Ashesi University Foundation

Gift Acceptance Policy and Guidelines

Ashesi University Foundation (the "Foundation"), a Washington nonprofit corporation qualified under section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), encourages the solicitation and acceptance of gifts to the Foundation for purposes that will help the Foundation to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to the Foundation or for the benefit of any of its programs.

I. Statement of General Standards

The solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial and tax considerations, and involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the Foundation.

The principal basis for making a charitable gift should be the desire on the part of the donor to benefit the Foundation.

II. Relationships with Donors

A. A full and accurate explanation by professional advisors of tax incentives for charitable giving and their implications is often necessary and appropriate. No program, agreement, trust, contract or commitment shall be knowingly urged upon any prospective donor, which would benefit the Foundation at the expense of the donor's interest and welfare.

B. The Foundation shall respectfully decline to accept any gift whenever there may be a reasonable question as to whether the donor has sufficient title to the assets.

C. The Foundation shall respectfully decline to accept any gift whenever there may be a reasonable question as to whether the donor is mentally competent to legally transfer the funds to the Foundation.

D. The roles and relationships of all parties involved, including how and by whom each is compensated, must be fully disclosed to the donor. All personnel engaged by the Foundation to contact prospective donors shall be either volunteers or paid a salary or a fixed wage, but shall not receive commissions, which could give such personnel a direct beneficial interest in any agreement.

E. The Foundation's development staff at all times shall advise donors only in areas in which they are professionally qualified, and shall defer to other professional advisors as necessary. All potential donors shall be advised to use their own legal and tax counsel in matters relating to their planned gifts, tax and estate planning.

F. Representatives of the Foundation shall exercise caution to avoid pressure, persuasion, or undue influence when informing, counseling or assisting a donor regarding gift planning concerns. This caution must include exercise of prudent consideration of the donor's interest as well as his/her charitable objectives.

G. Only personnel approved by the Board of Trustees ("the Board") shall be authorized to negotiate on behalf of the Foundation with any donor in respect of any current or planned gift. The Foundation shall consult its own legal counsel in all matters pertaining to its planned gift program and shall not exercise any agreement, contract, trust or other legal document with any donor without appropriate legal advice. Agreements of any kind, which involve any unusual or special legal obligation on the part of the Foundation or its agents, shall require prior approval of the Board or its authorized designee.

H. All information about donors and prospective donors, including but not limited to their names, the names of their beneficiaries, the nature and amounts of their gifts, and the sizes of their estates will be kept confidential by the Foundation and its representatives, unless the donor grants permission to release such information. All requests by donors for anonymity will be honored, except to the extent that the Foundation is required by law to disclose the identity of donors.

I. The Foundation shall respectfully decline to accept any gifts when reputational considerations arise from due diligence research, such as the donor is confirmed to be on a federal sanctions list or is involved in significant litigation.

III. Restricted Gifts

Gifts may be subject to donor-imposed restrictions relating to time, purpose, or both.

Gifts that are subject to donor-imposed restrictions shall be subject to the Foundation's philanthropic allocation, which specifies that 5% of all donor-restricted gifts shall be unrestricted and may be used to support administrative and/or fundraising expenses at the Foundation.

Gifts subject to restrictions requiring that the funds be held in perpetuity, or for a specified term of more than one year, shall be governed by the Foundation's Endowment, Investment and Spending Policy, as well as this Gift Acceptance Policy.

If requested by the donor or grantor, investment earnings on restricted funds held by the Foundation for more than one year shall be allocated to the restricted fund's principal balance at the end of the calendar year. The investment return rate applied will be calculated as the average rate of return earned on non-endowed funds for that calendar year.

Any proposed donor restriction on the purpose for which funds are used must be approved by the Board.

A. The Board shall refuse a gift if, in the judgment of the Board, there are prohibitive restrictions on the gift or if the gift is not appropriate to the mission of the Foundation.

B. In no event will a gift be accepted subject to an agreement or understanding that the donor will repurchase the contributed asset.

C. Notwithstanding any provision of this Policy or any other policy of the Foundation, a gift may not be accepted unless the Foundation has control over the funds or assets, and discretion as to their use, such that the Foundation is able to ensure that (i) the gift will be used exclusively for purposes consistent with section 501(c)(3) of the Code, and (ii) the gift will qualify as deductible under section 170(c)(2) of the Code.

D. The Foundation's acceptance of any gift that is subject to a donor-imposed restriction relating to time or purpose shall be subject to the express written condition that the Foundation shall at all times maintain control and discretion over the funds to ensure that the funds are used exclusively for the Foundation's tax-exempt purposes.

IV. Type of Assets Contributed

A. **Cash.** Gifts in the form of cash and checks should be accepted regardless of the amount, subject to the provisions of this Policy and, if applicable, the Foundation's Endowment, Investment and Spending Policy. All checks should be made payable to the Ashesi University Foundation and shall be treated as unrestricted unless otherwise designated in accordance with the terms of this Policy.

B. **Publicly Traded Securities.** Publicly traded securities should be accepted, subject to the provisions of this Policy and, if applicable, the Foundation's Endowment, Investment and Spending Policy. Unless otherwise directed by the Finance Committee of the Board (the "Finance Committee"), all contributed publicly traded securities will be sold immediately. In no event shall an employee, volunteer or other agent of the Foundation commit to any donor that a particular security will be held by the Foundation unless authorized to do so by the Finance Committee. The development staff will have available corporate resolutions, stock powers, broker information and other relevant documents for transferring stock and identifying the process of stock transfers.

   The value of a gift of publicly traded securities shall be the closing price on the day of transfer to the Foundation.

