



Gift Acceptance and Administration Policy

Korean American Community Foundation of San Francisco (“KACF-SF”) solicits and accepts gifts that are consistent with our mission to build a vibrant, healthy, and empowered Korean American community in the Bay Area. Donations to KACF-SF support program costs, operational expenses, and special projects and are tax-deductible to the fullest extent allowed by law.

Purpose of Gift Acceptance and Administration Policy

This Gift Acceptance and Administration Policy (the “Policy”) governs the solicitation, acceptance, and administration of gifts by KACF-SF and provide guidance to prospective donors and their advisors when making gifts. The provisions of this Policy shall apply to all gifts received by KACF-SF for any of its programs or services.

- **Administrative Responsibility:** The KACF-SF Board of Directors (the “Board”) empowers the Executive Director to ensure appropriate compliance with this policy by all staff, consultants, and volunteers.
- **Ethical Standards:** Every employee or person interacting with donors in the gift planning process on behalf of KACF-SF shall adhere to the “Donor Bill of Rights” developed by the Association of Fundraising Professionals (AFP), Association for Health Care Philanthropy (AHP), Council for Advancement and Support of Education (CASE), and The Giving Institute.
- **Independent Counsel:** KACF-SF shall not provide legal, financial, or tax advice to any donor or prospective donor. Donors are encouraged to secure the advice of independent counsel with regard to the legal, estate, and tax consequences resulting from gifts to the KACF-SF. Additionally, donor advisors that serve on the Board or other committee must disclose any conflicts of interest and refrain from voting on gifts in which they serve as counsel to the donor.
- **Confidentiality:** All information concerning donors or prospective donors, including name, names of beneficiaries, gift amounts, and other personal information shall be kept confidential unless permission is obtained from the donor to release such information.
- **KACF-SF’s Use of Legal Counsel:** KACF-SF shall seek the advice of legal counsel or other qualified professional advisor in matters related to the acceptance of a gift, prior to such acceptance, when appropriate. Review by legal counsel may include:
 - Gifts of real property;
 - Gifts of stock/memberships/ownership interests of closely held companies;
 - Gifts involving contracts or any assumption of an obligation by KACF-SF;
 - Gifts subject to unusual restrictions;

- Gifts that may involve an actual or perceived conflict of interest; and
- Transactions in which the Executive Director, Board, or authorized Board Committee believes that the use of legal counsel is appropriate.

Gift Acceptance

Donations will generally be accepted from individuals, partnerships, corporations, foundations, government agencies or other entities, unless acceptance of a gift would be inconsistent with KACF-SF's mission; cause undue financial, administrative, or programmatic burden; or diminish the brand or image of KACF-SF, in KACF-SF's sole discretion. KACF-SF may elect to refuse gifts of any type if the potential gift poses a conflict of interest – including but not limited to real conflicts of interest, appearance of conflicts of interest, or perceived conflicts of interest.

In the course of its regular fundraising activities, KACF-SF may accept donations of the following; **cash, securities, real property, personal property and charitable bequests**, subject to certain limitations. Certain types of gifts require special consideration because they could create liabilities, administrative burdens, or may impose special obligations on KACF-SF. Some of these types of gifts and the acceptance processes are outlined below:

- **Gifts of Real Property:** Land and/or buildings may be accepted only upon approval of the Board or an authorized Board committee.
 - Donors contemplating a current gift of real estate must provide the following:
 - Qualified Appraisal
 - Phase I Environmental Audit as part of the “due diligence” to protect against liability exposure under Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). This requirement may be waived for residential properties used exclusively for residential purposes for a period of 30 years with no known indication of environmental contamination.
 - Disclosure of all restrictions, reservations, easements, mechanic liens and encumbrances.
 - Carrying costs, including but not limited to taxes, insurance, maintenance, association dues, membership fees, and other expenses.
 - Environmental Impact Study and/or an “Agreement to Indemnify” if requested by the Board.
 - Criteria for acceptance of the real property shall include: (1) usefulness to KACF-SF; (2) valuation; (3) marketability; (4) restrictions, reservations, easements, or other limitations associated with the property; (5) carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property; and (6) environmental, hazardous waste, and other risks associated with the property.
- **Retained Life Estates:** All retained life estate in residential property require Board approval and will consider the donor's life expectancy, age, and condition of the property, appreciation potential, and area property information. Donors must enter into an agreement with KACF-SF that fully outlines the responsibilities of both parties.

