ATTACHMENT A

Attachment A — Gift Acceptance Policy

Hope Alive! Incorporated

Date Adopted: _______________

Contents

1. Introduction

The information in this document identifies the ways Hope Alive! Incorporated (hereinafter referred to as "Hope Alive!") accepts gifts from donors (individual and corporate) and serves as a guideline for staff involved with accepting gifts, outside advisors who assist in the gift planning process, and donors wishing to make gifts to Hope Alive!. This document provides both a process for gift acceptance and guidance to prospective donors and their advisors. The provisions apply to all gifts received by Hope Alive! for any of its initiatives, programs, and services.

Hope Alive! may decline any gift or pledge that in any way compromises its reputation, that poses an undue risk, or that does not serve its mission.

2. General Gift Acceptance Guidelines

Our ministry is dedicated to the highest ethical standards when soliciting and accepting gifts. In keeping with this commitment, our ministry will adhere to the following specific principles:

- Hope Alive! will accept gifts only for programs and purposes that support the mission, priorities, or interests of the ministry.
- Hope Alive! will not accept gifts that violate the law.
- Hope Alive! does not accept the following types of gifts:
  - Gifts that incur an uncertain or poorly defined liability, such as real estate with suspected contamination;
  - Gifts that create an uncertain indebtedness for the ministry; and
  - Gifts that return a benefit to the giver not in compliance with the IRS code for tax-exempt organizations.
- Hope Alive! requires Board approval before accepting the following types of gifts:
  - Gifts that are subject to indebtedness, where our ministry would have to fulfill the financial obligation;
  - Gifts that pass or could pass pre-existing liabilities to the ministry;
  - Gifts that generate Unrelated Business Income Tax;
  - Gifts that are owned in divided-ownership interests without a clear partition agreement;
  - Gifts that are controversial; and
  - Gifts that place undue burden on the ministry.

  "Controversial gift" means a gift that includes or could be construed to include assets generated by a business enterprise that is not missionally aligned or could create reputational harm to the ministry.

- Hope Alive! will hold all agreements with donors and all information concerning donors and prospective donors in strict confidence, subject to legally authorized and enforceable requests for information by government agencies and courts. Hope Alive! will only release information concerning a donor if the donor agrees in writing to the release of such information.
- Hope Alive! will not accept gifts where the mental competency of the donor is in question. This does not preclude a person acting in the capacity of attorney-in-fact from making a gift from the estate of the individual granting the power of attorney. In this event, every consideration shall be given to the donor's charitable giving habits and financial condition to ensure that the gift is in the best interest of the donor and is carried out in a prudent manner. The donor's power of attorney must specifically grant the power to make charitable gifts.

- Hope Alive! will not accept any irrevocable gift, whether outright or life income in character, if under any reasonable set of circumstances the gift would jeopardize the donor's financial security.
- Hope Alive! will seek the advice of legal counsel when appropriate. All legal documents will be reviewed by legal counsel prior to execution.
- Hope Alive! will not provide legal, financial, or other counsel to or on behalf of donors or prospective donors. All information about potential gifts provided by Hope Alive! or its agents is for informational purposes only.
- Hope Alive! encourages prospective donors to have the terms of all proposed agreements reviewed by their own legal and/or financial advisors.
- It is the donor's responsibility to obtain any necessary appraisals, file appropriate tax returns, and discuss any issues surrounding tax benefits with a licensed CPA or attorney.
- Fees for preparation of legal documents, appraisals, tax returns, and similar matters are not the responsibility of Hope Alive!. Hope Alive! will generally pay normal fees associated with brokerage services appropriate to the service provided.
- Prohibited payment of fees includes:
  - Finder's fees for current or planned gifts; and
  - Investment or administrative fees that in any way could be construed as compensation for a gift being made to Hope Alive! or for its benefit.
- Hope Alive! will not knowingly inflate the value of a gift above the true fair market value in order to provide a tax advantage to the donor.
- Contributed services shall be recognized only when they create or enhance a nonfinancial asset or require specialized skills, are provided by individuals possessing those skills, and would otherwise need to be purchased.

