



Predistribution Initiative Fundraising Ethics Policy

Policy	Fundraising Ethics	Department	Financial
Version	001	Date	17 March, 2021
Approved By	Delilah Rothenberg, Nicki Leszman, PDI Advisory Committee	Overseen By	Executive Director

Revenue

The Predistribution Initiative (PDI) is fiscally sponsored by Community Initiatives, a nonprofit public benefit corporation. PDI is funded primarily through philanthropic contributions (“Contributions,” as defined below), as well as occasional fees for service (“Service Fees,” as defined below). The following policies and guidelines govern acceptance of Contributions and Service Fees made to PDI. PDI urges all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences.

Registry & Records

PDI shall maintain a Contributions & Service Fee Registry (the “Registry”) of donors and clients with the following fields:

Date	First Name	Last Name	Address	Phone	Email	Organization / Affiliations	Amount (Currency)	Amount (USD)	Type	Due Diligence Notes
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The Registry must include any prospective Major Contribution and Service Fee that undergoes Due Diligence,¹ even if it was declined. Revenue-related documentation, including the Registry, pledge forms, agreements, invoices, terms of reference, and correspondence from and to donors or clients will be retained for a minimum of six years.

Major Contributions

Major Contributions are those defined as having a value over \$5,000 from an individual, entity, or combination (if an entity is deemed to be highly influenced by the same individual) in a given fiscal year.² PDI will monitor the Contribution Registry monthly to flag any Major Contributions (including

¹ See next sections for circumstances under which due diligence may be required, which include Major Contributions and Service Fees.

² PDI’s fiscal year aligns with our fiscal sponsor, Community Initiatives. It therefore runs from July 1st to June 30th.



minor contributions that may accumulate to a Major Contribution in a given year) and conduct due diligence on the source of the contributions to ensure alignment with this policy.

All Major Contributions must be presented to the Advisory Committee at the end of each quarter for review. When considering whether to solicit or accept Major Contributions, PDI will consider the following factors (“Due Diligence”):

- Values — Will acceptance of the Contribution compromise any of the core values of PDI or PDI’s Morality Clause?³
- Compatibility — Is there compatibility between the intent of the donor and PDI’s use of the Contribution?
- Public Relationships — What is the likelihood that acceptance of the Contribution may damage the reputation of PDI?
- Primary Benefit — Is the primary benefit to PDI or could it be to the donor?
- Consistency — Is acceptance of the Contribution consistent with prior practice?
- Form of Gift — Is the Contribution offered in a form that PDI can use without incurring substantial expense or difficulty?
- Effect on Future Giving — Will the Contribution encourage or discourage future Contributions?

All decisions to solicit, accept, and/or maintain potentially controversial Contributions will be made by the Advisory Committee in consultation with the Executive Director. The primary consideration will be the impact of the Contribution on the organization. PDI will seek the advice of legal counsel in matters relating to acceptance of Contributions when appropriate.

Fee-for-Service Revenue

Occasionally, PDI may engage in fee-for-service arrangements. Such engagements may only take place with appropriate Due Diligence to ensure that the counterparty aligns with PDI’s mission, values, and ethics, including this policy. As such, the same evaluation criteria as those used for Major Contributions shall be used for Service Fees. Due Diligence and the terms of any Fee-for-Service arrangement must be managed by the Executive Director and presented to the Advisory Committee for review and approval prior to PDI formally committing to such an arrangement, with at least ten (10) business days of notice ahead of the anticipated engagement. All Fee-for-Service engagements must be fully documented with appropriate contracts. PDI will seek the advice of legal counsel in matters relating to Fee-for-Service Revenue when appropriate.

Morality Clause

³ PDI’s Morality Clause is included below.



PDI will not accept Major Contributions or Service Fees:

- from individuals or entities whose ethics or business practices are not aligned with PDI and its mission;
- in the form of marketable securities or investments that do not align with PDI's mission, vision, and values;
- that would result in PDI or its fiscal sponsor in violating its corporate charter;
- that would result in PDI or its fiscal sponsor losing its status as an IRC § 501(c)(3) not-for-profit organization;
- that are too difficult or too expensive to administer in relation to their value;
- that would result in any unacceptable consequences for PDI; and/or,
- are for purposes outside PDI's mission.

PDI's Advisory Committee shall review all Major Contributions and Service Fees in advance of acceptance to determine alignment with PDI's Morality Clause and vote on whether to return or decline each. If, for any reason, such a conflict should arise after PDI already accepted funds or entered into a Fee-for-Service agreement, the Executive Director must notify the Advisory Committee within three (3) business days of becoming aware of the incident, and the Advisory Committee will have twenty (20) business days to investigate the situation and make a decision of whether to return the funds.

Communication of this Policy

PDI's Financial Integrity Policy shall be posted on its website alongside any copy inviting financial support. It shall be communicated to all PDI staff as part of the onboarding process.

Policy Review and Maintenance

This policy may be updated at any time following review and written approval by the Advisory Committee. To ensure its effectiveness, the Advisory Committee must review this policy and make any appropriate updates at least annually.