



**EMERGENCE**  
BENEFACTORS

# Gift Acceptance Policy

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# Document control

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# Definitions and abbreviations

**Major Donations:** Gifts with a value of greater than \$10,000 USD.

**Minor Donations:** Gifts with a value of less than \$10,000 USD.

**Contemporaneous:** For the written acknowledgment (receipt) to be considered, by the IRS, contemporaneous with the contribution, a donor must receive the acknowledgment by the earlier of:

- a) the date on which the donor actually files his or her individual federal income tax return for the year of the contribution; or
- b) the due date (including extensions) of the return.

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# 1. Purpose and General Information

- 1.1. Emergence Benefactors solicits and accepts gifts for purposes that will help the organization further and fulfill its mission.
- 1.2. The following policies and guidelines govern acceptance of gifts made to Emergence Benefactors for the benefit of any of its operations, programs or services.
- 1.3. This policy works together with the following policies:
  - 1.3.1. Payment Policy,
  - 1.3.2. Code of Ethics,
  - 1.3.3. Conflict of Interest Policy,
  - 1.3.4. Mission and Vision,
  - 1.3.5. Document Creation, Retention and Destruction Policy, and
  - 1.3.6. Bylaws.
- 1.4. Collectively, these policies form our comprehensive Anti-Money Laundering (AML) and Know Your Customer (KYC) policies.
- 1.5. To safeguard Emergence Benefactors against being involved in money laundering or other illegal activities, as well as scandal, major donations may be subject to routine inquiry and scrutiny as a matter of normal business.
- 1.6. Emergence Benefactors reserves the right to:
  - 1.6.1. Refuse donations
  - 1.6.2. Seek further information about donors and the sources of donations
  - 1.6.3. Take any necessary steps to comply with applicable AML laws and regulations and to comply with required KYC laws and regulations that may apply.

# 2. Use of Legal Counsel

- 2.1. Emergence Benefactors may seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:
  - 2.1.1. Gifts of securities that are subject to restrictions or buy-sell agreements.
  - 2.1.2. Documents naming Emergence Benefactors as trustee or requiring Emergence Benefactors to act in any fiduciary capacity.
  - 2.1.3. Gifts requiring Emergence Benefactors to assume financial or other obligations.

- 2.1.4. Transactions with potential major conflicts of interest or ethics.
- 2.1.5. Gifts of property which may be subject to environmental or other regulatory restrictions.

### 3. Gift Acceptance Committee

- 3.1. The Board will designate a Gift Acceptance Committee, which will review gifts which meet any of the following criteria:
  - 3.1.1. Major Donations.
  - 3.1.2. Clause 5 Gifts Accepted Subject to Prior Review
  - 3.1.3. Clause 7 Additional Triggers for Review
- 3.2. The Committee is authorised to make final decisions, however they must provide information on all decisions to the Board.
- 3.3. The Committee is bound by the Emergence Benefactors Bylaws, and all other applicable policies and documentation, including the Conflict of Interest Policy and this Policy.
- 3.4. Decisions will be made following the Board voting rules outlined in the Emergence Benefactors Bylaws.
- 3.5. The final signature authority for accepting a gift rests with the Board Treasurer.

### 4. Know Your Donor

- 4.1. Emergence Benefactors would like to have a relationship with our major donors and understand them and their sources of generosity and philanthropy, as well as help them understand the operations, programs, and personnel of Emergence Benefactors.
- 4.2. Emergence Benefactors needs to know whether donors are on certain lists, such as those public lists kept by the Office of Foreign Asset Control (OFAC) and related international lists designed to prevent fraud, money laundering, terrorism, and other crimes and security threats.

### 5. Restrictions on Gifts

- 5.1. Emergence Benefactors will not accept gifts that:
  - 5.1.1. Would result in Emergence Benefactors violating its Purpose, Vision or Mission
  - 5.1.2. Would result in Emergence Benefactors losing its status as an IRC § 501(c)(3) not-for-profit organization
  - 5.1.3. Are too difficult or too expensive to administer in relation to their value

- 5.1.4. Would result in any unacceptable consequences for Emergence Benefactors
- 5.2. For donors that wish to give to specific studies and centers, we will encourage them to give directly to those, nearly all of which beneficiaries will have their own AML/KYC policies in place.
- 5.3. In general, we will try to avoid restricted donations or those with conditions, and inform donors that we have complete and ultimate discretion in the use of all donated funds, with exceptions made in special circumstances by the Gift Acceptance Committee.
- 5.4. Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Gift Acceptance Committee, which may work in consultation with the CEO, CFO, and/or General Counsel if appropriate.

