



The Emicapital Foundation

Registered with the U.K. Charity Commission at n.1168604

Donations Policy 2020

Policy Number: FIN 1.10- January 2020

Initiatives: "Polyseum Society", "ArtRaiser", "Art4Life"

Applies to: all donations in cash or in-kind to the Foundation

Reference: "Code of Fundraising practice"- Fundraising regulator

Policy statement and strategy

This policy applies to donations made to the Emicapital Foundation in London, (EMIF) in cash or in-kind. Donations may carry cost implications and must fit in with the Foundation's policy, mission, tax deduction policy and scope of each fundraising initiative. The present strategy complies to the "Code of Fundraising Practice 2019" issued by the Fundraising Regulator, with address at CAN Mezzanine, 49-51 East Road, London, N16AH.

Purpose

The purpose of the Donations Policy is to set out guiding principles for the eligibility and definition of donations made to the Foundation, the eligibility for donation receipts and the amount to be recognized.

Definitions

See *Appendix A*.

Procedures

This policy supports the Foundation's commitment to meet the requirements for issuing donation receipts according to the HMRC in the United Kingdom and the Charity Commission regulations, as detailed in the reference document "Code of Fundraising Practice 2019" of the Regulator.

Compliance entails the determination of qualifying donations, as well as adequate record keeping of issued donation receipts and giving access to such records to HMRC. Failure to comply may result in a suspension of receipting privileges or qualified charity status.

1. Considerations for acceptance of Gifts in Kind

All Gifts in Kind will be made subject to a formal offer and review process. At the Foundation's discretion and determination, Gifts in Kind will be considered for acceptance by the Donation Committee after a review of criteria, including:

- Consistency with the Foundation's priorities, mandates, initiatives, strategies, business plans, vision and/or benefit to the underlying initiatives supported by the Foundation;
- Compliance with By-laws, policies, laws and conventions;
- Conflict of interest or potential for an appearance of a conflict of interest;
- Reputational risk associated with accepting a donation from a particular donor;
- Political and religious sensitivity;
- Usefulness of the donation;
- Condition and value of the donation;
- Future cost/benefit/risk evaluation under consideration of available financial resources required for transportation, packing, installation, storage, maintenance and other relevant costs such as insurance;
- Availability for full and unencumbered transfer of ownership/title, and a donor release to allow for such a transfer of title.



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The Foundation reserves the right to decline and refuse a donation in-Kind for non-compliance to one of the points above, or for any other reason. The decision stands with the Foundation Donation Committee and a reason for declining will be enforced whenever such committee will express for a decline with a majority of votes. The Foundation is free to refrain from explaining to donors the reasons for a rejection of their donation.

For in-Kind donations like art (such as but not limited to paintings, drawings, watercolors, sculptures, vases, collectible items), no specific storage and exhibition location will be guaranteed in perpetuity. All art items are subject to be exhibited in cultural initiatives supported by the Foundation, around the World.

2. Donations eligible for an official income tax receipt

To be eligible for an official income tax receipt, the donation must meet at least all of the following three criteria:

- Be an actual transfer of property to the Emicapital Foundation;
- Be a gift of property (e.g. money, artwork, equipment) to the Emicapital Foundation;
- Be voluntary – freely given and not as a result of a contractual or legal obligation.

Only the Eligible Amount of a donation may be recorded on a donation receipt. If the donor receives any property, services, or other Advantage in consideration of his or her donation, the Fair Market Value (FMV) of the Advantage is deducted from the FMV of the gift to determine the Eligible Amount for the purposes of the donation receipt.

3. Donations ineligible for an official income tax receipt

The following are examples of non-qualifying donations and cannot be acknowledged with official donations for income tax purposes in accordance with HMRC guidelines:

- Donations intended as a flow through to a specified recipient who does not have charitable organization status;
- Intangibles, non-monetary assets without physical substance such as services, time, skills, effort;
- Donations of business marketing products such as supplies and merchandise;
- Sponsorship in the form of cash, goods or services toward an event, project, program or corporate asset, in return for commercial benefit (i.e. product or logo placement or presenting sponsorship);
- Transfers of cash, property or assets resulting from a condition such as a court order;
- Donations for which the Fair Market Value (FMV) of the advantage or consideration provided to the donor exceeds 80% of the value of the donation;
- A gift in kind for which the FMV cannot be determined.

4. Associated Costs

At the Foundation's discretion and determination and unless otherwise specified in a Fundraising initiative papers, the donor is responsible for related costs for all donations, as applicable, including:

- Transportation of the donated item, including transfer costs for cash donations;
- Cost for an appraisal/valuation of Gifts in Kind by an independent, qualified appraiser for donations of Gifts in Kind valued above GBP 5,000.-;

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- Donations of personal property, public art and real property expected to be valued at GBP 5,000.- or less may be appraised by knowledgeable, internal staff in conjunction with the use of online resources suitable to establish a current fair market value;
- Documentation for insurance purposes, if applicable (i.e. photograph of item, original sales receipt, appraisal document, certificate of authenticity)
- Conservation treatment, if applicable (i.e. restoration of artwork, cleaning, repairs etc.)

The Foundation may request a second independent appraisal, depending on the amount or nature of the requested donation. If the difference in value between the two appraisals is less than 10%, the Foundation will take the lower of the two. Where the difference is greater than 10%, a third appraisal will be requested. Where the difference between the first two appraisals is 10% or greater, or there are three appraisals, the average of the first 2 appraisals or 3 appraisals, if applicable, will be the final deemed fair market value.

