

## **GIFT ACCEPTANCE POLICY**

Approved by the Board of Trustees, May 18, 2020

To supplement support received from the U.S. Government and other public-sector donors, The Asia Foundation relies on voluntary contributions from individuals, corporations, and foundations to support its mission, programs, and purposes. This Gift Acceptance Policy has been adopted to promote philanthropic financial support for The Asia Foundation, to ensure that gifts received meet the stated mission and goals of the Foundation, and to maximize benefits for the donors and for The Asia Foundation. This policy has been approved by the Foundation's Board of Trustees and shall be reviewed periodically by the Development and Communications Committee of the Board. The Board of Trustees retains final responsibility for all fundraising activities and acceptance of all gifts pertaining to the Foundation.

The Foundation welcomes gifts of all sizes from donors of diverse backgrounds and means. To this end, The Asia Foundation strives to maintain the highest levels of professional integrity, abide by all regulations, and to be good stewards of donors and their gifts. The Foundation adheres to the Donor Bill of Rights contained in Attachment A.

**Purpose:** This policy exists to help ensure that contributions to The Asia Foundation are used to enhance the reputation and standing of the Foundation and do not compromise its charitable purpose. This policy is simultaneously directed to our donors as well as staff and volunteers so that all stakeholders have a common understanding of the purpose and nature of philanthropy at The Asia Foundation. The policy goals are to ensure that:

- Gift levels are appropriate to carry out specified uses.
- Philanthropic support for the Foundation is obtained only for programs and activities consistent with the Foundation's mission.
- The Asia Foundation will decline any and all gift from individuals or organizations whose publicly-stated opinions and goals are contrary to the Foundation's mission, or which, in association with their support of The Asia Foundation, are likely to damage the Foundation's reputation.
- Donor requirements and restrictions are acceptable to the Foundation, and not overly-restrictive in nature.
- Gifts are promptly and properly acknowledged. Funds received are properly credited to correct fund accounts and promptly deposited.
- Gifts are accepted and administered in a manner that meets proper tax, legal and ethical guidelines for non-profit institutions.
- Funds are received from private donors to cover a portion of the fundraising expenses.
- The Foundation does not seek or accept any contribution that is not in the donor's best interest and/or the best interest of the Foundation.

**Confidentiality:** Giving is a personal decision and the information provided by donors is held in strict confidence. The Foundation will not share personal donor information at any time, nor do we publicize the names of donors who request anonymity. The Asia

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Foundation will recognize donors in various publications and communications unless otherwise directed by the donor. Donors will always be given access to their personal files upon request. The Asia Foundation will not release addresses or phone numbers or other information contained in its donor files without the approval of the donor or the donor's family or heirs.

**Conflicts of Interest:** Employees and Trustees of the Foundation must avoid personal conflicts of interest. It is the donor's responsibility to retain independent counsel for estate planning, tax, and financial matters. Employees and Trustees shall not receive commissions or other fees on outright or planned gifts. All staff members and Trustees are required to sign an annual conflict of interest statement and to abide by the Foundation's conflict of interest policy.

### I. GIFT ACCEPTANCE POLICIES

The Foundation accepts gifts for three purposes: operations/programs, capital projects, and endowment growth. Gifts may be made for any of these purposes by any of the means outlined below.

The regulations set forth by the IRS shall govern valuation and substantiation of all gifts to the Foundation. The Foundation shall comply with current IRS regulations regarding documentation of gifts. Donors are ultimately responsible for valuation of their gifts and the level of deductibility allowed by their personal circumstances, and the Foundation cannot provide such valuation or tax advice to donors.

The Foundation reserves the right to decline any gift at any time. Gifts with restrictions must be consistent with the Foundation's mission, programs, and institutional priorities. The ultimate acceptance or refusal of gifts lies with the Board of Trustees, based on recommendations from the President and Development and Communications Committee.

In general, the Foundation does not accept gifts or grants from current and former elected officials, or any individual, corporate, or foundation donors that would pose a reputational risk to the Foundation; other exclusions would be considered on a case-by-case basis.

The Asia Foundation's policy is that 5% of private charitable contributions may be designated as unrestricted to offset the costs of raising and administering donated funds.

#### A. Gifts of Cash

Gifts of cash, including checks and credit cards, are a common way to make a gift to The Asia Foundation.

- **Checks** are to be made payable to The Asia Foundation. They may be hand-delivered or sent by post or specialty carrier to:  
The Asia Foundation  
465 California Street, 9<sup>th</sup> Floor

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San Francisco, CA 94104 USA

- The Asia Foundation accepts gifts via credit card through the Foundation website, using Visa and MasterCard.
- The Foundation also accepts wire transfers of cash. Transfer instructions are available through The Foundation's Resource Development Unit and Finance Department.