## 6. Gifts Generally Accepted Without Review

### 6.1. **Cash.**

- 6.1.1. Cash gifts are acceptable in any form, including by check, money order, credit card, or on-line payment service.
- 6.1.2. US dollars are generally preferred, but Emergence Benefactors will accept any fiat currency which can be converted into US dollars.

### 6.2. **Cryptocurrency.**

- 6.2.1. Cryptocurrency gifts are also generally acceptable.
- 6.2.2. The CFO shall determine which fungible coins and non-fungible tokens (NFTs) are accepted by Emergence Benefactors.
- 6.2.3. Donors wishing to have a receipt for their transaction need to provide proof that they were, in fact, the donor of the funds, such as a screenshot of the transaction with the correct time and amount of the donation, as well as their name and appropriate contact information to which a receipt may be sent.
- 6.2.4. Emergence Benefactors may use outside services for KYC/AML purposes related to accepting donations in cryptocurrency.
- 6.2.5. Emergence Benefactors may, at its discretion, conduct its own KYC/AML verification for certain donors and donations.
- 6.2.6. Emergence Benefactors acknowledges that it is not possible to prevent all anonymous donations of cryptocurrencies, but will attempt within reason, and when possible and indicated, to

conduct appropriate AML/KYC as directed by the remainder of this policy.

6.2.7. Emergence Benefactors will request a valid email address for all cryptocurrency donations.

6.2.8. Decisions about if and when to convert cryptocurrencies to fiat currencies or to other cryptocurrencies shall be made by the CFO and/or the Board.

6.3. **Marketable Securities.**

6.3.1. Marketable securities may be transferred electronically to an account maintained at one or more brokerage firms or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached.

6.3.2. All marketable securities will be sold promptly upon receipt unless otherwise directed by Emergence Benefactors's CFO, CEO, or Board. In some cases marketable securities may be restricted, for example, by applicable securities laws or the terms of the proposed gift; in such instances the decision whether to accept the restricted securities shall be made by the Executive Committee.

6.3.3. If a donor wishes to donate marketable securities, this will require coordination with the Gift Acceptance Committee or CFO.

6.4. **Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans.**

Donors may make bequests to Emergence Benefactors under their wills, and to name Emergence Benefactors as the beneficiary under trusts, life insurance policies, commercial annuities and retirement plans.

6.5. **Charitable Remainder Trusts.** Emergence Benefactors will accept designation as a remainder beneficiary of charitable remainder trusts.

6.6. **Charitable Lead Trusts.** Emergence Benefactors will accept designation as an income beneficiary of charitable lead trusts.

6.7. Gifts from persons and organizations known to Emergence Benefactors through meaningful, personal relationships will generally be accepted with abbreviated review unless one of the additional triggers for review found in Section 6 below is found.

6.8. Emergence Benefactors reserves the right to use its best judgment and discretion regarding the acceptance of gifts and to modify this policy as needed or desired.



## 7. Gifts Accepted Subject to Prior Review

7.1. Certain forms of gifts or donated properties may be subject to review prior to acceptance. Examples of gifts subject to prior review include, but are not limited to:

7.1.1. **Tangible Personal Property.** The Executive Committee shall review and determine whether to accept any gifts of tangible personal property in light of the following considerations:

7.1.1.1. Does the property further the organization's mission?

7.1.1.2. Is the property marketable?

7.1.1.3. Are there any unacceptable restrictions imposed on the property?

7.1.1.4. Are there any carrying costs for the property for which the organization may be responsible?

7.1.1.5. Is the title/provenance of the property clear?

7.1.2. **Life Insurance.** Emergence Benefactors will accept gifts of life insurance where Emergence Benefactors is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy.

7.1.3. **Real Estate.** All gifts of real estate are subject to review by the Board or reviewers designated by the Board. Prior to acceptance of any gift of real estate other than a personal residence, Emergence Benefactors shall require an initial environmental review by a qualified environmental firm. In the event that the initial review reveals a potential problem, the organization may retain a qualified environmental firm to conduct an environmental audit. Criteria for acceptance of gifts of real estate include:

7.1.3.1. Is the property useful for the organization's purposes?

7.1.3.2. Is the property readily marketable?

7.1.3.3. Are there covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property?

7.1.3.4. Are there carrying costs (including insurance, property taxes, mortgages, liens, notes, or the like) or maintenance expenses associated with the property?

7.1.3.5. Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?

7.1.4. Emergence Benefactors may, at its discretion, use outside paid services to accept gifts of property, assess them, and convert their value to currency through sale or other means for the use of Emergence Benefactors.

