



HSNEF Donation Policy

Objective: This policy defines Donor Contributions that can be counted towards Life Membership and Be Eligible for Tax Deduction

The Society will set and publicize face value for any **service, product or entertainment value** that the donor may receive in return for his/her contribution.

Only contributions **above** the defined face value will count as General Donations.

Below are some examples. The list is not meant to be all-encompassing.

A. Examples where contributions WILL NOT COUNT as General Donation:

- 1) All poojas & rituals, unless the face value of the pooja is defined to be lower than the donation required for that ritual as in special/ fund raising yagnas.
- 2) Advertisements in Society printed or internet publications.
- 3) Value of the tickets (face value of the seat or defined fee for entrance) for any entertainment/banquet program.
- 4) Funds loaned to the Society.
- 5) Registration fees for any educational or other classes.
- 6) Fees to rent Society property.
- 7) Sale of Society Calendar.
- 8) Hundi cash. (For Hundi Checks, see below)
- 9) Donation of Deity saris, ornaments or any other goods. (See below for details)
- 9) Annual membership dues.

B. Examples where contributions WILL COUNT as General Donation:

- 1) Full value of the donation where the donor has not received any service, product or entertainment value in return.
- 2) Contributions **above** the defined face value of a service, product or entertainment value received.
- 3) Hundi checks: All check-donations in the Hundi, regardless of the amount, will be counted as general donation and accrue to the donor's account.
- 4) Annadan/ Food sponsorship.
- 5) Donation for the purchase of an item(s) needed by HSNEF, whether related to capital equipment or construction, that is preannounced, solicited and preapproved.
- 6) Cash donations are accepted but donations by check or electronic transfers are encouraged. For any cash donation of \$10,000.00 or more, HSNEF is obligated to collect and report donor information to the bank and/or any other authority, as per government stipulations.

C. Donation of Items

- 1) Devotees may donate ornaments, vastra/saris, kavacha, mukut and silver/gold items related to worship, after checking with and getting approval from the Chair, Worship Committee, or designee.



- 2) HSNEF cannot accept any other items except those the Society needs and are preannounced, solicited and preapproved by the Executive Board or its designee. Unneeded items will NOT be accepted.
- 3) HSNEF may auction, sell, utilize or manage any donated item or property as it deems fit, at its sole discretion.
- 4) HSNEF is not in a position to assign specific Fair Market Value (FMR) to any item(s) received. It will provide a receipt for the items received. HSNEF shall follow the same honor system as used by Goodwill Corp or Salvation Army and require the donors to assign appropriate value to their donated item for their purposes. Therefore, HSNEF will NOT assign or count donor assigned value of donated items toward General Donation.
- 5) HSNEF cannot purchase any items on behalf of devotees. The devotees wishing to donate such items would need to make arrangements privately for their procurement.
- 6) Devotees are encouraged to make cash/check donations. These will count toward general donation and also help HSNEF utilize these funds where, in its estimate, the need is greatest.

D. Policy regarding Anand Bazar and Similar Events

- 1) All transactions at food stalls will only be conducted through coupons sold by HSNEF.
- 2) If a group is organizing a stall, it will name the coordinator who would serve as the liaison with HSNEF.
- 3) The value of the coupon will be set by the HSNEF & the price/value of the food products or services will be set by the coordinator of the group and displayed clearly.
- 4) HSNEF cannot advance any funds for purchase of grocery to any group or caterer.
- 5) At the end of the Anand Bazaar, the coupons "earned" by each stall will be counted and dollar value of sales determined by HSNEF for accounting purposes.
- 6) All funds/collections raised through the sale of coupons belong to HSNEF.
- 7) Vendor or commercial stalls: These will be rented at a rate determined by HSNEF. Customers will carry out transactions at these stalls directly with the vendor and not using HSNEF issued coupons.

E. Pertinent Bylaws (Article III, Section 2) Related to Donations Made in Cash or Kind:

- i) All donations, once made become the property of HSNEF and are non-refundable and/or non-returnable.

ii)The Board at its sole discretion may initiate project specific donations. If the specific project is not initiated in three years the Board must notify the donor of this decision and the donor may receive a refund of the prorated portion of the unspent amount, if he/she so chooses. If any funds remain after the completion of the specific project, those funds will be utilized by the Board at its discretion.

F. Receipts

- 1) A numbered receipt **MUST** be provided to all donors for any contribution or donation, whether in cash/check or kind, and a copy of the receipt kept for HSNEF use.
- 2) The receipt must reflect the amount of cash/check donation that is eligible and that is not eligible to be applied toward General Donation.
- 3) In-kind contributions do NOT qualify as General Donation (see Section C above).

G. Year-End Notification:

By January 31st of each year HSNEF shall inform all donors who have contributed in excess of \$250.00 (or the current threshold stipulated by the Department of Treasury) in the previous calendar year – their total contributions and contributions that are potentially tax deductible (“eligible donations”) for the previous year, and also the cumulative total of “General Donations” on record as of December 31st of the previous year.

H. Tracking Donations & Informing Donors once thresholds are reached:

Once the cumulative eligible General Donation of any donor has reached or exceeded \$5000 (or threshold for Life Membership then in effect) HSNEF will inform the donor and invite him/her to Life Membership.

I. Publicizing & making this policy accessible: This policy will be uploaded on HSNEF website and a hard copy kept at the office for ready access & easy reference by the members/donors.

Resolving any issue not resolved with in this policy.

If an issue arises which cannot be resolved from the guidelines provided in this policy, the matter will be referred to the Executive Board whose determination will be final.

G. Ratification.

Original Donation Policy approved by the Executive Board on 2/8/2015 to be effective from 3/1/2015.
Updated policy approved by the Executive Board on April 16, 2023.

Reference & Guiding Documents for HSNEF Donation Policy:

1. IRS Publication 526 Charitable Contributions
<https://www.irs.gov/pub/irs-pdf/p526.pdf>
2. IRS Publication for Charitable Organizations. Quid-Pro-Quo Contribution
<https://www.irs.gov/charities-non-profits/charitable-organizations/charitable-contributions-quid-pro-quo-contributions>
3. IRS Publication 561 -What Is Fair Market Value (FMV)?
<https://www.irs.gov/publications/p561#f15109q01>

