

# Due Diligence for Donations

Last updated: 02/15/2023

## Introduction

Every.org is a charitable organization that receives donations. All donors must abide by the [Terms of Service](#) and uphold our [Community Standards](#). All donations received by Every.org must comply with any relevant policies and codes for gift acceptance.

Every.org is committed to ethical engagement. All solicitations on behalf of the organization or any unit or program will be in accordance with the standards in the [Donor Bill of Rights](#), as created by the Association of Fundraising Professionals (AFP), the Association for Healthcare Philanthropy (AHP), the Council for Advancement and Support of Education (CASE), and the Giving Institute: Leading Consultants to Non-Profits, and endorsed by numerous organizations.

Every.org will make every effort to accommodate and accept all charitable contributions from donors. However, it will not accept gifts that, in the judgment of the organization:

1. Violate the terms of this policy;
2. Violate a federal, state, or other law;
3. Are too difficult or expensive to administer;
4. Were acquired by other than legal means, or that clear title to the donated asset does not flow directly from the donor to the organization;
5. Are too restrictive in purpose;
6. Could create unacceptable liability or cause the organization to incur future unanticipated or anticipated expenses;
7. Are for purposes that do not further the organization's mission;
8. Could damage the reputation of the organization, or are contrary to the organization's values;
9. Would jeopardize the organization's tax-exempt status; or
10. Provide a donor with goods or services of financial value in exchange for the donor's gift, unless such value is fully disclosed in the time and manner as required under federal and state law and regulations.
11. Originates from or benefits people in one of the following sanctioned regions: The countries Cuba, Iran, North Korea, Russian Federation, Syria, or the regions Crimea, Donetsk, and Luhansk.

The acceptance of a gift does not imply nor mean that the organization endorses or approves of the donor's views, opinions, businesses, or other activities.

## Risk Factors

Clear records should be kept for all donations, including available information about the donor, date received, amount, how it was received, currency, and any special conditions.

Regardless of the financial value of the donation, gift acknowledgment letters or agreements, KYC documents, and any other relevant document can be requested from donors at any time where appropriate. Cases will be referred to the Chief Executive Officer or Operations Manager based on risks identified. The risk factors include:

- a) The identity of the donor
  - i) Country of origin
  - ii) Anonymity
- b) Size of the donation (\$50,000 or more)
- c) Relationship with supported organization
- d) Complex transfer arrangements
- e) Potential conflict of interest
- f) Potential damage of the integrity and reputation of the organization
  - i) Allegations of illegal or unethical activity by the donor
  - ii) Significant rumor/speculation/protest at behavior by the donor
  - iii) Online search terms to include: allegation, accusation, bankrupt(cy), bribe, controversy, corruption, court, crime, donation(s), dissolve(d), equality, fraud, human rights, (il)legal, investigat(e/ion), prosecut(e/ion), protest, (un)ethical, sanction, scandal, terrorism
  - iv) Partnership with other risky bodies
  - v) Donor has not announced or demonstrated a meaningful change or commitment to rectify issues

External references include:

1. OFAC Specially Designated Nationals And Blocked Persons List (SDN)
2. US BIS Denied Persons
3. BSA Anti Money Laundering (AML)
4. UN Security Council
5. European Union
6. Australian Sanctions DFAT
7. Swiss SECO Sanctions

If a gift falls into a risky category, the gift officer working with the donor will consult with the Chief Executive Officer/Operations Manager, who will make a final decision regarding gift acceptance, in consultation with the Board as necessary.



## ANTI-MONEY LAUNDERING POLICY

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### Policy Statement

Hogar de Cristo USA Inc. is a legal, ethical, and transparent public charity organization, and it takes the responsibility to ensure and maintain that its assets and resources are not being used for corruption, irregularities, or money laundering. The organization has taken it upon itself to detect frauds, irregularities, abuse of position, and institutional gains.

### Purpose

This policy's purpose is to ensure that the charity organization's financial processes and procedures comply with anti-money laundering laws.

### Scope

This policy applies to every entity related to Hogar de Cristo USA Inc., including its employees, directors, officers, contractors, volunteers, and any third party working on behalf of the company.

The policy is for internal use, and the administration must convey it to every concerned person or entity. Failure to comply with the policy will result in appropriate action.

### Money Laundering

Money laundering refers to those assets that are money that is acquired in exchange for money or assets gained unlawfully. It also includes money spent for terror purposes, regardless of how it was obtained.

Under this policy, money earned by using the following means is considered money laundering, and it is prohibited:

- a. Money or assets received in exchange for criminal or unlawful acts. Money whose origin is not explicit or earned by assisting any activity in evading lawful means.
- b. Property gained after any criminal activity and its origin, location, and disposition are not transparent.
- c. Property which is promoting any unlawful activity
- d. Terrorism financing

### Compliance

The charity organization will establish a body responsible for implementing this policy.

The organization will carry out the procedure to identify any irregularity on behalf of any stakeholder under this policy. The organization should:

- a. Identify all the charity organization donors and verify their identity
- b. Take special care when stakeholders want anonymity
- c. Maintain proper records of the stakeholders

Suppose anyone in the organization knows or suspects a person is involved in money laundering or terror financing. In that case, they are responsible for reporting such a person to the body established by the organization. In such a case, the organization must

- a. Take the details of the people involved
- b. Verify the type of transactions
- c. Reason for suspicion
- d. The amount involved

The organization must conduct business only with reputable, legal, recognized, and well-known third parties and carefully screen such interactions.

The policy is subject to updates and amendments, which will be communicated to the stakeholders immediately.

Approved by:

Hector Sagredo – President HS (Signature)