I. Purpose
This document describes the policy and procedures for processing and acknowledging gifts made to Turkish Philanthropy Funds, Inc. (the “Foundation”).

II. Definitions
A. Gift-in-kind--personal or business property (excluding securities or real property) that are reported at fair market value as determined by a qualified appraiser or other reliable market indicator.
B. Pledge--gift to be paid in installments over a period of no more than 5 years.
C. Securities--stocks, bonds, insurance policies, or promissory notes.
D. Quid pro quo--tangible or intangible good or services having a determinable fair market value and provided to a donor in a transaction involving the donor's charitable contribution.

III. Policy
A. All gifts must be accepted according to the Gift Acceptance Policy of the Foundation which is adopted on December 7, 2007.

IV. Gift Acknowledgement
A. An acknowledgement shall be sent to the donor when a gift is received.
B. Acknowledgement shall not state that the gift has been accepted.
C. The acknowledgement letter shall contain the following information:
   1. Dollar amount of the gift.
   2. Date the gift was received.
   3. Clear and specific description of the donor's intended use for the funds, taken directly from the donor's instructions when possible.
   4. Proper "no goods and services" and gift fee disclosures.
D. The acknowledgement letter shall adhere to IRS substantiation guidelines.

V. Procedures for Gift Reporting
A. Cash, check, or credit card gifts.
   1. The designee shall determine that the funds received fall within the definition of a gift (see Gift Acceptance Policy), and that the purpose of the gift is acceptable.
      a. If the check does not meet the definition of a gift, inform the President & CEO.
   2. Verify that the check is made payable to Turkish Philanthropy Funds.
   3. Date stamp all donor correspondence.
   4. Make one full-size copy of the check or credit card transaction slip.
   5. Send written acknowledgement of receipt of the gift to the donor (see IV, above).
   6. Attach the following together:
a. Original and one copy of donor's transmittal letter that includes donor's written instructions. If there is no transmittal letter, one of the following must be attached:
   i. Specific correspondence from the donor referencing the gift and its intended use.
   ii. Copy of proposal or solicitation letter used to solicit the gift.
   iii. Remittance device (check stub) instructions with terms and conditions matching those reported by the department.

b. One copy of the check or credit card transaction slip.

c. One copy of letter of acknowledgement sent to the donor.

B. Securities:
   1. If securities are proffered by a donor or received President & CEO should be immediately notified to determine if the securities can be accepted.
   2. If acceptable, a copy of the donor's instructions for the transfer including number of shares, name of donor, name of the security, and purpose of the gift shall be forwarded to President & CEO.
   3. Securities shall be transferred directly to the Foundation by the donor's broker in one of the following ways:
      a. Through a Depository Trust Company (DTC) transfer.
      b. Through transfer of original certificates.
   4. A donation of securities is also considered a gift in kind. Acknowledgement letters for gifts-in-kind shall not state the value of the gift.

C. Bequests and testamentary trusts: Any requests for information regarding bequests should be forwarded to President & CEO or Chief Operating Officer.

D. Real property: President & CEO should be contacted regarding the offer of real property.

E. Deferred gifts: Potential gifts of insurance, charitable remainder trusts, or other types of deferred gifts shall be discussed with the President & CEO before any action is taken by the department.

VI. Recording of the Gifts:
      a. Unrestricted gifts are recorded as unrestricted and used to fund current operations.
      b. Unrestricted bequests are designated at the discretion of the Board of Directors.
   2. Restricted Gifts of Cash – Gifts given for purposes specified by the donor (Only donors can restrict gifts.)
      a. Gifts restricted for Operations are recorded and deposited into the current operating account.
b. Gifts restricted for Programs are recorded and deposited into the Program Reserve to be used for current or future programs as specified by the donors.

c. Gifts restricted for Endowment are put into the Endowment Fund with interest only to be used as specified by donors.

3. Pledges: Promises to contribute gift amounts specified by donors.
   a. Pledges may be restricted or unrestricted as described above and may be one-year or multi-year commitments.
   b. The donor submits the pledge in writing, including the following information:
      i. The total amount of the pledge.
      ii. The purpose of the pledge.
      iii. The expected payment schedule.
      iv. The planned payment amounts.
   c. Pledges are expected to be fulfilled with contributions of cash or stock.
   d. For in-kind contributions to be used to fulfill pledges, the contributions must cover expenses that appear in the annual budget.