### **B. Gifts of Tangible Personal Property and Gifts In-Kind**

The Asia Foundation will consider accepting gifts of tangible personal property if they are readily marketable or needed by the Foundation for the advancement of organizational and/or project goals. Examples include works of art, furniture, manuscripts, literary works, computer hardware and software, coin and stamp collections, livestock and other animals, jewelry, cars, boats, etc. This policy does not pertain to in-kind gifts that are to be used for The Asia Foundation-sanctioned auctions, events or raffles. Contributions of property to the Foundation are generally valued at the fair market value of the property at the time of the contribution, and special conditions apply for certain categories and values of property.

### **C. Gifts of Stock/Partnership Interests or Other Financial Asset**

Securities are the most common form of non-cash gifts. When a donor contributes appreciated stocks held long term (more than one year) or bonds, current tax laws provide that the donor may avoid paying the capital gains tax that would have been incurred if the stocks or bonds had been sold. The Asia Foundation generally only accepts gifts of readily marketable securities, but will consider gifts of closely-held, thinly-traded stock or partnership interests on a case-by-case basis. Stock contributed to The Asia Foundation will be sold immediately unless the Investment Committee determines otherwise.

### **A. Real Estate and Property-Based Gifts**

The Asia Foundation will consider accepting gifts of real estate, gas/oil interests, bargain sales, and remainder interests in property on a case-by-case basis. The process of accepting these gifts is extensive and must be executed carefully. Gifts of real estate and other property-based gifts must be approved in advance by the Board of Trustees. The Asia Foundation will retain qualified counsel at the donor's expense to facilitate real estate and property-based gifts. Donors will be responsible for obtaining and paying for a current appraisal of the property.

### **B. Gifts of Life Insurance**

The Asia Foundation can benefit from life insurance gifts, including being named as a beneficiary of an existing policy, taking ownership of an existing policy or working with the donor to develop a new policy with the Foundation as the owner and sole beneficiary. Before accepting gifts of life insurance, The Asia Foundation will ask to review documentation of new or existing life insurance policies to ensure proper designation of

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the Foundation as owner or beneficiary before the policy is created. Donors will also be asked to provide a copy of the insurance contract or owner and beneficiary designation forms showing The Asia Foundation as the owner and beneficiary of the policy.

### **C. Other Gifts**

Distributions from charitable trusts, wills, non-charitable trusts, and retirement plans generally come to non-profit organizations after the death of a donor and are not expected to be recurring gifts (except in the instance of Charitable Lead Trusts).

It is the policy of the Foundation that all gifts from the estates of deceased individuals of \$25,000 or more may be credited as endowment income, unless otherwise outlined in this policy or directed by the donor through appropriate legal documents or pledges signed prior to their death.

Gifts other than cash will be sold immediately unless subject to related-use rules that require the property to be held for a period of time before the sale, or if there are other stipulations placed on the gift by the donor. At any time the Foundation may decline estate gifts that are too restrictive for The Asia Foundation's use or not in the best interest of the Foundation.

#### **1. Charitable Bequests and Trusts**

- **Charitable Remainder Trusts**

The Foundation is prepared to accept Charitable Remainder Trusts which designate the Foundation as the irrevocable beneficiary of the Trust. A Charitable Remainder Trust provides income to one or more persons during their lifetime or a term not to exceed 20 years. CRTs naming The Asia Foundation as an irrevocable beneficiary will be documented at the present value of the anticipated residual gift from the trust. The donor must provide documentation naming The Asia Foundation as irrevocable beneficiary.

- **Charitable Bequests and Trusts**

While it is rare for a donor to make an irrevocable bequest intention, it does occur. Bequests and Trusts naming The Asia Foundation as an irrevocable beneficiary will be documented at the present value of the anticipated gift from the trust. The donor must provide documentation naming The Asia Foundation as the irrevocable beneficiary.

#### **2. Bequests and Trusts (non-charitable)**

Donors will be encouraged to include The Asia Foundation as a charitable beneficiary in their wills and non-charitable trust documents. Representatives of The Asia Foundation will not prepare wills and other documents for the donor, but can suggest appropriate language. The Asia Foundation will not pay for the preparation of these documents, but a representative will meet with the donor and his/her attorney when appropriate. Donors wishing to make changes to their estate documents will always be encouraged to consult professional advisers.

## **II. DONOR RECOGNITION POLICY AND STEWARDSHIP PLANS**

### **A. Gift Designation Policy**

Gifts to the Foundation are generally solicited as unrestricted, to be used for programs and operations without restriction. The Foundation does allow for donors to direct gifts to a limited degree. Such a designation is broadly divided into three categories: program-specific gifts, capital gifts, and endowment gifts.

