

Wishing Others Well – Crypto-currency Policy

The Purpose of this Policy

This policy seeks to assure that the work of Wishing Others Well is funded ethically and by having a crypto-currency donations Policy we are able to express our core values and ethos.

This policy sets out how we approve and monitor donations made in crypto-currency from individuals and corporates and the process we follow to review funding opportunities to ensure that our expectations are clear to all stakeholders.

The Charities Act 1992 states that Trustees can and should refuse any donations which are not in the best interests of the charity to accept. In deciding whether to accept or refuse a particular donation, the law requires our Trustees to carefully consider, based on relevant law (including anti-money laundering legislation) and the evidence available to them at the time, which course of action will be in the charity's best interests. The law allows practical and ethical factors to be considered where they are relevant to the charity's charitable objects. In exercising this power,

Trustees must not allow personal views, circumstances or prejudices to influence their conduct and decisions. Wishing Others Well's fundraising adheres to the guidelines of the independent 'Fundraising Regulator' which ensures minimum standards of best practice and provides a route to complain when it is viewed that we have fallen short.

Background

Crypto-currency is any form of currency which exists virtually and uses cryptography to secure transactions. It is a digital payment system that doesn't rely on banks to verify transactions. It's a peer-to-peer system that can enable anyone anywhere to send and receive payments. When crypto-currency is transferred, the transactions are recorded in a public ledger. Crypto-currency is stored in digital wallets. It operates on open blockchain networks and is facilitated over wallets and exchanges.

The value of cryptocurrency is driven primarily by supply and demand. This can create volatility and produce significant gains or losses for currency holders. Currently, UK Law does not equate digital currency with fiat currency and does not treat cryptocurrency as "money", regarding it as property. Crypto-currency donations are exempt from capital gains tax, which may enable donors to maximise the value of their contributions. Popular cryptocurrencies include Bitcoin, Ethereum and Tether

Volatility Management

To manage the risk of volatility in the value of cryptocurrencies, Wishing Others Well, will convert any crypto-currency donations into fiat currency as soon as possible and deposit these funds will be deposited via an exchange, into the Charity's main bank account.

Exchange Platform

The exchange platform used by Wishing Others Well will be using is:

Background and rationale on this platform will be added here...

Wishing Others Well's security requirements for setting up and operating an account on this digital platform will follow the same rigour required to set up and operate any Wishing Others Well bank account.

Receipting

Donor receipts will remain in compliance with UK tax law and include:

- Donor/Organisation name
- Company Registration Number (where applicable)
- Note that the receipt is for a Donation
- Date the donation was given
- Description of the donation (for example 1 bitcoin). The receipt issued is for the crypto-currency given rather than the value of the crypto-currency at the donation date

Accounting for crypto-currency

The value of each digital donation will be recorded as income at the value of £Sterling received on liquidation of the crypto-currency.



Relevant Definitions:

- Blockchain; is a digitally distributed, decentralised, public ledger that exists across a network.
- Crypto-currency; is a digital or virtual currency that is secured by cryptography, which makes it nearly impossible to counterfeit or double-spend.
- Bitcoin; is a type of digital currency which operates independently of a central bank or government. It is the most popular type of cryptocurrency
- Ethereum; is a decentralised, open-source blockchain with smart contract functionality
- Smart Contract; programs stored on a blockchain that run when predetermined conditions are met
- Fiat; is traditional currency
- Crypto-currency digital wallet; is a wallet 'app' that allows crypto-currency holders to store and retrieve their digital assets

Monitoring, Audit, and Review

The Board of Trustees is responsible for managing this policy and overseeing its implementation. The Board is also responsible for overseeing adherence by staff and volunteers. Every member of staff and volunteer should take personal responsibility for conforming to it. It is the responsibility of the Board of Trustees to audit compliance with and review of, all policies as part of Wishing Others Well's normal audit cycle and to undertake or direct remedial action as required.

Policy Updated February 2023

