

USFQ NEXT

Fundraising Policy

USFQ and its office USFQ NEXT performs fundraising to provide funds to operate its programs and to achieve its mission and goals, by seeking voluntary financial support from foundations, corporations, individual benefactors, and government agencies. This process represents a two-way flow, involving accountability, the effective use of the funds, the disclosure of clear and honest information, and respect for the intent of the benefactor.

Some rules relevant to the fundraising of the organization are detailed below:

- i. The organization will only accept funds that are consistent with its mission, do not compromise its fundamental principles, and do not restrict its ability to address relevant issues freely, thoroughly, and objectively.
- ii. Programs should be designed to meet the mission of the organization and never designed simply to meet the needs of the funding source.
- iii. All solicitations must properly reflect the planned use of the funds requested, and fundraising solicitations may only make claims that the organization can meet.
- iv. Fundraising shall be free from coercion, improper motive, improper conduct, or illogical reward.
- v. The organization shall not make compensation based on a percentage of accumulated charitable contributions to the board of directors, the staff and trustees, or volunteers.
- vi. The organization will ensure that contributions are used as promised, implied in the fundraising solicitation, and/or for the purposes intended by the benefactors.

- vii. The organization may alter the terms and conditions of a donation or financial support only by obtaining the explicit consent of the benefactor.
- viii. Financial disclosures relating to donations will be made available upon request by interested parties or the benefactor.
- ix. The authorities, staff, trustees, and volunteers of the organization shall not exploit any relationship with the benefactor or potential benefactor for personal gain or to benefit any relative, friend, associate, colleague, or others.
- x. Privileged or confidential information regarding a donor or donation must not be disclosed to unauthorized parties.
- xi. The organization shall not use undue pressure, undue influence, or any other unethical mean in its fundraising solicitations.
- xii. The organization must seek high investment returns for endowed assets that do not compromise its mission and purpose, which rules out future investment in fossil fuel, coal, natural gas, and mining corporations.

Spending Policy

USFQ and its office USFQ NEXT understand that having a strong spending policy is key to doing short-term good while ensuring long-term viability. For its design, the organization considers revenue and expense, the nature of their predictability, the tools at its disposal to cope with revenue shortfalls and/or unanticipated expenses, and the assessment of the endowment.

Fundraising revenue is categorized into restricted contributions and unrestricted contributions. Restricted contributions are gifts designated for specific purposes. Unrestricted contributions are gifts that can be used as the board of directors determines necessary. Expenses divide into indirect costs and direct costs. Indirect costs refer to general expenses like utilities. Direct costs refer to the

expenses of existing programs that may include a fundraiser salary, and the cost of a fundraising consultant, among others.

Endowments fall in the category of restricted gifts by benefactors either via formal communication or in response to our marketing tools online and become part of the assets of the organization. A gift not restricted by a benefactor as an endowment but treated as such by the action of the authorities can be spent at any time by the decision of the authorities.

To ensure the correct management of the spending policy, USFQ and its office USFQ NEXT relies on its accountant, financial advisor, and legal counsel. We yearn to be able to reflect the Pareto Principle in our operations, achieving the 80/20 rule by focusing most of our effort and resources on the 20% of the benefactors who are most likely to represent 80% of our future revenue. Furthermore, we hope to invest 80% of our budget in our programs and services and use the rest on the overhead and administrative costs of the organization.

Tax Benefits for Charitable Giving

USFQ and its office USFQ NEXT offer the ability to provide tax refunds to benefactors through its Friends Fund at CAF America. With a Friends Fund at CAF America, foreign organizations can initiate and sustain a U.S. fundraising campaign while accepting tax-deductible donations of any amount. The fund is exclusively designated for grantmaking to the specific charity.