

Hope Media Group | Gift Acceptance Policy

This Gift Acceptance Policy was duly adopted by the Board of Directors of Hope Media Group, a Texas nonprofit corporation organized and operated as a public charity pursuant to section 501(c)(3), Title 26 of the Internal Revenue Code.

Mission and Purpose

Hope Media Group is organized and operated exclusively to advance religious, charitable, and educational purposes pursuant to section 501(c)(3), Title 26 of the Internal Revenue Code, and in doing so, Hope Media Group strives to connect people more deeply to God, with a focus of spreading the kind of hope that is true, permanent and found in Jesus.

To protect the interests, purposes, and good will of Hope Media Group (“HMG”) as well as the interests of HMG’s donors, these policies are designed to assure that all gifts to, or for the use of HMG to advance its exempt religious, educational and charitable purposes are structured to provide maximum benefit to all parties involved.

The goal of this policy is to encourage giving to HMG without encumbering HMG with gifts that cost more than benefit HMG. The goal is also to avoid gifts that the donor restricts in a manner inconsistent with the goals of HMG or that place HMG at risk for legal or tax liabilities.

To facilitate the receipts of gifts, HMG must be capable of responding quickly and in the affirmative where possible to all gifts offered by prospective donors. Unless stated otherwise, the Board of Directors of HMG (“Board”) intends that these policies apply to all gifts. The officers of HMG will have the overall authority to implement these policies except where Board approval is expressly required.

A. Gifts of:

1. Cash. HMG will accept gifts in the form of cash and checks regardless of amount, unless: (a) HMG has reason to suspect that the donor has no legal title to the asset; or (b) HMG has reason to suspect that the legal capacity of the donor to transfer funds may be lacking. Donors should make all checks or other payment instruments payable to HOPE MEDIA GROUP. Donors should never make checks payable to an employee, officer, director, agent, or volunteer for the credit of HMG.

2. Publicly Traded Securities. HMG may accept publicly traded securities. The donor may anticipate that HMG may immediately sell such securities.

3. Closely-Held Securities. HMG may only accept closely-held securities upon written approval by the Board. The Board will review such securities using the following criteria:

- a. There is a readily available market for their disposition.
- b. Accepting such securities will not create any potential liability to HMG.
- c. The closely held entity engages in no activities that would be inconsistent with HMG objectives.
- d. HMG has identified whether the security will generate unrelated business income taxes (“UBIT”).

4. Real Property. The Board must approve in writing all gifts of real estate in advance of accepting the gift. The Board will review such real estate using the following criteria:

- a. Property Information. The following must be supplied by the donor: i) legal description, ii) survey; iii) property tax history; and iv) any other fees or costs associated or assessed on the property;

- b. Property Inspection. Either an HMG representative and/or by sufficient evidence of current use from donor, HMG must determine mission appropriateness of the gift;
- c. Qualified Licensed Appraisal. The licensed appraiser shall not have any business or other relationship with the donor. The costs of the appraisal shall be borne by the donor, unless approved otherwise by the Board. Costs paid for by HMG may affect or qualify a charitable contribution acknowledgement.
- d. Environmental Assessment. HMG cannot accept any gift of real estate until the Board determines, to its satisfaction, that no environmental waste contaminates the property such that the gift should be rejected. HMG may require a Level I Environmental Survey. All costs related to the survey will be borne by the donor, unless approved otherwise by the Board.

In general, residential real estate located within the state of Texas will be accepted, unless the Board shall determine for some reason that the property is not suitable for acceptance. Special deliberation shall be given to the receipt of real estate encumbered by a mortgage, as the administration of such property may give rise to unrelated business income for HMG, as well as payments, taxes and insurance that may burden HMG's finances.

The Board may choose to accept royalty interests in oil, gas, or other minerals. Before accepting such interests, HMG shall engage legal counsel and other professional advice, where appropriate, to evaluate whether accepting the gift exposes HMG to environmental or other liabilities. HMG shall not accept working interests.