An appraisal/evaluation is required for all donations of Gifts in Kind.

5. Information to be reported on a donation receipt

The following information must be reported in duplicate for each donation receipt, and issued for all donations:

Required Information	Cash Gift	Non-cash Gift
Statement "Official receipt for income tax purposes"	✓	✓
Unique serial number of receipt	✓	✓
Name of Receiver and involved initiative	✓	✓
Name of Donor	✓	✓
Address of Donor	✓	✓
Request of privacy on Donor's name publication	✓	✓
Date on which the Gift was received	✓	✓
Amount of cash received	✓	
FMV of donated property on the Date when received		✓
Description of property or item received		✓
Name of property appraiser (if applicable)		✓
Address of property appraiser (if applicable)		✓
Description of advantage to Donor (if applicable)	✓	✓
Amount of advantage given to Donor (if applicable)	✓	✓
Eligible Amount of Gift	✓	✓
Place where receipt was issued	✓	✓
Date of issuance of receipt	✓	✓
Signature of authorized person	✓	✓



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Generally, the donation receipt can only be issued to the true donor of the gift of charity. If a donation is made by a cheque in both spouse's names, an official donation receipt can be made to either name. Receipts given in connection with corporate donations should be given in the name of the Corporation. If a shareholder of the corporation would like the receipt issued to him or her personally, there must be evidence that the funds were personal, tax-paid funds of the individual.

6. Confidentiality of Information

Subject to any applicable legislative disclosure requirements all information pertaining to donors and donations received by the Foundation is considered confidential. Charitable giving is normally a personal and sensitive issue. To ensure the privacy of donor information it is necessary to control access to donor and donation information. The Foundation Financial Department maintains records on all donors and donations received. A donor may request that his/her gift and/or all information pertaining to that gift remain anonymous.

7. Applicability of Policy

Except with respect to the requirements of the U.K. Fiscal Law regarding the issuance of donations receipts, this Policy shall not affect any donation transaction arising from an agreement between the Foundation and a donor which was entered into prior to the adoption of this Policy notwithstanding that the donation transaction is completed after the adoption of this Policy. Notwithstanding the foregoing, the Foundation may review the terms of any donation that have been agreed to but have yet to be fulfilled.

Instructions for a monetary donation

- By cheque: donations by cheque are not accepted.
- By cash: donation in cash are not accepted.
- By Bank transfer: all donations are to be made payable to:

The Emicapital Foundation
Unit 3.1 Bank Studios
Park Royal Road
London NW10 7LQ
Tel: +4420 36370940
Fax: +4420 33971350
Email: donate@emicapitalfoundation.org

Updated Bank details will be notified directly to donors.

Instructions for a donation in-kind

In-kind donation must be proposed by sending the application form. Forms may be requested via email or phone, or downloaded from the Foundation website at the appropriate initiative page.

Acknowledgement of receipt

A letter of appreciation shall be forwarded to the donor following receipt of his donation and any and all appropriate documentation. For monetary donations, an official receipt for income tax purposes will be issued for donations of GBP 20.- or more, provided that the Financial Department confirms that the donation is eligible for such income tax receipt according to law.

Larger donations or donations of cultural significance may be officially recognized at the discretion of the Donation Committee, with the agreement of the Donor.



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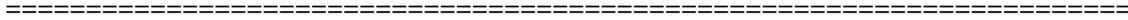
Contact

The Emicapital Foundation

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Appendix A Definitions to Donations Policy

Advantage is the total value, at the time the gift is made, of all property, services, compensation, or other benefits that a person is entitled to receive in relation to the gift. The advantage may be conditional or receivable in the future.

Donation means a voluntary transfer of tangible property, including cash, or a transfer in-kind of tangible property, other than cash. The donation has to be valued at Fair Market Value and the net amount of a donation is calculated from this value less any advantage or benefit received or to be received as a result of the donation.

Donations Committee is a committee comprised of the members of the Board of Trustees of the Foundation, and the Treasurer.

Eligible Amount is the amount by which the FMV of a donated gift exceeds the value of any "Advantage" received or receivable as a result of the making of the gift. This is the amount specified on the tax receipt and is intended to represent the net value of the donor's gift.

Events and initiatives, as they relate to donations can be:

- a) initiatives and cultural programs devised and deployed by the Foundation and/or any external appointed or affiliated entities, corporate or not-for-profit;
- b) exhibitions, shows, productions and happenings organised and deployed by the Foundation and/or any external appointed or affiliated entities, corporate or not-for-profit;
- c) any other event, program, masterclass or initiative devised and approved by the Foundation, eligible for donor financing as per internal rules.

Fair Market Value (FMV) is usually the highest value that the property would bring, which may be determined by appraisal as set out in Section 4 of the Donation Policy, in an open and unrestricted market and between a willing buyer and a willing seller who are knowledgeable, informed, and acting independently of each other.

Gifts in Kind, also known as non-cash gifts, are gifts of property. They cover items such as artwork, equipment, securities, cultural and ecological property and real property. A contribution of services is not property and therefore does not qualify as a gift or gift in kind for purposes of issuing official donation receipts.

Fine Arts Committee is a committee comprised of members appointed by the Board of Trustees and / or the executive Director.