3. Use of Gifts and Donor Intent

Hope Alive! meets many of its ministry objectives through child sponsorship. Gifts given through its child sponsorship program will be considered restricted for that purpose. These gifts are pooled and used to support all children enrolled in its programs.

Unless subject to an agreement between Hope Alive! and the donor to restrict the gift for a specific purpose, all other gifts will be considered unrestricted and may be used for such purposes as the organization determines to be most appropriate.

Hope Alive! may elect to decline a current or planned gift if the donor's intent or focus is beyond the scope of the ministry's mission and/or is not consistent with the ministry's funding priorities, or if any restriction would make the gift difficult or impossible to administer.

4. General Guidelines and Policies with Respect to Types of Gifts

Hope Alive! will generally accept the following gifts:

- **Outright Gifts** of cash or marketable securities of any value; and real, tangible, or intangible gifts in accordance with the appraisal requirements below.

- **Deferred Gifts** of realized bequests, remainder interests in a charitable unitrust, paid-up whole life insurance policies (that name Hope Alive! as the owner and beneficiary and do not require any additional premiums to keep in force), and qualified retirement plan assets or other estate beneficiary designations.
- **Additional gift possibilities** should undergo a rigorous vetting process to determine the appropriateness, risk, and potential benefit of the gift.

4.1 Appraisal Requirements

Gifts of property, other than publicly traded securities, must be accompanied by an appraisal if the estimated value exceeds $5,000, together with IRS Form 8283 for Hope Alive! to sign. A qualified independent appraiser, who cannot be associated with Hope Alive! or with any of its leadership (including the Board), or with the donor or the donor's family or business, must provide the appraisal. When the gift funds a specific recognition opportunity, donors agree to make up any shortfalls upon conversion to cash and the level of recognition the donation requires.

- Donors of property gifts must seek their own legal and tax counsel regarding all property gifts. Hope Alive! reserves the right to refuse gifts of property when it is determined that the donor has not complied with IRS appraisal requirements.
- Donors of personal property gifts will receive acknowledgement of the gift only when complete transfer has occurred. The acknowledgement will not include any reference to the value of the gift.
- All costs associated with obtaining a qualified appraisal will be the responsibility of the donor.
- The Board Chair, Treasurer, or a Board-authorized representative is responsible for signing the donor's IRS Form 8283.

4.2 Valuing a Gift

Cash: In cases where gifts are made in cash, the valuation is the amount of the cash.

Publicly Traded Securities: Gifts of securities will be valued at the average market value (as determined by the mean of the high and low valuations of the security) on the date the full interest in the transferred property is transmitted, or the postmark date if mailed.

Privately Held Securities: Gifts of closely held stock will be valued by a qualified independent appraisal at the time of transfer. Generally, gifts of privately held securities will be accepted only when a liquidation plan is in place.

Real Property: Gifts of real property will be reported based on the appraised value as of the date of the gift, as determined by a qualified independent appraiser within 60 days prior to the date of transfer or before the donor files a tax return for the year in which the gift occurs.

Life Insurance: Gifts of life insurance will be valued for recognition purposes based on the interpolated terminal reserve (roughly the surrender value) as determined by an independent appraiser at the time of transfer.

Gifts-In-Kind: Gifts-in-kind are tangible gifts other than cash, marketable or privately held securities, or real property. Gifts valued at more than $5,000 require an independent appraisal to document value. Gifts-in-kind of an undetermined value will be recorded at zero dollars ($0.00) and acknowledged as received with no value stated.

> **Note:** All valuations should be based upon IRS rules and regulations in effect at the time of the gift.

5. Types of Gifts Accepted

5.1 Cash and Pledges

Hope Alive! will accept gifts in the form of cash, check, credit card, or other electronic transfer mechanisms, regardless of the amount. Checks shall only be made payable to “Hope Alive!” or “Hope Alive! Incorporated.”

A pledge can be made to Hope Alive! by an individual, corporation, or foundation. Pledges may be made in single or multiple installments. Gifts intended to be made over several years should be evidenced in writing, together with a written timetable acknowledging how and when the donor intends to make the gift.