- **Bequests, beneficiary designations, and charitable trusts:** KACF-SF may or may not be informed of its status as a beneficiary or remainderman with regard to bequests, beneficiary designations, or charitable trusts. If informed, KACF-SF will provide non-legal assistance to the donor and/or donor’s counsel to assist in protecting the donor’s intent. Beneficiary designations shall not be recorded as gifts to KACF-SF until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable. KACF-SF will not accept appointment as Trustee of a charitable remainder trust or charitable lead trust.
- **Gifts of appreciated stock:** Gifts of appreciated stock will be accepted and converted into cash as quickly as possible after receipt. The valuation standards will be the average of the high and low value (or bid and ask) on the date transferred into the KACF-SF-approved brokerage account or financial manager.
- **Gifts of Personal Property:** Gifts of furniture, business equipment, or other “in-kind” items will be accepted if they can be utilized by KACF-SF in furtherance of its mission. Gifts of tangible personal property that will not be used by KACF-SF in furtherance of its mission must be reviewed prior to acceptance for (1) marketability; (2) restrictions on their use and sale; and (3) costs associated with possession, ownership, and sale. Gifts of cars, trucks, boats and planes will be handled by Charitable Auto Resources, Inc., “CARS” and the proceeds of such gifts transferred to KACF-SF under the existing agreement with CARS. Donors are responsible for establishing their own deduction for in-kind gifts in accordance with current IRS regulations. All final decision of gifts of personal property shall be made by the Executive Director.
- **Gifts of Services:** Pro bono services may be accepted if they can be utilized by the agency, but they are not recorded, nor is a tax deduction available for such services.
- **Restricted Gifts:** Gifts may be restricted by a donor for any existing or new KACF-SF program. When funds are accepted with restrictions, such restrictions must be honored. However, KACF-SF will not accept gifts that are too restrictive in purpose or that otherwise result in a burden that may diminish KACF-SF’s ability to further its mission. Gifts that are too restrictive include those that are inconsistent with the KACF-SF’s Articles of Incorporation, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of KACF-SF. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Board or an authorized Board committee.

In general, modifications of restricted gifts may be made only with the explicit consent of the donor or his/her legal representative. If acceptable modifications cannot be arranged, KACF-SF must offer to return the funds.

- **Unusual Gifts:** Gifts that are out of the ordinary, such that they differ in the extreme from the amounts or types of gifts that are routinely received by the organization, may only be accepted upon approval of the Board.

Gift Administration & Acknowledgement

- **Receipts:** Gift receipts will be issued for all gifts, other than tangible personal property, within 10 business days from the date received. KACF-SF shall provide a *written acknowledgement* to donors who make any single charitable contribution of greater than \$250, and a *written disclosure* to donors who receive goods or services in exchange for a single payment in excess of \$75. The acknowledgement and disclosure shall include the name of the donor, date received, restrictions if applicable, a description of the gift, a description and good faith estimate of the value of goods or services, if any, provided by KACF-SF in return for the contribution (subject to the token and membership benefits exception) and shall describe (but not value) any non-cash contributions made by the donor. Gifts of tangible personal property shall not include a valuation of the asset, which is the responsibility of the donor. (Per IRS Publication 1771, *Charitable Contributions - Substantiation and Disclosure Requirements*)
- **Record Keeping:** Gifts, if received via US Mail, are recorded as of the date received and deposited. Hand delivered gifts are recorded as of the date of receipt. When a donation is received, a copy of the check and remittance envelope and/or accompanying letter is made and filed in the appropriate donation file.
 - Gifts received at calendar year end and fiscal year end, if received via US Mail, are recorded by the postmark. Donation made using a credit card, are recorded as of the date the credit card is processed.
 - Gifts of appreciated stock will be recorded as of the date the stock was transferred from the donor into the KACF-SF brokerage account.
 - Gifts mailed via US Mail and received near the date ending the fiscal year may be credited to the prior reporting period if there is evidence the donor intended to make the gift within this period and the gift is received and processed within 10 days of the closing date for the fiscal year-end.
 - Gift records reflecting the name of the donor and details of the gift will be maintained in an electronic database and a hard copy of all gift receipts filed for reference. The Finance/Development Department is responsible for maintaining the gift records.
- **Reporting Requirements:** KACF-SF is responsible for filing IRS Form 8282 (Donee Information Return) upon the sale or disposition of any asset sold within two years of receipt by KACF-SF when the charitable deduction value of the item is more than \$5,000, subject to certain limited exceptions. Where required, KACF-SF must file this Form within 125 days of the date of sale or disposition of the asset.

Exceptions

This Policy has been reviewed by the Board, which has the power to make changes to this Policy. In addition, the Board or authorized Board must approve in writing any exceptions or deviations from this Policy.