



Name of SOP

Fund Development and Donor Bill of Rights

Purpose

Funding programs through donations, contributions, and other fund development activities are integral to Hope Shores Alliance's mission. The Board of Directors acknowledges its legal and ethical responsibilities to develop the financial resources necessary to provide financial independence and stability for Hope Shores Alliance. This policy establishes the conduct of the Board's fiduciary stewardship of contributed income.

Acknowledgment

The Board of Directors acknowledges their responsibilities to Hope Shores Alliance as a public charity.

Legal Basis for Hope Shores Alliance

Hope Shores Alliance is incorporated in the State of Michigan as a public charity and qualifies under the Internal Revenue Code as a 501(c) (3) organization, exempt from federal income tax and able to offer tax deductions for qualifying donations as provided for by the IRS code. Hope Shores Alliance has benefits under the law, including the right to solicit and have active support and voluntary contributions from individuals, corporations, foundations, government, and federated funding organizations, among others. Good relations between each of these parties and the organization are essential to the financial independence and stability of the organization. Fund development is the process by which public support, as defined by the Internal Revenue Code, is obtained through voluntary contributions to the organization.

Voluntary Contributions

All voluntary contributions, intended to benefit Hope Shores Alliance, regardless of value, form, or designated use, shall be made only to Hope Shores Alliance or the Hope Shores Alliance thrift stores. Incorporated as a public charity and designated as a 501(c)(3) organization, the organization is the only entity to which tax-deductible contributions may be made. Any tax deduction available to a donor is determined by the federal Internal Revenue Code.

1. State and local laws governing fund development – The Agency will, at all times, fulfill its obligations to comply fully with the applicable state and local laws of Alpena, Alcona, Iosco, Montmorency and Presque Isle Counties.
2. Tax laws and public reporting requirements – The Agency will, at all times, fulfill its obligations to comply fully with applicable tax laws and public reporting requirements; donors shall have full disclosure of the financial operations of the organization through access to the Agencies' IRS Form 990 and its audited financial reports, as required by law.

Gifts to Hope Shores Alliance

1. **Types of Gifts** – the Agency may accept monetary gifts in the form of cash, checks, money orders, charges to approved credit cards, and non-monetary gifts. Non-monetary gifts are gifts such as stocks, bonds and securities, real property, personal property, gifts-in-kind, royalties, copyrights and trademark rights, trusts, wills, annuities, and insurance policies naming Hope Shores Alliance as a beneficiary in whole or in part.

2. **Commemorative Gifts** – Gifts may be received in the form of "in memory of," "in honor of," or "on the occasion of." Unless their use or timing is stipulated by the donor, or by the person or family named, they shall be considered unrestricted gifts.
3. **Gifts in Trust and Other Planned Gifts with Contractual Obligations** – The Agency may accept gifts in trust and other planned gifts. Acceptance of a gift in trust or other planned gift and its contractual obligations requires Board of Directors approval. Prior to the Board's decision, the Finance Committee reviews and makes recommendations to the Board whenever there is any question about the Agency's ability to perform according to the contract. The Finance Director brings to the Finance Committee's attention any such gifts requiring review and, when necessary, that review includes consultation with the Agency's legal and financial advisors. If the Finance Committee feels it is necessary in order to protect the interests of both the donor and the Agency, the Finance Committee seeks independent legal and financial review.
4. **Legacies and Bequests** – A donor may arrange in a will or other instrument, such as an insurance policy or annuity, that Hope Shores Alliance be designated as a beneficiary to receive a gift from the donor's estate. If the gift is restricted, the provisions of Gifts in Trust and Other Planned Gift with Contractual Obligations determines whether the Agency accepts the gift.
5. **Gifts-in-kind:**
 - a. The Agency may accept gifts of products or services when:
 - 1) The form of the gift can be of immediate use by Hope Shores Alliance or the Hope Shores Alliance thrift stores.
 - 2) Acceptance of the product or service will not involve:
 - a) Financial commitments by the Agency in excess of budgeted items; or
 - b) Other obligations disproportionate to the usefulness of the gift.
 - b. In the event a gift does not meet these requirements with certainty, the Executive Director makes the final decision in consultation with the Finance Director.
 - c. Subsequently, all in-kind donations made to Hope Shores Alliance and the Hope Shores Alliance thrift stores become the property of Hope Shores Alliance.
6. **Property** – Gifts of property may be personal property or real property.
 - a. Personal Property:
 - 1) In the form of art, vehicles, boats, equipment, etc., may be accepted when the property can be immediately sold or the property can be used in keeping with the purpose of the Agency.
 - 2) Any proposed donation of personal property shall be reviewed by the Executive Director and the Finance Director, prior to its acceptance.
 - 3) All gifts of personal property with donor-stated value in excess of \$5,000 or other such limit as may be defined in the Internal Revenue Code is normally appraised by a certified professional appraiser, at the expense of the donor, and a copy of the appraisal must accompany the gift.
 - 4) The gift value shall be the appraised value at the time of the gift.
 - b. Real Property:
 - 1) In the form of a residence, business, commercial building, undeveloped land, etc., may be accepted if the property can be sold or the property can be used in keeping with the purpose of Hope Shores Alliance.
 - 2) Acceptance of real property requires Board of Directors approval after review and recommendation of the Board Executive Committee.
 - 3) Acting with legal and other appropriate advisers, the Board Executive Committee review includes a review of the results of a due diligence search and other site investigations and review of the Agency's long-range property and financial plans.
 - 4) Unless otherwise approved by the Board, expenses arising from all investigations leading to the acceptance of a gift of real property are the sole responsibility of the donor; Hope Shores Alliance will notify the donor for approval, prior to incurring expenses.

