contribution of an item that is reasonably expected to be used to satisfy or further the organization's exempt purposes and for which
 - a. there is no ready market to liquidate the donation to convert it to cash and/or
 - b. the value of the item is difficult to ascertain or speculate.Examples may be: real-estate, life insurance, vehicles, technologies, clothing or stocks

Section 2. Acceptance of Gifts

- a. Any Board of Director, officer and committee may accept on behalf of The Pucusana Project any contribution, gift, bequest, or device for the nonprofits purposes. All in-kind gift donations must follow the guidelines set forth in **Section 8**.

Section 3. Use of Legal Counsel

- a. The Pucusana Project will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate.
 - Review by counsel is recommended for all in-kind donations, such as closely held stock, real-estate, life insurance, vehicles, technologies, clothing, stock, securities, animals, bargain sales, life insurance, bequests, trusts naming The Pucusana Project as trustee, or documents obligating The Pucusana Project to take action, all transactions with potential conflicts of interest and other circumstances in which the staff, Giving Committee or Board of Directors believe that use of counsel is appropriate.
- b. The Pucusana Project strongly encourages its donors to seek their own tax or legal counsel before making a charitable gift. The Pucusana Project does not provide personal legal, financial or other professional advice to donors or prospective donors. Donors and prospective donors are strongly urged to seek the assistance of their own professional advisors in matters relating to their gifts and the resulting tax deductions.

Section 4: Tax-Exempt Gift Receipts

- a. The Pucusana Project's fiscal year ends December 31st.
- b. All tax-exempt gift receipts will be written and mailed to each donor by January 31st of the following year, but donors can ask for a tax exempt receipt at any time.
- c. Tax exempt receipts for In-Kind donations will be given for that year's current retail value of the donation.

Section 5: Donor Acknowledgement and Relations

1. **General gift acknowledgement:** All gifts (except cash donations) for any amount to The Pucusana Project will receive a personalized acknowledgement from one of our officers within one week of receipt of the gift, if possible.
2. **Anonymity:** Requests for donor anonymity will be honored
3. **Confidentiality:** Files, records, and mailing lists regarding all donors and donor prospects shall be maintained and controlled by The Pucusana Project on a confidential basis. Written reports of interviews and solicitations will be maintained in the donor or prospect records.
 - a. This information is confidential and is strictly for the use of The Pucusana Project's Board and staff and restricted to use for the organization purposes only.
 - b. The donor has the right to review his or her donor fund file(s). Names of donors will not be provided by The Pucusana Project to other organizations, nor will any lists be sold or given to other organizations.

4. **The Donor Bill of Rights, 1993**

The Pucusana Project endorses the Donor Bill of Rights created by the Association of Fundraising Professionals, the Association for Healthcare Philanthropy, the Council for Support and Advancement of Education, and the Giving Institute: all Leading Consultants to Nonprofits.

Section 6: Conflict of Interest

- a. The Board will examine all acts of self-dealing including, but not limited to prohibition against personal benefit. Those individuals who normally engage in the solicitation of gifts on behalf of the corporation shall not personally benefit by way of commission, contract fees, salary, or other benefits from any donor in the performance of their duties on behalf of The Pucusana Project.
- b. The Pucusana Project's Board of Directors will consider a transaction in which any employee has a "material financial interest" with a donor as an act of self-dealing. And upon investigation, will remove any personnel who took part in self-dealing, or any other acts of conflict of interest and return the donation to the donor.

Section 7: In-Kind Donation Guidelines

In-kind donations are gifts other than money but still hold financial value, such as but not limited to, personal property, real-estate, vehicles, technologies, clothing, life insurance, trusts, bequeaths, stock, securities and animals.

- a. Any in-kind donations that are valued over \$5,000 may only be accepted upon approval by a majority vote of the Board of Directors.
- b. All in-kind gifts should be accompanied by a statement permitting the Board of Directors to dispose of or sell the gift at market value when/if it has served both the intent of the donor and the purposes of The Pucusana Project.
- c. Stock, securities and animals are not acceptable donations and The Pucusana Project reserves the right to refuse them.
- d. In-kind donations and other forms of support will generally be accepted from individuals, partnerships, corporations, foundations, government agencies, or other entities, subject that the item follows the below limitations: delivery to us, new or nearly new and proof of ownership.

The following gifts will be accepted with an assigned dollar, at market rate, determined by the donor.

1. **Personal Property:**

- a. Gifts of tangible property, (with the exception of art, antiques, stamps, coins, books and other collections), are acceptable with review by The Pucusana Project's Board of Directors.
- b. Art, antiques, stamps, coins, books, and other collections are acceptable with review by The Pucusana Project's Board of Directors and if there is room for a display of such donation at the principle office.

In reviewing these gifts of Personal Property, the Board of Directors shall consider the following criteria:

1. Does the property fulfill the mission?
2. Is the property marketable, profitable?
3. Are there any undue restrictions on the use, display, or sale of the property?
4. Are there any carrying costs for the property?

2. **Real Estate:**

- a. Gifts of real estate include developed property, undeveloped property, or gifts subject to a prior life interest.
- b. Prior to acceptance of a gift of real estate, The Pucusana Project shall require an initial environmental review of the property to ensure that the property has no environmental contamination.
- c. When appropriate, a title search and commitment shall be obtained by The Pucusana Project prior to the acceptance of the real property gift. The cost of this title search and commitment shall be an expense of the donor. The purpose is to establish precise ownership of the property.
- d. The value of the gift will be determined based upon a real property appraisal. The cost of the appraisal will be an expense of the donor. The Pucusana Project reserves the right to approve which appraiser is retained.

