

**NGO Development Center
Gift Acceptance Policy
Board Approved September 22, 2006**

I. RATIONALE .The NGO Development Center (NDC) operates as a charitable organization, with programs to serve all individuals and organizations in the West Bank and Gaza (WBG) regardless of religious affiliation, race, or social condition. NDC is not affiliated with nor does it represent a political party or government entity. NDC seeks donations that will (1) enhance its mission related to NGOs in WBG through the granting of program funds, technical assistance, professional development and community service, and (2) provide financial support for NDC's operations.

II. PURPOSE OF THE POLICY STATEMENT. The purpose of this policy is to provide gift opportunities to donors who want to support the mission of the NDC. These policies are designed to assure that all gifts to, or for the use of, NDC are consistent and supportive of the mission. The policy provides for transparent and responsible administration of these gifts.

This document has been established to:

- Ensure that NDC leadership has the decision making authority over gifts received, and that the leadership will make consistent, well-informed decisions.
- Formalize the conditions to be followed by NDC in accepting donations.
- Create procedures on the acceptance, receipt and administration of gifts in a manner consistent with the requirements of the U.S. Internal Revenue Service.
- Ensure that transparent and accountable administrative, legal, and accounting practices and procedures are followed.
- Educate board, leadership and staff on NDCs approach to gifts.
- Enable accurate and timely reporting of gifts bestowed upon NDC.
- Ensure well-informed and accurately recognized relationships with donors free from conflict of interest.
- Ensure due diligence prior to making a decision with respect to a gift which:
 - might expose NDC to an uncertain risks or potentially significant liability;
 - is precedent-setting or involves sensitive issues; and
 - because of its unusual nature, presents questions as to whether it is within the role and scope of NDC.

III. POLICY STATEMENT.

A. Solicitation of Gifts. Individuals or groups who wish to solicit private funds or property in the name of NDC are to consult and coordinate those efforts with the NDC Board President and or the NDC Director-General. This guideline applies to all staff and advisors.

B. Gift Acceptance Committee. The Gift Acceptance Committee (GAC) is the NDC Board Fundraising Committee. The GAC shall be responsible for recommendations as to

the acceptance or declination of all gifts. The expertise of Ad hoc members may be drawn upon as needed by the GAC. The Committee shall report its activities and recommendations to the NDC Board of Directors.

C. Confidentiality. Information learned by any representative of NDC about a donor or a donor's assets or philanthropic intent, shall be held in strict confidence. Best efforts will be made by NDC to honor requests for donor anonymity.

D. Definitions

(a) Gift: An irrevocable and voluntary transfer of cash and kind, from individuals, industry, foundations and other sources to benefit the NDC for either unrestricted or restricted utilization in the operation of NDC. Gifts are made without expectation of return. No *Quid Pro Quo* or consideration (outside of appropriate recognition) to the donor or to anyone designated by the donor may result from the payment.

Cash: Gifts may take the form of cash, checks, credit cards, or wire transfer. There is no minimum gift level for unrestricted donations of cash gifts.

Checks: Checks should be made payable to: NGO Development Center, Al-Fityani Building, Dahiat Al-Barid, P.O. Box 2173 Ramallah, Palestine (in the West Bank) and Mu'taz Al-Sourani Bulding, 1st Floor P.O. Box 5018 Gaza.

(b) Gift Acceptance Committee: Functions of this committee shall fall under the NDC Board Fundraising Committee.

(c) Gift-in-Kind: Gifts –in-kind are noncash donations of materials, consulting services, executive loan programs, computer equipment, software, printed materials, food, or other items used for hosting dinners, as long as such gifts represent value to NDC.

(d) Grants: Grants are revenue received from individuals, corporations, foundations or multilateral sources for the support of NDC programs and projects. Restricted grants are specific to the purpose for which they were received, as a condition of the terms of the agreement. Unrestricted grants are unspecific and can be used for any charitable purpose within the mission of the NDC

(e) Unrestricted gifts: Gifts, including grants, given to NDC, where the donor has not specified the purpose for which the gift is to be used. These gifts shall be used for charitable purposes within the mission of the NDC

(f) Real Estate: A gift of real property requires legal transfer of assets.

(g) Restricted gifts: Gifts, given to NDC, where the donor has specified that the gift be used to support a particular purpose, and as such are tracked and reported separately on both financial and programmatic levels.

(h) Official Charitable Receipt: The official charitable receipt is a statement issued by NDC that includes a declaration as to the value of the gift, date of the gift and name of the donor.

(i) Contracts or Fee for Service. Contracts are payments for services in accordance with the terms of the agreement to conduct specific programs for a pre-determined compensation. Such contract income may be directly related to the purpose of the NDC, thus considered exempt under U.S. Tax law. Payments made under contracts are not gifts.

(j) Director. The NDC senior official responsible for resource development and implementation of this policy has been termed Director.