5. Tangible Personal Property

Jewelry, artwork, collections, and other personal property shall not be accepted unless HMG shall have reason to believe the property has a value in excess of \$1,000 after an appraisal qualified under the terms of the Internal Revenue Code governing gifts of personal property. As needed, HMG may authorize a third-party to accept, appraise and sell the property for cash.

No personal property shall be accepted by HMG unless there is reason to believe the property can be quickly sold. No personal property shall be accepted that obligates HMG to retain it in perpetuity. No perishable property or property which will require special facilities or security to properly safeguard it will be accepted without prior written approval of the Board.

6. Other Property. Other property of any description including mortgages, notes, copyrights, royalties, easements, whether real or personal, shall only be accepted by further action of the Board.

7. Social Responsibility. HMG may refuse the donation of assets that are not compatible with HMG's social responsibilities or that conflict with the mission of HMG.

8. Donor Appraisal. It is the responsibility of the donor to secure an appraisal of a gift to HMG, when an appraisal is necessary.

9. Planned Giving. HMG shall not execute any planned giving agreement without the advice of legal counsel. Prospective donors will be encouraged to seek their own legal and tax counsel in matters relating to their charitable gifts, taxes, and estate plans.

B. Deferred Gifts

1. Bequests. HMG may encourage gifts through Wills and Living Trusts.

In the event of inquiry by a prospective donor, representations as to the acceptability of a bequest to HMG shall be made in accordance with this Gift Acceptance Policy only. HMG shall at all times retain the right to refuse a gift from an individual or from an estate when it is not in the best interest of HMG to accept the gift.

When HMG is the recipient of a gift from a will or trust, the HMG shall review any restrictions upon the gift and determine if it is in the best interests of HMG to accept the gift. HMG will not accept a gift that might result in conflict within HMG or confusion as to the utilization of the gift or that might create an undue financial burden upon HMG. The Board shall approve a restricted estate gift in writing according to the provisions of Section C before accepting the gift.

When HMG receives an unrestricted estate gift, HMG shall determine its highest and best use at the time, giving priority to an endowment fund to support HMG (rather than an endowment created by a gift instrument from a donor) when one exists, or be applied to the ordinary and everyday expenses of HMG.

2. Life Estate Gifts. Donors will not be encouraged to make gifts of a remainder interest in real property in which the donor retains a life estate. This policy is based upon the possibility that the donor may need to sell the home in the future and find that the value of the life estate is a small portion of the value of the property. Such gifts may be accepted by the Board when the asset involved appears to be a minor portion of the donor's wealth, and the Board is satisfied that appropriate disclosure is made to the donor of the possible future ramifications.

3. Gifts of Life Insurance. HMG may encourage donors to name HMG as a beneficiary of all or a portion of a person's life insurance policies. HMG will not, however, agree to accept gifts from donors for the purpose of purchasing life insurance on the donor's life.

Exceptions to this policy will be made after researching relevant state laws to assure HMG has an insurable interest under applicable state law. No insurance products may be endorsed for use in funding gifts to HMG. In no event shall lists of HMG's donors be furnished to anyone for the purpose of marketing life insurance for the benefit of donors or HMG.

This policy is based on the fact that this practice represents a potential conflict of interest, may cause donor relations problems, and may subject HMG to state insurance regulation should the activity be construed as involvement in the marketing of life insurance.

4. Retirement Plan Beneficiary Designations. HMG welcomes the opportunity to be named as a beneficiary of a donor's retirement plan. Such designation shall be considered a revocable gift and not recorded as revenue until the designation becomes irrevocable, typically at the death of the donor.

5. Trusts. HMG welcomes the opportunity to be named as a beneficiary of donors' trusts, such as charitable remainder trusts (CRTs), charitable lead trusts (CLTs), and revocable trust arrangements. However, HMG will not serve as a trustee of any trust and instead encourage donors to use a professional fiduciary.

