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## STICHTING 5W FOUNDATION CRYPTOCURRENCY DONATION POLICY

### DONATIONS TO STICHTING 5W FOUNDATION

5W Foundation is a nonprofit registered as a public benefits organisation ([ANBI](#)).

Charity donors may be able to deduct the value of their donations from their taxable income. Depending on your location, the tax deduction may be equal to the fair market value of donated cryptocurrency. Additionally, donors may not be subject to paying capital gains taxes on the appreciation of donated cryptocurrency.

In The Netherlands, if your donation is less than 10% of your annual taxable income, it is tax free. Gifting is tax free up to €3,244. This includes crypto.

We always recommend consulting your local tax advisor and/or Authority for information pertinent to your geographic location.

### PURPOSE

To define guidelines for accepting cryptocurrency donations in alignment with our mission, ensuring transparency, security, and compliance with legal and ethical standards.

This policy provides a structured and secure framework for accepting cryptocurrency donations, ensuring alignment with our mission and the evolving landscape of digital giving. It will be reviewed regularly to stay current with technological and regulatory changes.

### SCOPE

This policy applies to the acceptance, management, and use of cryptocurrency donations, including but not limited to Bitcoin (BTC), Ethereum (ETH), HBAR, and other approved digital currencies.

### OBJECTIVES

5W Foundation accepts cryptocurrency donations, and has processes in place accordingly, to:

- Facilitate contributions from diverse donor groups.
- Leverage innovative fundraising methods while managing risks.
- Ensure compliance with financial regulations and donor expectations.

### APPROVED CRYPTOCURRENCIES

We accept donations in the following cryptocurrencies:

- Top-tier cryptocurrencies (e.g., Bitcoin, Ethereum, Tether).
- Community-requested coins, evaluated on a case-by-case basis for volatility, liquidity, and reputational impact.

The list will be reviewed quarterly to adapt to market changes.



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#### CONVERSION AND USE

- **Immediate Conversion:** Where applicable donations will be converted into fiat currency or stablecoins (e.g., USDC) upon receipt to mitigate volatility risks.
- **Holding Policy:** 5W Foundation may hold a percentage of donations in select cryptocurrency for strategic or operational purposes, such as the gas fees for Hedera HCS transparency topic generation, appreciating assets or other operational needs, as approved by the Board.

#### WHAT IS THE REFUND POLICY?

Cryptocurrency donations are non-refundable. No goods, services or airdrops are offered in exchange for cryptocurrency donations.

#### TAX AND REGULATORY COMPLIANCE

- Provide donors with a tax receipt stating the cryptocurrency received, its fiat currency value at the time of the transaction, and the transaction ID.
- Comply with Tax Authority guidelines and regulations regarding cryptocurrency donations, via partnership with a specialist cryptocurrency tax service, such as Koinly.
- Maintain records of all transactions for transparency and auditing purposes.

#### DONATION PLATFORMS

We use trusted platforms such as NowPayments, Exodus, Coinbase, and Hedera Hashgraph to facilitate secure and user-friendly donation experiences.

#### SECURITY MEASURES

- Implement multi-signature wallets and cold storage for funds held in cryptocurrency when possible.
- Ensure all transactions are tracked on chain.
- Regularly audit cryptocurrency holdings and procedures to ensure security and compliance.

#### DONOR PRIVACY

We respect donor anonymity but adhere to anti-money laundering (AML) and know-your-customer (KYC) regulations. Anonymous donations above a certain threshold will undergo due diligence to prevent illegal activity. It should be noted that not goods or services of any kind are offered to donors in exchange or refund for their donation.

#### COMMUNICATION AND EDUCATION

- Educate potential donors about cryptocurrency donations through FAQs and support.
- Highlight how cryptocurrency donations impact our mission to build trust and encourage giving.

#### GOVERNANCE AND OVERSIGHT

- The Board oversees the implementation of this policy.
- This policy is regularly reviewed and if required, updated.

#### ACKNOWLEDGMENT OF DONATIONS

Cryptocurrency donors will be acknowledged promptly through email, digital certificates, or public recognition (if desired), following donor preference.

*Last revised: November 2024*