4. Matching Gifts: Unless the company specified otherwise, matching gifts from corporations follow the restrictions of the donor whose gift is being matched: if a donor makes an unrestricted gift, the matching gift is unrestricted and, if the donor makes a restricted gift, the match is likewise restricted.

5. Credit Cards: TPF accepts credit card payments through PayPal. For gifts made by credit card, the date the charge is accepted for processing by TPF is the applicable date of the gift.

6. In-Kind Contributions – Gifts of goods or services.
   a. When TPF receives a gift of goods and services, often referred to as a “Gift in Kind,” or a gift of individual or corporate services and the value of that gift is determined to be less than $5,000, the gift is processed as a non-cash gift and is considered restricted in nature. TPF does not issue a receipt showing the cash value of such gifts, but acknowledges receipt of the object or services.
   b. For any gift-in-kind with an apparent market value in excess of $5,000, the gift is considered restricted, and TPF is required to sign the Form 8283 which must be filed by the donor with the Internal Revenue Service; it is important for TPF to retain a copy of the signed and executed Form 8283. If TPF disposes of the item in question within two years of its receipt, TPF must file Form 8282 with the Internal Revenue Service.
   c. For tax purposes gifts in kind must be valued by the donor and costs associated with an appraisal are the responsibility of the donor.
   d. Publicly Traded Securities: Upon receipt of a gift of donated securities, the President & CEO or his/her designee places, as soon as practical, the securities with a recognized broker for sale at the earliest practical date. It is not TPF’s policy to hold securities for an extended length of time unless authorized by the
Board of Directors. Such gifts are credited to donors according to current IRS codes.

7. Gifts involving quid pro quo benefits
   a. Quid pro quo valuation: The Foundation may use any reasonable method to determine fair market value so long as the method is applied in good faith.
      i. The Foundation shall document the method used to determine fair market value.
      ii. The fair market value of goods or services that are generally not commercially available may be estimated by looking at similar or comparable goods and services, even if they do not have the unique benefits of the goods or services provided.
      iii. The fair market value shall be based on the cost to the donor to obtain the same or similar goods or services. The cost to the department has no bearing on the fair market value.
      iv. The fair market value of advertising space in a publication as a benefit must be deducted from the total payment if any of the following is true:
         a. The same or similar space in the publication is offered for sale to others at a predetermined amount.
         b. The donor receives an unfair competitive advantage as a result of the ad.
         c. There is no donative intent.
         d. The ad mentions specific products, services, or costs.
   b. Disclosure requirements
      i. The Foundation must provide written disclosure statements to donors of quid pro quo contributions in excess of the IRS established threshold ($89 in 2008, adjusted annually for inflation).
      ii. The disclosure statement shall contain the following information:
         a. The amount of the contribution that is deductible for Federal income tax purposes is limited to the excess of any money or the value of any property contributed over the value of the goods or services provided by the Foundation.
         b. A description of the goods or services provided to the donor and a good faith estimate of the value.
         c. Written disclosure must be included with either the solicitation or the acknowledgement of receipt of the contribution.
      iii. No disclosure statement is required if any of the following is true:
         a. The goods or services given to a donor have insubstantial or de minimis value as defined by the IRS, in which case, the solicitation materials shall notify the donor that the benefit received is not substantial and that the full amount of payment is a deductible contribution.
b. The payment received does not exceed the fair market value of the goods or services received, in which case, the amount paid represents the purchase of goods or services and there is no contribution made.

iv. Refusal of benefits
   a. If the donor explicitly refuses the benefits offered, the Federal income tax deduction is not reduced.
   b. Benefits can be rejected through the use of a check box on the solicitation form or in writing at the time the gift is made.
   c. Failure by the donor to use offered benefits is not evidence of nonreceipt of the quid pro quo benefit.

VII. Confidentiality: The Foundation recognized that it is in a position of trust with the donor, and that the donor has placed trust in the organization concerning confidentiality. Therefore, all donor information, correspondence and governing instruments is kept in a secure place, which is accessible to individuals with approval of one of the following: The President & CEO and Chief Operating Office. It is known throughout the Foundation that this is confidential information.

VIII. Protection of Donor’s Interest: No program, agreement, trust, contract or commitment is knowingly urged upon any prospective donor that would benefit the Foundation at the expense of the donor’s interest and welfare. No agreement is made between the Foundation and any agency, person, company or organization on any matter related to investments, management or otherwise which knowingly jeopardizes the donor’s interest.