

HOLLAND CHRISTIAN HOME FOUNDATION 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. Furthermore, Christians are called to honor God's provision in their lives by giving a tithe of the first fruits of their labor. As an organization that benefits from these first fruits, the Holland Christian Home Foundation recognizes our responsibility to assure that we merit the respect and trust of our community of supporters, and provide our donors and prospective donors with full confidence in our stewardship of these sacred gifts. We therefore declare that all donors have these rights:

- I. To be informed of the Foundation's mission, of the way the Foundation 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 Foundation's Board of Trustees, and to expect the Board to exercise prudent judgment in its stewardship responsibilities.
- III. To have access to the Foundation'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 acknowledgement 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 Foundation or hired solicitors.
- IX. To have the opportunity for their names to be deleted from Foundation mailing lists.
- X. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

Adapted from the Donor Bill of Rights 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. The original Donor Bill of Rights has been endorsed by numerous organizations.

HOLLAND CHRISTIAN HOME FOUNDATION GIFT ACCEPTANCE POLICY

The Holland Christian Home Foundation solicits and accepts gifts that are consistent with its mission and that support the mission of the Holland Christian Home Association, as well as special projects.

We urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences. The following policies and guidelines govern acceptance of gifts made to the Foundation for the benefit of any of our operations, programs or services.

When reviewing gifts to determine suitability for acceptance, we consider the following factors:

- a) *Values*: whether the acceptance of the gift compromises any of the core values of the Home;
- b) *Compatibility*: whether there is compatibility between the intent of the donor and our use of the gift;
- c) *Public Relationships*: whether acceptance of the gift could damage the Home's reputation;
- d) *Consistency*: whether acceptance of the gift is consistent with prior practice;
- e) *Form of Gift*: whether the gift is offered in a form that we can use without incurring substantial expense or difficulty; and
- f) *Effect on Future Giving*: whether the gift will encourage or discourage future gifts.

We will not accept gifts that:

- a) would result in violating our corporate charter;
- b) would result in the loss of status as an IRS 501(c)(3) not-for-profit organization;
- c) are too difficult or too expensive to administer in relation to their value;
- d) are for purposes outside our mission; or
- e) would result in any unacceptable consequences for the Holland Christian Home, as determined on a case-by-case basis by Foundation staff or Trustees.

The Foundation may seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- a) Gifts of securities that are subject to restrictions or buy-sell agreements;
- b) Documents naming Company as trustee or requiring Company to act in any fiduciary capacity;
- c) Gifts requiring Company to assume financial or other obligations;
- d) Transactions with potential conflicts of interest; or
- e) Gifts of property which may be subject to environmental or other regulatory restrictions.

Unrestricted vs. Restricted Gifts

Unrestricted gifts are given without designation of or restriction on the use of the gift. At the discretion of the Foundation staff or Trustees unrestricted gifts may be used to fund current operations, capital projects or maintain reserves. The Foundation Board of Trustees will designate use for any unrestricted gifts.

Restricted gifts are gifts given for purposes specified by the donor. We will only honor restrictions placed by donors. Gifts restricted for operations are recorded and deposited into the current operating account. Gifts restricted for specific initiatives are recorded and applied to donor-specified initiatives, or if necessary, their successor initiatives upon agreement of the donor.

All gifts will be accepted within the constraints of the gift acceptance policy and may be refused if they do not meet the requirements therein.

Blended Gifts

The Foundation will gladly discuss donation options that blend various types of gifts (for example, cash and securities in one gift), various timings (for example, an immediate securities transfer along with a planned gift such as a bequest), various restriction levels, etc.

Our goal is to be as flexible as we can, to meet the donor's charitable goals within the guidelines of this policy.

GIFTS GENERALLY ACCEPTED WITHOUT REVIEW

Cash

Cash gifts are acceptable in any form, including by check, money order, credit card, or on-line. The Foundation accepts VISA, MasterCard, Discover and American Express. For gifts made by credit card, the date the charge is accepted for processing by the Foundation is the applicable date of the gift.

Marketable Securities

Marketable securities may be transferred electronically or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) and appropriate form attached. The Finance Committee of the Holland Christian Home Association will determine on a case-by-case basis when gifts of donated securities will be sold. In some cases, marketable securities may be restricted, for example, by applicable securities laws or the terms of the proposed gift; in such instances the decision whether to accept the restricted securities shall be made by the Finance Committee of the Association, in accordance with the Gift Acceptance Policy.

