

## **DUE DILIGENCE**

The Asia Foundation is a nonprofit international development organization committed to improving lives across a dynamic and developing Asia. Informed by six decades of experience and deep local expertise, our programs address critical issues affecting Asia in the 21st century—governance and law, economic development, women's empowerment, environment, and regional cooperation. In addition, our Books for Asia and professional exchange programs are among the ways we encourage Asia's continued development as a peaceful, just, and thriving region of the world. Headquartered in San Francisco, The Asia Foundation works through a network of offices in 18 Asian countries and Washington, DC. Working with public and private partners, the Foundation receives funding from a diverse group of bilateral and multilateral development agencies, foundations, corporations, and individuals.

Since its inception, the Foundation has paid close attention to prospective grantees' due diligence process and regularly monitors grantee programs and finances. The Foundation operates through a network of 18 offices in Asia. Through these offices, we conduct due diligence locally, with site visits to prospective grantees and extensive discussions with their principal staff throughout every project's life.

The Asia Foundation is committed to ensuring that any grants made to on-the-ground partners are not used to support any form of violent political activity or terrorist organizations. We enforce our commitment by conducting rigorous due diligence of prospective grantees. Although The Asia Foundation is a public charity as defined by the Internal Revenue Service, our due diligence process conforms to the more rigorous expenditure responsibility rules required of private foundations. In addition, the Foundation closely monitors and is in full compliance with the U.S. Government's recent regulations and guidelines regarding anti-terrorist financing practices.

### **Organizational Due Diligence**

- Review of prospective grantees' articles of incorporation, by-laws, and other documentation to ensure the organization's charitable purpose and that it has an appropriate governance structure;
- Confirm registration with government authorities where this is required by local law;
- Automated checking of organizations and individuals against lists of ineligible recipients published by the U.S. Department of the Treasury and other federal agencies;
- Review of annual and other program reports to determine organizational experience, capabilities, and track record;
- Assess organizational reputation in-country, before local audiences;
- Review of financial information;
- Current and past budgets showing sources/uses of revenue;
- Periodic reports on operations and use of Foundation-granted funds; and

## The Asia Foundation Due Diligence and Privacy Policy

- Internal or independent financial reviews and audits depending on the size of the grant.

### **Project Due Diligence**

- Pre-grant inquiries to determine the prospective grantee's ability to comply with the terms of a grant and fulfill project objectives;
- A written grant agreement with specific provisions setting forth mutual responsibilities, signed by both parties;
- Grantees are required to maintain grant funds in a segregated bank account;
- Periodic written reports from the grantee to the Foundation are required through the life of the project, typically on a semi-annual basis; and
- Disclosure to the IRS of the necessary information about the grant in the Foundation's annual 990 submissions (as well as in a separate Foundation publication).

## **PRIVACY POLICY**

The Asia Foundation greatly appreciates our constituents and their contributions to sustain the mission of The Asia Foundation, and their privacy is our highest priority. To protect the privacy of our constituents and their valued relationship with The Asia Foundation, we maintain the following practices:

- We will never sell, trade, rent, or share names, email or mail addresses, or telephone numbers;
- We offer donors the option to be recognized anonymously;
- Constituents may request that they not be solicited in the future; and
- Constituents may request not to receive informational mailings.

The Asia Foundation collects and uses personal information such as name, address, phone number, and email address when someone voluntarily provides it. In addition, The Asia Foundation keeps a record of each donor's giving history.

The Asia Foundation will use this information for the following purposes: distribute receipts and acknowledgment letters for donations, inform constituents about news and events, record keeping and internal analysis, and meeting reporting requirements as mandated by federal law to relevant U.S. and State agencies.