## 8. Additional Triggers for Review

8.1. The following additional triggers for possible additional review apply, regardless of the type of gift, for all Major Donations.

8.1.1. Donor requests restrictions that are inconsistent with our charitable purposes.

8.1.2. The donor or their family, romantic partner, business(es) or business associate(s) stand to gain direct or incidental benefit from restrictions or the gift in some way.

8.1.3. An unfamiliar donor makes a first time contribution very close to December 31st.

8.1.4. The asset being donated would be difficult to dispose of or presents some other significant logistical difficulties or liabilities.

8.1.5. The charitable intent of the donor is questionable.

8.1.6. The donor's public profile, criminal history or associations are unfavourable.

8.1.7. There is a reasonable suspicion that the donor is using the donation to hide assets from creditors or other litigation.

8.1.8. There is reason to suspect that the donation was stolen or obtained through illegal activity.

8.1.9. The donor requests naming rights over any Emergence Benefactors asset or property.

8.1.10. The donor wishes to have continued use of the asset after the donation.

8.1.11. The donor wishes to have continued control over the investment of the asset after it is donated.

8.1.12. The donor is requesting that part of the donation return to them.

8.1.13. Some aspect of the donation or its conditions or restrictions would be detrimental to Emergence Benefactors if it were public knowledge.

8.1.14. The gift could result in Unrelated Business Income Tax (UBIT).

- 8.2. These guidelines may also provide additional guidance for Minor Donations in special circumstances.
- 8.3. If there are significant questions or concerns about any Major donation or donor, the matter should be brought to the attention of the Board.

## 9. Additional Guidelines

- 9.1. **No Reciprocal Gifts.** Emergence Benefactors will not provide gifts in return for donations. Specifically, there shall be no quid pro quo gifts in return for donations.
- 9.2. **Clarification of Roles.** It must be understood that:
  - 9.2.1. The role of the donor is to donate and gain the nonmaterial feelings of satisfaction, nobility, and other natural, causal benefits derived from their act of generosity.
  - 9.2.2. The role of Emergence Benefactors is to use donors' generous donations for beneficial, nonprofit operations and programs in keeping with its Mission, Vision, and Purpose.
- 9.3. **Receipts.** Emergence Benefactors will provide contemporaneous receipts, when possible, for gifts received that include the following information:
  - 9.3.1. That the donation was donated to Emergence Benefactors
  - 9.3.2. The date of the donation
  - 9.3.3. The amount of the donation, or a description of the donation if a firm valuation of the donation is unclear at the time of the donation.
  - 9.3.4. A statement to the effect that Emergence Benefactors does not provide goods or services in whole or partial consideration for any contributions made to the organization.
  - 9.3.5. Per IRS guidelines, "It is not necessary to include either the donor's Social Security number or tax identification number on the acknowledgment."
- 9.4. **Records.** Emergence Benefactors shall keep records and maintain appropriate accounting of all donations and follow its Document Creation, Retention and Destruction Policy.
- 9.5. **Gifts of Time and Work (Volunteering).** Gifts of time and work will be covered separately by our Volunteer Policy, but the general spirit and ethics of this policy also applies to gifts of time and work.
- 9.6. **Preserving Donor Privacy.**

- 9.6.1. Donor privacy, if requested, will be respected as allowed by applicable laws, governmental authorities, and regulations.
- 9.6.2. Donors wishing high degrees of confidentiality are advised to consider establishing donor-advised funds or similar financial instruments and consult with appropriate financial advisors and legal counsel.
- 9.6.3. Emergence Benefactors will require all employees, independent contractors and volunteers to maintain donor confidentiality as allowed by law.
- 9.6.4. Emergence Benefactors will apply what it believes is reasonable digital security controls on records of confidential donor information, acknowledging that no digital records are perfectly secure, and that Emergence Benefactors cannot reasonably guarantee that digital records will be 100% secure.

## 10. References

- 10.1. [IRS Publication 1771](#)
- 10.2. [U.S. Department of the Treasury Anti-Terrorist Financing Guidelines: Voluntary Best Practices for U.S.-Based Charities](#)

## 11. Acknowledgments

- 11.1. We would like to acknowledge and give thanks to the Council of Nonprofits which provided the original template for this document which we have modified to our specific purposes: [SAMPLE Gift Acceptance Policies SAMPLE #1 1. \[Name of Nonprofit\] solicits and accepts gifts that are consistent with its mission](#)

## 12. Approval

- 12.1. This document was approved by the Gift Acceptance Committee by unanimous vote on May 6th, 2021 after empowerment by the Board to do so.