

AUGUSTE “NONCO” PELAFIGUE FOUNDATION

Donor's Bill of Rights for Financial Accountability

Seven Standards of Responsible Stewardship

Financial Accountability

Standard #1 - Statement

Every member organization receiving funds shall subscribe to a written statement clearly affirming its intent to the mission statement of Auguste “Nonco” Pelafigue Foundation.

Standard #2 – Board of Directors and Audit Review

Every member organization receiving funds shall be governed by Auguste “Nonco” Pelafigue Foundation, Board of Directors or an independent committee made up of 5 community members and consisting of one Auguste “Nonco” Pelafigue Foundation Director.

Standard #3 – Audited Financial Statements

Every member organization receiving funds shall be subject to an annual audit performed by an independent accounting firm in accordance with generally accepted auditing standards with financial statements prepared in accordance with generally accepted accounting principles at the sponsored organization’s expense.

Standard #4 – Use of Resources

Every member organization receiving funds shall exercise management and financial controls necessary to provide reasonable assurance that all resources are used to accomplish the purposes for which they are intended.

Standard #5 – Financial Disclosure

Every member organization receiving funds shall provide a copy of its current financial statements upon written request.

Standard #6 - Conflict of Interest

Every member organization receiving funds shall avoid conflicts of interest. Transactions with related parties may be undertaken only if all of the following are observed:

1. A material transaction is fully disclosed in the audited financial statements of the organization;
2. The related party is excluded from the discussion and approval of such transaction;
3. A competitive bid or comparable valuation exists; and
4. The Auguste “Nonco” Pelafigue Foundation Board agrees that the transaction is in the best interest of the member organization.

Standard #7 – Fund Raising

Every member organization receiving funds shall comply with each of the following:

- **7.1 Truthfulness in Communication**

All representations of fact, descriptions of financial condition of the organization, or narrative about events must be current, complete and accurate. References to past activities or events must be appropriately dated. There must be no material omissions or exaggerations of fact or use of misleading photographs or any other communication which would tend to create a false impression or misunderstanding.

- **7.2 Communications and Donor Expectations**

Fund raising appeals must not create unrealistic donor expectations of what a donor's gift will actually accomplish within the limits of the organization.

- **7.3 Communication and Donor Intent**

All statements made by the organization in its fund raising appeals about the use of the gift must be honored by the organization. The donor's intent is related to both what was communicated in the appeal and to any donor instructions accompanying the gift. The organization should be aware that communications made in fund raising appeals may create a legally binding restriction.

- **7.4 Projects Unrelated to Primary Purpose**

An organization raising or receiving funds for programs that are not part of its present or prospective purpose, must either treat them as restricted funds or return the funds to the donor.

- **7.5 Incentives and Premiums**
Organizations making fund raising appeals which, in exchange of a contribution, offer premiums or incentives (the value of which is not insubstantial, but which is significant in relation to the amount of the donation) must advise the donor of the fair market value of the premium or incentive and that the value is not deductible for tax purposes.
- **7.6 Reporting**
On request, an organization must provide a report, including financial information, on the project for which it is soliciting gifts.
- **7.7 Percentage Compensation for Fund Raisers**
Compensation of outside fund-raising consultants or an organization's own employees based directly or indirectly on a percentage of charitable contributions raised is not allowed.
- **7.8 Tax Deductible Gifts for a Named Recipient's Personal Benefit**
Tax deductible gifts may not be used to pass money or benefits to any named individual for personal use.
- **7.9 Conflict of Interest on Royalties**
An officer, director, or other principal of the organization must not receive royalties for any product that is used for fund raising or promotional purposes by his/her own organization.
- **7.10 Acknowledgment of Gifts in Kind**
Property or gifts in kind received by an organization should be acknowledged describing the property or gift accurately without a statement of the gift's market value.. It is the responsibility of the donor to determine the fair market value of the property for tax purposes. The organization should inform the donor of IRS reporting requirements for all gifts in excess of \$5,000.
- **7.11 Acting in the Interest of the Donor**
An organization must make every effort to avoid accepting a gift from or entering into a contract with a prospective donor which would knowingly place a hardship on the donor, or place the donor's future well-being in jeopardy.
- **7.12 Financial Advice**
Donors should be encouraged to use the services of their attorneys, accountants, or other professional advisors.
- **7.13 Soliciting Funds**
Organizations making fund raising appeals shall do so only during periods when Auguste "Nonco" Pelafigue Foundation is not engaged in a fundraising campaign and/or membership drive. In addition, all correspondence must be approved by the Auguste "Nonco" Pelafigue Foundation prior to soliciting funds.
- **7.14 Additional Requirements**
Organizations making fund raising appeals shall provide for all things necessary to making the event a success including advertising and all support materials including copies, pencils and whatever else is necessary in order to honor the agreement set forth by any and all agreements with outside organizations.

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1. Know how the funds of an organization are being spent.
2. Know what the programs you support are accomplishing.
3. Know that the organization is in compliance with federal, state, and municipal laws.
4. Restrict or designate your gifts to a particular project.
5. A response to your inquiries about finances and programs.
6. Visit offices and program sites of an organization to talk personally with the staff.
7. Not be high-pressured into giving to any organization.
8. Know that the organization is well managed.
9. Know that there is a responsible governing board and who those board members are.
10. Know that all appeals for funds are truthful and accurate.