C. **Closely Held Securities.** Closely held securities are debt and equity interests in non-publicly traded companies as well as interests in Limited Liability Companies, Limited Partnership interests and the like. All proposed donations of this type will be considered by the Board on a case-by-case basis. General partnership interests may not be accepted. In the case of any proposed donation of closely held securities or limited partnership interests, the Finance Committee shall make a recommendation to the Board, and in doing so shall take into account:

   1. estimated fair market value,
   2. marketability, including any restrictions on timing of the Foundation's right to sell,
   3. potential liabilities of ownership,
   4. potential tax consequences to the Foundation,
   5. potential complexity or problems arising from involvement with the business of the issuer.

   The Finance Committee is encouraged to consult legal counsel before making a recommendation to the Board. Interests in this category may be accepted by the Board only after the Foundation has received a qualified appraisal (obtained by the donor at the donor's expense), based on the value of the underlying corporation or partnership and dated not earlier than 60 days before the proposed date of the gift. The Foundation may specify an appraiser, who shall not have any business or other relationship to the donor.

Once a gift of non-marketable securities is accepted, every effort will be to sell the asset as quickly as possible.

D. **Real Estate, Tangible Personal Property, Unusual Assets.** All proposed donations of real estate, tangible personal property or unusual assets shall be considered for approval by the Board on a case-by-case basis, taking into account the recommendation of the Finance Committee which shall consider:

1. whether the property will be used for purposes of the Foundation,
2. marketability of the property,
3. restrictions on use or sale,
4. carrying costs, including costs of administration, mortgage, maintenance, insurance, securing and selling the property,
5. Environmental hazards (in the case of real property) and any other potential liabilities,
6. effect of ownership on tax-exempt status,
7. licensing requirements and any other legal ramifications.

The Finance Committee is encouraged to consult legal counsel before making a recommendation to the Board. Donors must provide a qualified appraisal, dated no earlier than 60 days before the proposed date of donation as to the value of any asset, or group of similar assets, with a current fair market value of more than $5,000. The Foundation may specify an appraiser, who shall not have any business or other relationship to the donor. In the case of real estate, a visual inspection by a knowledgeable representative of the Foundation and an environmental assessment will also be required.

V. Types of Gift Vehicles

A. **Outright gifts**, with or without restriction**.** Restricted gifts may be accepted, subject to the provisions of this Policy and, if applicable, the Foundation's Endowment, Investment and Spending Policy.

B. **Pledges** shall generally not exceed 5 years.

C. **Gifts by Will or Trust.** Donors and supporters of the Foundation will be encouraged to make bequests to the Foundation under their wills and trusts. Such gifts will not be recorded as gifts to the Foundation until such time as the gift is irrevocable.

The Foundation shall not act as a personal representative for a donor's estate. In general, the Foundation shall not act as trustee of any planned giving instrument, however exceptions may be made upon approval of the Board after consultation with counsel.

D. **Charitable Remainder Trusts and Charitable Lead Trusts.** The Foundation may accept designation as a remainder beneficiary of a charitable remainder trust, or as income beneficiary of a charitable lead trust, with the approval of the Board, upon recommendation by the Finance Committee following consultation with legal counsel.

E. **Charitable Gift Annuities.** If approved by the Board upon recommendation of the Finance Committee following consultation with counsel, charitable gift annuities may be established with cash or marketable securities. Exceptions may be made to permit the establishment of

charitable gift annuities with real property, upon approval by the Board, where the value of the property is reasonably certain and there is at least a 5-year period before the commencement of annuity payments.

The minimum initial contribution shall be $25,000. The minimum age for life income beneficiaries of a gift annuity shall be 55, and no more than two life income beneficiaries will be permitted for any gift annuity. The computed gift to the Foundation must exceed 10% of the amount transferred for the annuity.

F. **Life Insurance Beneficiary Designations.** Donors and supporters of the Foundation will be encouraged to name the Foundation as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to the Foundation until such time as the gift is irrevocable.

G. Retirement Plan Beneficiary Designations. Donors and supporters of the Foundation will be encouraged to name the Foundation as beneficiary of their retirement plans. Such designation s will not be recorded as gifts to the Foundation until such time as the gift is irrevocable.

VI. Naming

A. The Board shall approve all proposed gifts involving name recognition prior to acceptance. Volunteers and staff shall communicate to prospective donors that naming recognition is subject to approval by the Board and the provisions of this Policy. Such approval shall be communicated in writing.

B. The Board shall approve requests to name a facility, program or awards in honor of an individual.

C. Written communications to donors accepting naming proposals shall expressly state that the Foundation may unilaterally revoke any naming commitments while retaining the gift if:

1. the donor fails to fulfill a pledge, or
2. the donor takes action that would reasonably be expected to reflect negatively on the Foundation, or on Ashesi University College.

VII. Administrative Matters

A. Acknowledgment of Gifts. The Foundation will acknowledge the receipt of gifts in accordance with applicable federal tax laws, and will sign any IRS form or other documents necessary for the donor to obtain a tax deduction for such gifts, so long as such acknowledgment does not entail valuing the gift by the Foundation.

B. Appraisals. Donors are responsible for obtaining their own appraisals for tax purposes of real property, and of tangible property and other assets when required, and for any fees or other expenses related to such appraisals. In the case of real property, donors are also responsible for obtaining and funding environmental assessments.

The Foundation retains the right to obtain its own qualified appraisals of real property or other assets being offered as a gift at its own expense.

VIII. Effective Date

This Gift Acceptance Policy has been reviewed and approved by the Board of Trustees of Ashesi University Foundation effective March 23, 2023.