Criteria for acceptance of the property shall include:

1. Is the property useful for the purposes of the corporation?
2. Is the property marketable? Are there any restrictions or carrying costs?
3. Does the environmental audit reflect that the property is not damaged?

3. **Life Insurance:**

- a. Gifts of life insurance will be valued at the donated policy's interpolated terminal reserve value, or cash surrender value, upon receipt.
- b. Situations where The Pucusana Project is named as both beneficiary and irrevocable owner of an insurance policy will require prior review by the Board.
- c. When the donor contributes future premium payments, The Pucusana Project will include the entire amount of the additional premium payment as a gift in the year it is made.

If the donor names The Pucusana Project as owner of their policy but the donor does not elect to continue to make gifts to cover premium payments on the policy, The Pucusana Project may:

1. Continue to pay the premiums,
2. Convert the policy to paid up insurance, or
3. Surrender the policy for its current cash value.

4. **Pledges:** Pledges are commitments to give a specific dollar amount according to a fixed schedule.
 - a. All non-conditional pledges are recorded in The Pucusana Project database and included in financial reporting.
 - b. A pledge will be considered unfulfilled if it is unpaid after 3 months of the pledge date, or after 3 months of the last scheduled payment, whichever is applicable.
 - c. The Pucusana Project will regularly sends reminders and statements to donors with outstanding pledge balances. Once a pledge becomes unfulfilled, a last collection attempt in writing will be made with the donor, after which the donation shall be written off following standard accounting procedures.
5. **Retirement Plan Beneficiary Designations:** Retirement plan beneficiary designations are acceptable with review by the Board of Directors. However, such designations will not be recorded as gifts to The Pucusana Project until the gift is received.
6. **Bequests:** Donors and supporters will be encouraged to make bequests to The Pucusana Project under their wills and trusts. Such gifts will not be recorded as gifts to The Pucusana Project until such time as the gift is irrevocable.
7. **Matching gifts:** The Pucusana Project honors each organization's matching gift policies while optimizing matching opportunities as fully as possible.
 - a. If The Pucusana Project has reason to believe that a donor is not in compliance with a matching entity's policies, staff will contact the donor for clarification.
 - b. Cash gifts received from organizations or corporations to match gifts or volunteer time from individuals who are associated with that organization will be credited to the company, with soft credit to the individual donor's record. Unless explicitly prohibited by the matching organization, these funds will be allocated to the same purpose as the individual donor's gift.
8. **Memorial, honorary and "on behalf of" gifts:**
 - a. Memorial and honorary gifts are considered generous and thoughtful ways to recognize people's lives and accomplishments.
 - b. Memorial and honorary gifts shall be accepted by The Pucusana Project at the discretion of its Board of Directors.
9. **Waived Fees or Pro-bono charitable gifts:**

Pro bono service refers to work performed or provided without charge to benefit a cause or for the good of the general public.

 - a. Some expenses for performing pro bono services are tax deductible, but many are not.
 - b. In the case that the pro bono service is tax deductible (which is the responsibility of the donor to find out), The Pucusana Project will give them the option to receive a charitable gift receipt for the cost of services rendered.

Section 8: Miscellaneous Provisions for In-Kind Donations

1. **Securing appraisals and legal fees for gifts:** It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to The Pucusana Project. The donor will pay all associated costs for the appraisal absent a prior arrangement with the Pucusana Project, and the donor also is responsible for payment of all of his or her own legal fees.
2. **Responsibility for IRS Filings upon sale of certain donated property:** The Chief Financial Officer is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within three years of receipt by The Pucusana Project when the charitable deduction value of the item is more than \$5,000.

Section 9: Refunds

Subject to special cases, charitable gifts cannot be refunded. Special cases depend on if conflict of interest and misconduct of funds being proven, the size of the gift, Colorado State regulations regarding charitable returns and the impact the return will have on The Pucusana Project.

- a. Request for returns must be made in writing to one of our Board of Directors or official officers within two (2) months of the donation given.
- b. All returns will require a vote of approval from the Board of Directors at the closest Board meeting following the written request of return.

Board of Directors shall be required to consider the following before voting on a return:

1. What is the true justification for the return?
2. Were the funds acquired through any misconduct?
3. Were the funds spent where the donor specified?
4. Can the nonprofit afford the return?
5. Will the return or refusal of return cause negative public relations?
6. Could the situation be taken to court?
7. What is Colorado State law on the situation?

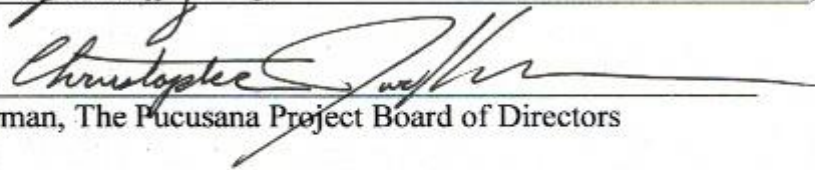
If a return is given, the corporation must send form 1099-Misc to the IRS and declare the refund amount if it is \$600 or more. Refund amounts should appear on line 21 of donors form 1040.

Section 10: Amendments to this policy

These policies and guidelines have been reviewed and approved by The Pucusana Project's Board of Directors. Any changes or amendments to this policy must be approved by the Board of Directors.

This Charitable Giving and In-Kind Donations Policy of The Pucusana Project was approved by The Pucusana Project's Board of Directors on

January 6th, 2020.

By: 
Chairman, The Pucusana Project Board of Directors