- 5) All gifts of real property must be appraised by a certified professional appraiser, also at the expense of the donor (unless otherwise approved by the Board), and a copy of the appraisal must accompany the gift.
 - 6) The gift value shall be the appraised value at the time of the gift.
 - c. If a gift of personal or real property is restricted, the provisions of Gifts in Trust and Other Planned Gift with Contractual Obligations section also apply.
- 7. Appraisal Rules and Procedures:**
- a. Current IRS regulations are observed when calculating the charitable contribution deduction value of gifts with the understanding that it is the donor's responsibility to obtain appraisals for tax purposes to the extent required by the Internal Revenue Code.
 - b. Regulations in effect at the time of the adoption of this policy do not require the Agency to include a dollar amount in acknowledgments of non-cash gifts and the Agency has no obligation to and will not place a value on the donation even when an appraisal is obtained.
- 8. Refusal of Gifts** – The Executive Director and Finance Director have the right to refuse gifts or contributions that do not enhance, promote, and ensure the purpose of Hope Shores Alliance and the long-range financial viability of the Agency.

Commitment to Our Donors

1. **Donor Intent** – When evaluating an intended gift, the donor's written wishes will be considered to the extent possible, so long as their intended use of funds is in keeping with the purpose of Hope Shores Alliance and is consistent with the policies and priorities of the Agency. The Board of Directors shall be ultimately responsible for resolving conflicts between donor wishes and approved priorities and established Hope Shores Alliance programs.
2. **Recognition** - Formal recognition of Hope Shores Alliance donors shall include methods of recognition that show appreciation to the donor, provide opportunities for public acknowledgment, and enhance the image of Hope Shores Alliance. Gift levels and corresponding recognitions are developed by the Executive Director.
3. **Acknowledgement** - All gifts, regardless of value, form, or stipulations, shall be acknowledged by Hope Shores Alliance with official correspondence sent within 10 days of the gift being received. Acknowledgement represents to the donor: acceptance of the gift along with its restriction(s) (if any), notice of what goods and services were or were not received in exchange for the gift, and may also serve the donor as evidence to substantiate a possible tax deduction. Acknowledgements also adhere to legal requirements regarding vehicles (providing a completed IRS Form 1099-C to the donor within 30 days of the gift) and special events (determining the Fair Market Value of the event and informing the participants of the amount of the contributed portion).
4. **Public Notice** – Hope Shores Alliance respects a donor's wish to remain anonymous. In the absence of such stipulation, Hope Shores Alliance retains the right to determine all publicity related to a gift.
5. **Confidentiality** - Hope Shores Alliance maintains confidentiality concerning contributions, gift records, prospect information, other donor data, and donor acknowledgments to ensure that this information is used on a need-to-know-basis only for the support of Hope Shores Alliance. Unless otherwise directed, Hope Shores Alliance does not share, trade, or sell our donors' names or personal information with any other entity, or send mailings to our donors on behalf of other organizations.

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. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

1. To be informed of the Agency's mission, of the way the Agency intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
2. To be informed of the identity of those serving on the Agency's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
3. To have access to the Agency's most recent financial statements.
4. To be assured their gifts will be used for the purposes for which they were given.
5. To receive appropriate acknowledgement and recognition.
6. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
7. To expect that all relationships with individuals representing agencies of interest to the donor will be professional in nature.
8. To be informed whether those seeking donations are volunteers, employees of the organization, or hired solicitors.
9. To have the opportunity for their names to be deleted from mailing lists that an agency may intend to share.
10. To feel free to ask questions when donating and to receive prompt, truthful, and forthright answers.