

**Designated Gifts Policy of the American Friends of
Neve Shalom/Wahat al-Salam Concerning Donor-Advised
and Donor-Directed Gifts**

Making gifts to the American Friends of Neve Shalom/Wahat al-Salam (the “American Friends”) is an excellent opportunity to support the peace process through projects that promote the peaceful relationship between Arabs and Jews through understanding and dialogue.

The IRS requires special care in the way in which public charities dispense gifts to overseas projects. Gifts made to the American Friends (a 501 (c)(3) public charity) are tax deductible by individuals and corporations even though they are used abroad, only if the donation is not irrevocably directed or earmarked by the donor. The fundamental reason underlying this prohibition is to prevent the use of U.S. charities as conduits for channeling funds to foreign charities. Any gift that is characterized as an attempt to channel funds by a donor to a charity without prior board approval will be disallowed as a tax deduction.

While donors may request that donations made to the American Friends be directed to a particular use, the board of directors must retain the discretion and control over all decisions concerning the use of funds. To assume tax deductibility of a gift, a donor cannot require, nor can the American Friends guarantee, that a contribution will absolutely be used for a particular overseas purpose.

The rules governing tax deductibility of gifts that are used by foreign charities must be strictly adhered to by any American charitable organization that raises funds and uses them for projects abroad. The board must pre-approve the funding of all projects requested by NSWAS before any funds can be raised for a specific project. A donor may be informed about several such projects that the board has approved and may request that his or her donation be used for the project. However, the board retains the right and obligation to monitor the use of funds and, if necessary, terminate the project and redirect the use of the funds to other projects.

The purpose of this policy is to comply with the rules and regulations governing the deductibility of donations that will be used by NSWAS for projects approved by the board of the American Friends. We hope that you understand that this is for the mutual benefit of the American Friends and its donors. AFNSWAS will stay in touch with donors about the ongoing projects if there is any significant modification in how the board decides pre-approved project funding needs to be utilized.

Should you have any specific questions about this policy of the American Friends, please contact our Executive Director, for more information.