

DONATION ASSESSMENT POLICY OF SOFIA PLATFORM FOUNDATION

1. PURPOSE OF THE DOCUMENT

This policy sets out the internal rules and principles governing the assessment, acceptance, and management of donations, sponsorships, and other forms of funding (collectively, DONATIONS) made in support of the Sofia Platform Foundation (the FOUNDATION).

The purpose of this policy is to ensure a consistent and transparent approach to decision-making regarding DONATIONS.

This contributes to safeguarding the FOUNDATION's independence, public trust, reputation, and long-term sustainability.

When implementing this policy, the FOUNDATION's team shall also comply with the organization's adopted *Internal Rules for the Control and Prevention of Money Laundering and Terrorist Financing*.

2. FUNDAMENTAL PRINCIPLES

When assessing potential DONATIONS and partnerships, the FOUNDATION shall be guided by the following principles:

- legality, transparency, and accountability;
- prevention of conflicts of interest;
- protection of the organization's independence and autonomy; and
- protection of the organization's reputation.

3. RIGHT TO DECLINE OR TERMINATE FUNDING

The FOUNDATION reserves the right to:

- request additional information from the donor;
- terminate an existing DONATION where a risk is identified; and
- impose additional conditions for the acceptance of a DONATION.

4. RISK CATEGORIES

Lower risk – DONATIONS up to EUR 500

These DONATIONS may be accepted by the operational team and/or the Executive Director in accordance with the organization's internal financial procedures.

Medium risk – DONATIONS from EUR 500 to EUR 10,000

These DONATIONS are subject to additional review and approval by the Executive Director.

High risk – DONATIONS exceeding EUR 10,000 and DONATIONS originating from high-risk sectors, as defined in Section 5 of this Policy

These DONATIONS shall be reviewed and approved exclusively by the FOUNDATION's Board.

* If the same donor makes several DONATIONS during a single calendar year whose aggregate amount exceeds the threshold for the applicable risk category, the DONATION shall automatically be reclassified based on the cumulative amount.

* Regardless of the amount of the DONATION or the preliminary risk assessment, any member of the operational team, the Executive Director, or a member of the Board may request that a particular case be referred to the FOUNDATION's Board whenever they consider that there is a potential risk to the organization's independence, reputation, or public trust.

5. DONATION ASSESSMENT PROCEDURE AND GROUNDS FOR DECLINING DONATIONS

5.1. Due Diligence

When assessing potential DONATIONS, the FOUNDATION shall conduct a preliminary review based on publicly available information concerning:

- the donor's business activities and the beneficial owner of the funds;
- corruption practices, money laundering, financial misconduct, or other unlawful activities;
- links to political parties, political platforms, or narrow partisan interests;
- potential conflicts of interest involving current projects, the FOUNDATION's team, or members of its Board; and
- potential risks to the organization's public trust, reputation, or independence.

5.2. Grounds for Declining a DONATION

The FOUNDATION shall refuse to accept a DONATION (or terminate an existing DONATION) whenever the due diligence under Section 5.1 establishes that:

- the origin of the funds is proven or likely to be unlawful;
- the donor is a company with opaque ownership (including offshore companies without a clearly identifiable ultimate beneficial owner) or the origin of the funds cannot be traced;
- the donor imposes conditions that restrict the organization's independence or seeks, directly or indirectly, to influence its educational content, analyses, programmes, public positions, or management decisions;
- the DONATION is linked to party-political objectives or there are grounds to suspect that the FOUNDATION is being used for political legitimization; or
- acceptance of the DONATION would create an unjustified legal, ethical, or critical reputational risk that would jeopardize the organization's mission.

5.3. Decision-Making Process

A. The operational team may accept and administer low-risk DONATIONS (see Section 4) in accordance with the organization's internal financial procedures.

B. The Executive Director may approve medium-risk DONATIONS (see Section 4) following additional due diligence.

C. The FOUNDATION's Board shall review and make final decisions regarding:

- high-risk DONATIONS (see Section 4); and
- DONATIONS below the high-risk threshold that have been referred to the Board by the operational team and/or the Executive Director.

When deciding whether to approve both medium-risk and high-risk DONATIONS, the Executive Director and the Board shall assess, on the basis of the publicly available information at the time of the review, whether the DONATION complies with the provisions of Sections 2 and 5 of this Policy.

