Global Hope Network International

**Policy Statement Regarding Participation in Joint Projects,
Payments to Other Organizations for Supported Programs, and Direct Aid to Individuals**

Any participation in projects or initiatives with other organizations (herein collectively "joint projects"), and payments to other organizations related to joint projects, or to supported programs of such organizations, shall be made according to the following policy guidelines:

1. General Principles: Any participation in a joint project must further the corporation's tax-exempt purposes as articulated in its governing documents. Similarly, any payments to another organization shall only be used by such organization for joint projects, purposes or activities consistent with the exempt purposes of this corporation. Payments shall be used only for designated joint projects or activities and shall not be used for general administrative expenses of a participating or recipient organization unless such use is expressly authorized in an applicable agreement. Further, the corporation shall retain a proportionate interest in any materials developed in a joint project if retaining such interest is necessary to ensure compliance with the foregoing sentence.

2. Project Evaluation: The Governance Committee of the Board and the CEO will review all joint project proposals and funding requests in detail and will determine as applicable whether (a) a field investigation is required before the project or funding request can be approved, (b) the potential participating or recipient organization has the ability to accomplish the purpose of the project or request, (c) the potential participating or recipient organization has the ability to protect the resources from diversion to other uses, (d) the project or proposed use of funds furthers the tax exempt purposes of this corporation, and (e) the responsible individuals involved on behalf of the participating or recipient organization possess the professional skill to manage the funds and the project.

3. Project Monitoring: The proposed joint project or program must include a meaningful process by which the committee or individual designated pursuant to paragraph 2 above may assess the project or program in terms of meeting stated goals, including regular accountings for use of funds by the participating or recipient organization and possibly including field investigations after the payment is made. This corporation shall retain the right to withdraw participation in a joint project and, upon written request, to receive a refund of any unexpended funds in the event that it is determined by said committee or individual that the joint project or program is not meeting its stated goals or that any of the preconditions set forth in paragraph 2 above are not being satisfied. Wherever feasible, funds will be released for specific joint projects or programs on an "as needed" basis, and the participating or recipient organization shall agree to hold all funds received from the corporation in a bank account used solely for such funds.

4. Written Agreement: Whenever practicable, a written agreement will be signed by this corporation and the participating or recipient organization that includes the principal terms of this policy and other provisions and restrictions as said committee or individual deem

appropriate and necessary to further the tax exempt purposes and best interests of this corporation.

5. Written Records: This corporation shall maintain records which shall include (a) the name and address of the participating or recipient organization, (b) the amounts of any payments to the participating or recipient organization, (c) the purpose for which each payment was made, (d) the manner in which each participating or recipient organization was selected, (e) copies of reports provided by the participating or recipient organization regarding the joint project(s) or funded program(s) and the use of payments, or reports prepared by representatives of the corporation who inspected the project(s) or program(s) and use of payments, and (f) a copy of the written agreement between this corporation and a participating or recipient organization.

6. Designated Donations: Donors may request that their donations be used for particular projects or programs, and this corporation may make efforts to honor those requests, but this corporation shall not be bound by those requests, and shall at all times retain and exercise discretion and control over said donations to ensure that they are used to further this corporation's tax exempt purposes and in a manner that is in the best interests of this corporation.

7. Direct Aid to Individuals: Any program providing financial or other aid directly to individuals, shall comply with the following requirements:

- the relief or services shall be targeted toward a sufficiently large and indefinite class of potential beneficiaries defined by specific charitable needs;
- individual recipients must be eligible members of the charitable class for the applicable services or humanitarian relief;
- the available relief and/or services shall be appropriately publicized to the beneficiary class;
- the selection process shall be unbiased (and no individual involved in the selection process may benefit from any particular choice of beneficiaries);
- no recipient shall be related to anyone associated with the corporation; and
- there shall be adequate reporting on the use of funds and investigation of potential misuses.

8. Compliance with other Legal Obligations: All payments or other aid provided to other organizations or to individuals shall comply with all laws and regulations applicable to such payments.

9. Subsequent Grants by Foreign Organization Recipients: If a foreign organization recipient wants to make subsequent disbursements of grants funds from this corporation to other organizations, projects and initiatives, it may only do so after receiving written approval from this corporation regarding the eligibility of such subsequent recipients under the terms of this policy.

10. Anti-Terrorist Funding Protections: In light of developments in the law since 9/11/01 to ensure that U.S. nonprofit organizations are not used inadvertently to fund terrorist organizations or activities, the committee or individual designated above pursuant to paragraph 3 shall ensure that the following due diligence steps are taken prior to any grants being made to foreign organizations, and that written records regarding these steps shall be maintained with the records maintained pursuant to paragraph 6 above:

(a) the names of all foreign organization recipients shall be checked against the lists of "Specially Designated Nations" and "Sanction Programs and Country Summaries" maintained by the U.S. Treasury Department's Office of Foreign Asset Control (herein the "OFAC lists");

(b) the names of the President/Executive Director and the person(s) administering the grant funds for the foreign organization recipient shall be checked against the OFAC lists;

(c) in the event that the foreign organization recipient has not received funds from this corporation before, or the individuals involved for said organization are unfamiliar to this corporation, the committee or individual designated in paragraph 3 above shall work with legal counsel to undertake further due diligence as they collectively deem necessary and appropriate to ensure there is no diversion of funds for inappropriate or unauthorized use; and

(d) in the event there is a match of one or more names with those listed on the OFAC lists, said committee or individual shall consult with legal counsel as to appropriate next steps.