#### **1. Program-specific gifts**

Program-specific gifts are made for current operating purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be expended. These gifts may be designated for use at the discretion of a The Asia Foundation-sponsored program (e.g., Books for Asia, Women's Scholarships) or for use on a specific project (e.g., "Let's Read!"). Any greater detail of gift restriction is subject to the approval of the President and appropriate department or project leaders.

#### **2. Capital gifts**

Capital gifts are restricted gifts made to support the building, renovation, or purchase of building and grounds for the Foundation. These gifts may be general gifts to an overall campaign, restricted to the retirement of debt, or to name specific facilities of the Foundation. These gifts must be used for the general purpose of the capital project or for a specific facility of the project. Capital gifts may be made at any level, but the Foundation reserves the right to set appropriate levels for recognition of such gifts.

#### **3. Endowment Gifts**

The Foundation will accept gifts designated to its endowment. The endowment provides support for long-range, baseline operations and for the creation of new, Board-approved strategic programs and initiatives. Gifts to the endowment are accepted at any level, but named funds within the endowments require a minimum gift of \$250,000. The Named Endowed Funds Policy section below provides further detail for these gifts.

### **B. Named Endowed Funds Policy**

The Foundation will accept gifts to endow a fund for specific purposes consistent with its mission. The endowment is managed professionally and overseen by the Board's Investment Committee, in accordance with the investment policy of the Foundation.

Endowed funds of \$250,000 or more may be named for the donor, consistent with the Recognition and Naming Policy, and periodic stewardship reports will be provided to the donor.

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The Asia Foundation will accept a pledge to set up a named endowment fund if a donor pledges to fully fund the endowment to a specified level within a specified number of years. If at the end of the agreed upon time the minimum level is not reached, the funds will revert to program-specific use per prior agreement between the donor and the Foundation.

Because conditions change over time, all named endowment funds must contain the following contingency clause:

If, in the opinion of the Foundation's Board of Trustees, all or part of the funds cannot be applied in strict conformance with the purpose(s) previously stated, the Foundation may use these funds for other appropriate purposes as nearly aligned to the original intent of the donor as good conscience and need dictate, within the authorized powers of the Foundation.

### **C. Recognition and Naming Policy**

The Foundation will recognize donors for their support in a variety of ways, both physical, such as signage and print materials, and electronic, such as websites and email communications. Criteria for named giving opportunities vary by project and purpose, and are available for program-specific, capital and endowment gifts. These policies may change over time. Gifts and donors will be recognized in a variety of ways and over a variety of periods of time, based on the Policy.

The Board of Trustees must approve all named gifts, which may be done as a schedule of giving opportunities related to a campaign or special initiative. The Foundation reserves the right to refuse any named gift that is inconsistent with the mission or image of the Foundation. The Resource Development unit must receive the following information before a named gift can be brought to the Board of Trustees for approval:

- Pledge/gift document signed by the donor
- Signed document describing the purpose of the gift/pledge and appropriate fund management information including:
  - fund name (formal name approved by the donor)
  - fund type (operational, capital or endowed)
  - reporting requirements to the donor concerning fund usage
  - future obligations for fund-raising, if any

### **D. Stewardship Plans**

Stewardship involves taking proper care of both a donor's gift and of the relationship of the Foundation with the donor. Acknowledgment of gifts will be made according to the Foundation's Recognition and Naming Policy, and in accordance with the donor's wishes with regard to the anonymity of donor or amount given. Proper documentation by The Asia Foundation of the conditions of the gift and long-term reporting requirements will be kept as required by the type of gift. The Foundation may enter into a specific agreement

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or contract with the donor, governing the gift's use, recognition, long-term maintenance and funding, naming and other aspects of the gift.

**ATTACHMENT A  
DONOR BILL OF RIGHTS**

*The Donor Bill of Rights was created by the Association of Fundraising Professionals (AFP), the Association for Healthcare Philanthropy (AHP), the Council for Advancement and Support of Education (CASE), and the Giving Institute: Leading Consultants to Non-Profits. It has been endorsed by numerous organizations.*

**The Donor Bill of Rights**

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To ensure that philanthropy merits the respect and trust of the general public and that donors and prospective donors can have full confidence in the nonprofit organizations and causes they are asked to support, we declare that all donors have these rights:

- I. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- II. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- III. To have access to the organization's most recent financial statements.
- IV. To be assured their gifts will be used for the purposes for which they were given.
- V. To receive appropriate acknowledgment and recognition.
- VI. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
- VII. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
- VIII. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
- IX. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
- X. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.