5.2 Deferred Gifts

Hope Alive! encourages and welcomes estate and planned gifts. In working with donors who have an interest in a planned giving vehicle, Hope Alive! may use a planned giving consultant for advice, direction, and help in preparing the necessary samples and proposals to encourage the donor to make the gift or facilitate the transfer process.

Donors should engage their own advisors and legal counsel to ensure the vehicle matches their personal, estate, and philanthropic intent.

Donors who choose to honor Hope Alive! in this way may be recognized through Hope Alive!’s planned giving recognition publications and events.

5.3 Bequests

Bequests of all kinds (fixed or percentage, residual, contingent, or testamentary trusts) are welcome, though Hope Alive! may decline gifts from the estates of deceased donors if the gift is not acceptable for any reason. Hope Alive! will not act as an executor or personal representative of a donor’s estate.

- All bequests should be made in the name of “The Board of Directors on behalf of Hope Alive!.”
- Hope Alive! will attempt to identify bequest expectancies whenever possible in order to avoid gift arrangements that do not conform to these policy guidelines, as well as to identify any desired restrictions from the donor on the use of funds. Hope Alive! reserves the right to disclaim bequeathed gifts if they do not conform to these policy guidelines for outright gifts.
- Representatives of Hope Alive! will not prepare wills for donors.

- Any property given in complete interest to Hope Alive! via bequest will be liquidated following settlement of the estate.
- Life income plans (charitable remainder annuity trusts, charitable remainder unitrusts, and charitable lead trusts) will be completed or resolved according to the terms of such plan.
- The donor must choose the trustee of any charitable trust, which cannot be Hope Alive!, and must pay any expenses related to the trust.

5.4 Life Income Plans

Hope Alive! accepts the following planned gifts:

- **Charitable Remainder Unitrusts (CRUT):** These trusts pay income to beneficiaries based on a fixed percentage of trust assets, revalued each year, based on the trust's fair market value (no less than, and most commonly, 5%).
- **Charitable Gift Annuity:** This type of annuity allows donors to make a gift to the ministry in exchange for fixed payments for life. The amount of the annuity will be determined at the time of the gift and based on established rates.
- **Charitable Remainder Annuity Trusts (CRAT):** These trusts provide fixed payments in the form of an annuity. The payments are determined as a percentage of the value of the assets contributed. Once established, additional assets cannot be contributed.
- **Charitable Lead Trusts (CLT):** This trust arrangement provides an income payment to Hope Alive! at some designated rate for the donor's life or over a pre-established term of years. At the conclusion of the payment period, the assets are returned either to the donor or to someone designated by the donor. Tax consequences differ depending on the designation of income. Hope Alive! will not serve as a trustee of a CLT.

5.5 Life Insurance Beneficiary

Hope Alive! encourages gifts of paid-up whole life insurance policies. Under most circumstances, Hope Alive! will not accept a life insurance policy with premiums owed. Hope Alive! also encourages donors to designate Hope Alive! as a percentage beneficiary of a life insurance policy owned by the donor or as a contingent beneficiary of the policy.

5.6 Gifts of Qualified Retirement Plans

Hope Alive! encourages gifts of qualified retirement plan assets. The most common retirement plans are IRA, 401(k), 403(b), SEP, and profit-sharing plans. Donors can name Hope Alive! as a beneficiary of their retirement plan.

Hope Alive! recognizes that, under current law, qualified plans and IRAs may produce more attractive tax benefits as a gift at the death of the owner of the plan than as an inter vivos gift. This type of gift is most often made by naming Hope Alive! as the beneficiary (or partial beneficiary) of the plan or IRA, or by naming Hope Alive! as a remainder beneficiary of a charitable trust created by retirement plan assets at the time of the donor's death. In this way, the beneficial ownership of the plan or IRA passes from the participant to Hope Alive! (or, in the case of a testamentary trust, from the participant to the trust and subsequently to Hope Alive!) at the participant's death. The tax-exempt nature of the ministry may affect whether income tax is payable upon the distribution. Refer to the Internal Revenue Service Instructions for Form 990 (Return of Organization Exempt From Income Tax) for information about tax filing requirements.