E. Gift Eligibility & Acceptance. NDC welcomes gifts that support the pursuit of its mission. Indicators that a gift is acceptable include:

- The gift is in response to a written or verbal solicitation by the NDC staff or NDC Board Fundraising Committee;
- NDC has a use or need for the gift ;
- The gift and its accompanying terms are legal;
- The purpose of the gift is compatible with the mission, purpose, objectives and priorities of NDC and the donor does not have a stated purpose contrary to NDC's mission purpose, objectives and priorities;
- The cost required to support/sustain the gift does not diminish the value of the gift to a negligible sum; and
- There does not appear to be a physical hazard and/or liability concern associated with the gift.

NDC has the right to decline any gift that is not consistent with its mission. Gifts will not be accepted by NDC that, in the judgment of the members of the Gift Acceptance Committee:

- Compromise NDC's integrity or interfere with NDC's institutional judgment;
- As a condition thereof, require any action on the part of NDC which is unacceptable to NDC or violates NDC policies and regulations;
- Create any fund with restrictive clauses that would violate the Human Rights Code, or that reserve to the donor or his/her designee the right to designate the recipient;
- Violate any federal, provincial or municipal law;
- Require or stipulate the future employment at NDC of any specified person or doing business with any specified company or person;
- Contain unreasonable conditions;
- Are gifts of partial interest in property, unless NDC agrees otherwise;

- Are financially unsound or that would expose NDC to liability or to diminishment of its reputation; and
- Rely on an appraisal or evaluation, provided to the donor by third parties, that is perceived to be inaccurate or unreliable.

F. Declining Gifts. NDC's Board of Directors, at the recommendation of the GAC, may decline any gift that in its collective judgment creates unacceptable challenges, undue expense, or a perception of impropriety or conflict with the organization's mission. A declination must be provided to the donor in writing with a copy for the NDC files.

G. Gift Receipting. NDC will acknowledge the receipt of all gifts in writing and in a manner that is consistent with the IRS requirements for the deduction of charitable gifts by individual donors.

Charitable gifts to NDC in the form of cash, checks or credit cards received by any individual representing the NDC, shall be directed to the Director along with related correspondence and any specific instructions, on the day they are received. Reasonable efforts to protect the confidentiality of donors shall be undertaken.

All eligible gifts will be acknowledged with an official charitable receipt accompanied by correspondence prepared by the Director. These documents are deemed to be the official acceptance of the gift and its related terms and conditions, as well as some guidance to the U.S. donor for income tax purposes.

NDC receives, on occasion, payments that are not considered charitable gifts. In certain circumstances, individuals may wish to donate consulting fees or honoraria earned in the course of their NDC duties. Such amounts constitute taxable income in their hands. If the individual does choose to donate these to NDC, he/she would first be required to accept payment for services, then proceed to make a donation in order to qualify for income tax deductions. Otherwise, forfeiture of payments or redirection of funds, while constituting a gift, would not qualify for tax deductions.

H. Gift Recognition. Gifts received by NDC will be acknowledged through appropriate venues during the course of each fiscal year. This public recognition is meant to express NDC's appreciation and gratitude for the generosity of those individuals and institutions that have committed themselves to supporting the organization's mission. Whenever possible, NDC will honor donor's wishes as to how published credit should appear and will honor those who wish to be credited anonymously.

I. Designation and Disposition of Gifts. The donor has the right to designate a gift for specific purposes, and he or she should discuss the feasibility and practicality of intended restrictions with a NDC GAC member or the NDC Director-General. Gifts are accepted with the understanding that NDC retains the right to handle or dispose of gift material in the best interest of the institution. Ink-kind donated materials will be accepted only if they meet current NDC needs.

J. Authority to Enter into Agreements. Only NDC's President and Director-General or other persons designated in writing by the GAC are authorized to execute charitable or grant agreements on behalf of the organization.

K. Gifts of Real Estate. NDC exists to build a sustainable human resource and physical infrastructure for NGOs in the WBG. As such, there are occasions when a gift of real estate is offered to NDC and may promote the well-being of the WBG NGOs and the people it serves. If a gift of real estate is offered to NDC, staff will first determine the property's suitability for NDC's purposes in accordance with community practices and policies.

In assessing whether it is in NDC's best interests to accept a gift of real estate for program purposes, the GAC will consider the property's title, value, marketability, location, encumbrances, liabilities, costs and income, present and future perceptions which may arise out of NDC's acceptance and/or resale of the property and any other issues distinct to that property that might create unacceptable challenges, undue expense, or a perception of impropriety or conflict with the organization's mission.

L. Policy Review. In order to ensure that this Policy continues to be effective, it shall be reviewed periodically. The NDC Director-General is responsible for initiating this review by the Board at intervals not to exceed three (3) years.

Approved by the NDC Board of Directors on September 22, 2006.

Signed and finalized on October 3, 2006.

X_____ Zahi Khoury, NDC President

X_____ Ghassan Kasabreh, NDC Director-
General