Once a donation of marketable securities has been received, a thank you letter will be sent to the donor, to acknowledge the gift. This letter will include the name and number of shares of the marketable securities, and value of the stock on the day of receipt. However, the donor should have a record of the transaction from their broker for any official use, such as taxes.

The marketable securities become the asset of the Foundation once they are transferred to the Foundation, rather than when they are sold. In accordance with generally accepted accounting principles (GAAP) therefore, once we receive the marketable securities a contribution will be recorded at the fair value of the marketable securities on the date received. If the donor would like to use marketable securities to pay a pledge, the Foundation will reduce the balance of the pledge receivable by the fair value on the date received. If the fair value of the marketable securities upon receipt of the gift is greater than the pledge receivable balance, the organization will record a contribution for the difference.

Any difference between the proceeds received from the sale of marketable securities and the fair value recorded on the date they were donated will be recorded as a realized gain or loss by the Foundation. If the Foundation incurs any fees related to the selling of the stock, that amount will be recorded as investment fees expense.

Planned Gifts

Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans: Among the simplest ways to make a gift to the Holland Christian Home is through bequests of cash or securities to the Foundation in their wills, or to name us as the

beneficiary in trusts, life insurance policies, commercial annuities and retirement plans. The later may even be done without incurring attorney fees, depending on your plan specifics.

Charitable Remainder Trusts: we will accept designation as a remainder beneficiary of charitable remainder trusts.

Charitable Lead Trusts: we will accept designation as an income beneficiary of charitable lead trusts.

Planned giving offers rich and varied options that can meet any specific donor's charitable goals. We are always happy to discuss these and other options with you and your financial advisors.

Pledges

Pledges are promises to contribute amounts specified by donors over a specifies period of time. Pledges may be restricted or unrestricted as described above and may be one-year or multi-year commitments. Pledges are expected to be fulfilled with contributions of cash or stock, and are subject to the same review criteria as outright gifts. For in-kind contributions to be used to fulfill pledges, the contributions must cover expenses that appear in the annual budget or capital campaign expenses.

Receipts for payments on pledges will include updates on remaining balances.

Matching Gifts

Unless otherwise specified by the donor or company making the match, matching gifts follow the restrictions of the donor whose gift is being matched: if a donor makes an unrestricted gift, the matching gift is unrestricted and, if the donor makes a restricted gift, the match is likewise restricted.

GIFTS REQUIRING REVIEW BEFORE ACCEPTANCE

Real Estate or Tangible Personal Property

At the discretion of the Home, donations of real estate or personal property will be reviewed by the management staff of the Foundation, members of the Foundation Board of Trustees and/or the Finance Committee of the Holland Christian Home Association Board of Directors. Acceptance of any gift will be evaluated in light of the following considerations:

- a) Does the property further the organization's mission?
- b) Is the property marketable?
- c) Are there any unacceptable restrictions imposed on the property?
- d) Is the title/provenance of the property clear?
- e) Are there any carrying costs for the property for which the organization may be responsible?
- f) Will any cash be donated in addition to the property to cover costs associated with preparing the property for sale, maintaining the property while pending sale, and completing the sale?

Gifts of tangible personal property will be subject to a mutually agreed upon Deed of Gift letter (if they are intended to be permanent) or a Temporary Custody Receipt (if they intended to be temporary). Such gifts may be restricted or unrestricted, and the Home will take any restrictions into account when evaluating whether to accept the gift. Value of gifts should be determined by the donor, as specified below under "In-Kind Gifts."

Life Insurance

We will accept gifts of life insurance where the Foundation is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy.

In-Kind Gifts

For tax purposes, in-kind gifts must be valued by the donor and costs associated with an appraisal are the responsibility of the donor. The Foundation does not issue a receipt showing the cash value of such gifts, but acknowledges receipt of the object or services.

When the Foundation receives a gift of goods and services, referred to as an “In-Kind Gift” (e.g., equipment), or a gift of individual or corporate services (e.g., advertising, printing, etc.) and the value of that gift is determined to be less than \$5000, the gift is processed as a non-cash gift and is considered restricted in nature.

For in-kind gifts with an apparent value over \$5000, the gift is considered restricted, and the Foundation required to sign IRS Form 8283 which must be filed by the donor with the Internal Revenue Service. A copy of the signed and executed Form 8283 must be retained by the Foundation. Should the Foundation dispose of the donated item within two years of its receipt, it may be required to file Form 8282 with the Internal Revenue Service.

Promissory Notes

Offers of Promissory Notes will be reviewed by the Home’s Finance Committee. Proposals will be evaluated, accepted or declined on the basis of the offered terms and the Home’s portfolio of available credit and debt.