Any beneficiary designation is subject to the terms of the plan and the prevailing tax laws. Qualified plans and IRAs are subject to an array of legislation and regulations, unlike other assets, and Hope Alive! encourages donors who might consider such gifts to consult with their tax and financial advisors. Hope Alive! also retains the right to consult with a prospect's financial advisors in consideration of a gift of this type.

5.7 Qualified Charitable Distributions from IRAs

Current law permits a direct tax-free transfer from a qualified IRA to a qualified charity of up to \$111,000 (tax year 2026; escalated annually) each year by anyone over age 70½. Hope Alive! encourages such gifts. The donor will receive Hope Alive! recognition for the gift even though the donor receives no income tax deduction for the transfer. If the donor is age 73, he or she also may not have to recognize the distribution as taxable income, and it is credited to the donor in lieu of a Required Minimum Distribution. Refer to Internal Revenue Service Publication 590-B for specific information about qualified charitable distributions from IRAs.

5.8 Gifts from Donor Advised Funds

Donor Advised Funds (DAFs) are charitable giving vehicles administered by a public charity. The donor receives a tax deduction at the time of the contribution to the fund. Legal control of the charitable fund rests with the administering charity, though the donor retains advisory privileges over the distribution of the funds. Donations received from a DAF are normally treated as unrestricted unless the charitable fund places an explicit restriction on the grant. Donors often provide their wishes regarding application of grants for ministry purposes, such as sponsorship. Hope Alive! will attempt to honor the donor's wishes for allocation of funds.

Gifts received from DAFs will be acknowledged and recognized by Hope Alive!.

5.9 Securities and Bonds

Hope Alive! accepts gifts of publicly traded stock. Such gifts should be subject to due diligence, and a plan of liquidation should be carefully considered (although Hope Alive! refrains from obligating itself to liquidate the stock in a specific way prior to acceptance).

In most instances, Hope Alive! will instruct its broker immediately to sell gifts of marketable securities. Exceptions may be made when the security in question is traded thinly and/or when an untimely sale of stock in bulk might adversely affect the price.

Non-publicly traded securities and other properties should be liquidated at the earliest possible time, keeping in mind market impact as well as other conditions and circumstances relating to such gift. Hope Alive! can also hold privately held securities for a period of time as an investment if Hope Alive!'s investment counsel recommends. Hope Alive! shall have the ultimate responsibility for instructing its broker to liquidate such assets.

Hope Alive! also recognizes that transferring mutual fund shares is a more complicated process than transferring publicly traded stock, and therefore will generally only accept gifts of mutual fund shares that exceed \$5,000 in value.

5.10 Real Estate

Hope Alive! will consider gifts of real property, both improved and unimproved (e.g., detached single-family residences, vacation homes, condominiums, apartment buildings, rental property, commercial property, farms, acreage, etc.), only after a thorough review as set forth below. These guidelines apply only to gifts of real estate located in the United States. Hope Alive! may consider such gifts located abroad under special circumstances, recognizing that the legal parameters for transferring and owning real estate in countries other than the United States vary considerably.

Prior to accepting a gift of real estate, a representative of Hope Alive! will physically visit and inspect the property. This visit may also include consulting real estate professionals familiar with and knowledgeable about the property in question and the real estate market in the area in which the property is located.

Prior to accepting a gift of real estate, Hope Alive! will conduct an analysis of the gift transaction with outside professionals, including real estate counsel. The analysis should include the costs of insuring, maintaining, and liquidating the property, as well as the potential revenue stream or sale proceeds derived from the property. This analysis should also determine the maximum exposure Hope Alive! might incur and the level of risk associated with the receipt, ownership, and eventual sale of the property.

Under normal circumstances, Hope Alive! will not accept outright gifts of real property with a present fair market value of less than $100,000.

5.11 Gifts-In-Kind

Hope Alive! may choose to accept gifts-in-kind after a review determines that the ministry can sell the property or use the property to support its mission.

If Hope Alive! sells or disposes of the property within three years of receiving the gift, the ministry will file IRS Form 8282 and send a copy to the donor.