5.4. Board Procedure

The Board shall decide on high-risk DONATIONS and on lower-risk DONATIONS referred by the operational team and/or the Executive Director (see Section 5.3).

5.4.1. Referral and Initiation of the Procedure

- **Who may refer a case:** The Board procedure shall be initiated by the **Executive Director** (for High-Risk DONATIONS under Section 4) or by **any member of the operational team or the Board** (for DONATIONS falling within lower risk categories under Section 4) within five (5) working days of the receipt of the DONATION or of the donor's expression of intent to make a DONATION. The Board may also be referred a case after the expiry of this period where, due to the volume of DONATIONS and/or other operational workload, the DONATION was reviewed or assessed at a later stage. In such cases, the operational team or the Executive Director shall provide an explanation for the delay, which shall be recorded in the minutes of the Board's decision.
- **Method of referral:** The referral shall be made electronically (by email) to all Board members and shall include information prepared by the operational team, namely:
 1. the donor's name and the amount of the DONATION; and
 2. the information obtained during the preliminary due diligence under Section 5.1.

5.4.2. Quorum and Participation

- **Minimum participation (Quorum):** A valid decision requires the participation of more than half of the current members of the Board (simple majority quorum).
- **Format:** Meetings may be held in person or remotely (via online video conference or written voting by email).

5.4.3. Assessment Methodology

The Board shall assess the DONATION on the basis of the information collected under Section 5.1 and shall apply the Risk Assessment Matrix (Traffic Light System) using the criteria set out in Section 5.2.

Each Board member shall assign one of the following ratings:

Risk Level	Effect on the Decision
 Green Light (Low Risk)	No grounds under Section 5.2 have been identified. The DONATION is accepted.
 Yellow Light (Moderate Risk)	Certain issues remain unclear. The DONATION may be accepted subject to conditions (e.g. requesting additional documentation or including additional contractual clauses).
 Red Light (Critical Risk)	At least one of the grounds for refusal under Section 5.2 is present. The DONATION must be declined.

5.4.4. Voting and Finalization

- **Decision-making:** Board decisions shall be adopted by a simple majority of the members participating in the vote. In the event of a tie, the Chair of the Board shall have the casting vote.
- **Documentation:** Every decision shall be recorded in written minutes (digital or hard copy), including the reasons for the vote. The Board shall issue its decision within ten (10) working days of the referral.

5.5. Procedure Before the Executive Director

The Executive Director shall decide on medium-risk DONATIONS (see Section 5.3).

- **Referral:** Upon receipt of a DONATION or an expression of intent to make a DONATION or enter into a partnership involving an amount between EUR 500 and EUR 10,000, the operational team shall provide the relevant information to the Executive Director. Alternatively, the Executive Director may gather the information personally where the proposed DONATION has been addressed directly to them or where they are the first to identify a received DONATION. Such referral or self-initiation shall take place within five (5) working days of receipt of the DONATION or expression of intent. The Executive Director may also receive or initiate a review after the expiry of this period where, due to the volume of DONATIONS and/or other operational workload, the DONATION was reviewed or assessed at a later stage. In such cases, the operational team or the Executive Director shall provide an explanation for the delay, which shall be recorded in the minutes of the Executive Director's decision.
- **Assessment method:** The Executive Director shall review the available information. Where the review identifies no grounds for refusal under Section 5.2, the Executive Director shall approve acceptance of the DONATION.

- **Referral to the Board:** If, during the review, the Executive Director is unable to reach a decision, they may refer the matter to the Board in accordance with Section 5.4.1, irrespective of the fact that the amount is below EUR 10,000.
- The Executive Director shall keep written records of all decisions. A decision shall be made within ten (10) working days of the referral.

6. DOCUMENTATION AND CONFIDENTIALITY

Decisions relating to medium-risk and high-risk cases shall be documented in an internal record containing the reasons for accepting, declining, or terminating the DONATION.

Information collected during the assessment process shall be treated as confidential and processed in accordance with the applicable legislation and the organization's internal rules.

7. REVIEW OF THE POLICY

This Policy shall be reviewed periodically by the FOUNDATION's Board and may be amended whenever necessary.

Date: 1 July 2026

Adopted by:

Louisa Slavkova
Borislav Dimitrov