6. Charitable Gift Annuities. HMG does not offer charitable gift annuities.

C. Designated Gifts and Designated Accounts

1. Establishing Designated Funds. In general, HMG retains complete discretion and control over the use and application of all donated funds. Programs or projects featured in solicitation materials are aspirational and included for example only. HMG will treat any donor designations as suggestions only unless the Board approves, in writing, the designations before accepting the gift. No donor may establish a designated or restricted gift except as outlined in this section.

Any donor to HMG may submit a written request to establish a designated account. If and when an account is approved and established by HMG, HMG may accept funds into that account, subject to the terms of this policy. Unless otherwise agreed in writing signed by HMG and a donor, the Board, in its sole discretion, will determine the length of time the account shall exist. When that time

has passed, the Board may either extend the time period for expiration of the account or transfer any remaining funds to the HMG general fund.

Except endowment funds created by a gift instrument from a donor and accepted as such by HMG, if a designated or restricted gift has not been disbursed within ten years or other time period established by the Board and the donor, then the designation or restriction may be deemed void by the Board, and the funds will be placed in the general fund of HMG.

2. Disbursing Designated Funds. Designated funds may only be spent for the approved purpose or purposes for which they are designated. If, at any time, HMG accepts custody of designated accounts which have not been approved and established by the Board, and HMG does not intend to use the designated funds for the purpose designated, HMG may contact the donor for permission to transfer the funds to another fund or another charity chosen by the donor, return the monies to the donor, or otherwise manage the funds in any manner permitted by applicable law.

3. Notice to Donors. HMG should include in fundraising, solicitation materials and donor receipts a statement such as the following:

“To ensure regulatory compliance, Hope Media Group retains complete discretion and control over the use and application of all donated funds. Programs or projects featured in solicitation materials are aspirational and included for example only. Hope Media Group will treat any donor designations as suggestions only unless the Board of Directors or duly authorized representative of Hope Media Group approves, in writing, the designations before accepting the gift. All donations to Hope Media Group are subject to and governed by the Gift Acceptance Policy of Hope Media Group. The Policy is available at www._____ or by contacting Hope Media Group at _____.”

D. Gifts Related to Naming Facilities and Programs

1. Limitations. In limited circumstances, the Board may approve certain facilities and programs to be named to memorialize or otherwise recognize substantial gifts and significant donors or individuals or organizations designated by donors. The Board may develop guidelines for what facilities and programs may qualify for gift-related naming and what constitutes substantial and significant donations to warrant gift-related naming.

2. Written Agreement Required. A written agreement, signed by the donor(s), is required for each gift-related naming. The agreement must include the following:

- a. Donor name(s) and address;
- b. Gift description and amount. If pledged, the donor shall demonstrate reasonable and timely pledge payments before naming is affixed;
- c. The manner of recognition including the facility or program bearing the recognition, the express language used in recognition and the manner in which the recognition will be displayed;
- d. The duration and, where applicable, termination of the recognition, considering changed circumstances including changes to the facility or program, donor or named individuals changed character conflicting with the mission and purpose of HMG, its values and character or failure to fulfill pledge by donor.

3. No Substantial Return Benefit or Advertising. Under no circumstance shall gift-related naming confer a “substantial return benefit,” to donor or constitute “advertising” as defined by IRS Regulations.

E. Miscellaneous

1. HMG employees and volunteers shall not provide legal, accounting, tax, or financial advice to donors or prospective donors. No finder's fee or commission shall be paid to anyone as consideration for directing a gift to HMG.

2. HMG may seek the advice of legal counsel when considering certain gifts. The donor may be asked to share the costs of such advice. Generally, legal counsel will be sought in connection with gifts involving:

- a. Closely-held stock, and particularly when the stock is subject to restrictions;
- b. Gifts that involve contracts that bind HMG, such as bargain sales or real property with a mortgage attached;
- c. Gifts of patents, intangibles, and intellectual property;
- d. Transactions with potential conflicts of interest; and
- e. Other instances at the discretion of the Board.

3. All accepted gifts shall be accounted for by HMG in accordance with accounting principles generally accepted in the United States of America.

4. Written acknowledgments, in accordance with IRS regulations, will be provided to donors of accepted gifts by HMG.