

Donation Policy

New Life for Haiti (NLH)

Principles

- To maximize the impact of the NLH ministry.
- To be knowledgeable of, and adequately compliant with, IRS rules and regulations and known best practices to support the tax deductibility of donations.
- To consider restrictions and preferences expressed by donors to the extent allowable and practical.

Policies (Numbered for Reference Only)

1. Standard Statement and Reference. The following statement will be used on all relevant donations (including those formerly referred to as trip “payments”) and fundraising materials: New Life for Haiti is an Illinois not for profit corporation recognized by the IRS as a 501(c)(3) organization.

2. Donations Irrevocable. Tax-deductible contributions must be irrevocable; therefore, all donations are non-refundable and non-transferable.

3. Unrestricted and Restricted Donations. New Life for Haiti gratefully accepts contributions to support our overall ministry and also recognizes the desire by some donors for NLH to restrict the use of their donations to specified purposes, such as particular mission trips, relief efforts, or other important causes. Restricted donations are used to support the purpose for which they were originally intended until that purpose has been satisfied. After which, any excess funds are used to further the ministries of NLH.

4. Applicability of Donor Restrictions. NLH strives for transparency and clarity in our materials and communications with our staff and deputized fundraisers. Unless donor restrictions are specified, donations will be available to impact every aspect of NLH’s overall mission. When a donor requests to restrict a donation to a specific purpose, NLH shall use all reasonable efforts to follow the donor’s intent. However, a donation restricted only for the personal benefit of, or use by, an individual is not tax deductible and therefore such restriction cannot be accepted.

When considering whether to accept a restricted donation, the organization will consider the following factors:

- Values—whether the acceptance of the restricted donation is consistent with the core values of New Life for Haiti.

- Compatibility—whether there is compatibility between the intent of the donor and the organization’s use of the restricted donation.
- Public Relationships—whether acceptance of the restricted donation supports the positive reputation of New Life for Haiti.
- Primary Benefit—whether the primary benefit is to the core mission of New Life for Haiti, versus the donor.
- Consistency—whether acceptance of the restricted donation is consistent with prior practice.
- Form of Gift— whether the restricted donation is offered in a form that New Life for Haiti can use without incurring substantial expense or difficulty.
- Effect on Future Giving—Whether accepting the restricted donation will encourage or discourage future donations?

All decisions to solicit and/or accept restricted donations will be made by the Executive Committee of the Board in consultation with the Executive Director. The primary consideration will be the impact of the restricted donation on the core mission of New Life for Haiti.

Restrictions on Donations — New Life of Haiti will not accept restricted donations that

- (a) would result in New Life of Haiti violating its corporate charter,
- (b) would result in New Life of Haiti losing its status as an IRC § 501(c)(3) not-for-profit organization,
- (c) are too difficult or too expensive to administer in relation to their value,
- (d) would result in any unacceptable consequences for New Life of Haiti, or
- (e) are for purposes outside New Life of Haiti’s core mission.
- (f) any donation that is deemed inappropriate

5. Deputized Fundraising. NLH utilizes the accepted practice called “deputized fundraising” to raise donations to support many of our activities. Individuals, who desire to participate in mission trips, to join NLH staff, or to be involved in other projects, programs or activities (collectively “purposes”), become fundraisers for NLH with the intention of participating, under NLH’s direction, in carrying out the purpose(s) for which they are appealing for donations. It is acceptable practice to agree on and monitor success toward individual and project fundraising goals. However, as the qualified “charity,” NLH must maintain discretion and control over the use of all tax-deductible contributions, without any obligation to directly benefit the fundraiser or any other individual.

6. Deputized Fundraising – Excess Funds. Donations in excess of the individual goal for a deputized fundraiser, regardless of the reason for the excess, are used to support the mission trip or other purpose for which they were originally intended until that purpose has been satisfied; after which, any excess funds will be used for other purposes consistent with NLH’s ministries.

7. Deputized Fundraising – Reporting. Donations expressing a preference for a particular deputized fundraiser are accumulated in a fundraising summary to communicate progress toward each person’s fundraising goal. The fundraising summary is for informational purposes only and shall in no way be interpreted to indicate that fundraisers or donors may exercise any rights to or control over the amounts reflected in these fundraising summaries.

8. Deputized Fundraising In those cases where a participant fails to meet fundraising goals for a trip or other activity by the pre-communicated deadlines, NLH reserves the right to exclude a participant from a trip or activity and utilize the funds raised by the individual for other ministry purposes

9. Reporting to Donors. Donors will receive acknowledgements during the year confirming the amounts and dates of gifts, as well as calendar year-end tax receipts documenting such gifts as deductible contributions for income tax purposes. Each donor is advised to consult his or her personal income tax advisor for the applicability of such contributions in his or her own circumstances. See also IRS Publication 526 Charitable Contributions.

11. Deputized Fundraising for Short-Term Trips. NLH encourages the raising of funds through participants’ churches. However, in some cases, we recognize that participants and/or their supporters may desire to have contributions by donors made directly to NLH in a manner that will allow those supporters to receive a tax receipt for a “contribution” to NLH. In order to do this, such contributions must follow all of the same policies for deputized fundraising as described herein, including being irrevocable, non-refundable, and non-transferable. NLH must retain the ultimate discretion as to the application of those funds, even though a preference for support of the participant the donor identifies may be considered.

12. Donations by Donors Located Outside the United States. NLH year-end tax receipts are intended to confirm tax-deductibility only as it applies in the U.S. and its territories. Donors based outside the U.S. should consult with a qualified advisor regarding the country.