

INTERNATIONAL CHRISTIAN MISSION SERVICES

Policy Statement Regarding Participation in Joint Projects and Payments to Other Organizations for Supported Programs

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 Articles of Incorporation. 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. Except in extenuating circumstances, payments will be used for specific joint projects or designated activities and not for general administrative expenses of a participating or recipient organization.

2. **Project Evaluation:** The board of directors, or a committee of staff or board members, or an individual designated by the board, 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 board or the committee or individual designated by the board 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 to receive a refund of any unexpended funds in the event that it is determined 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.

4. **Written Agreement:** Whenever possible, 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 appropriate and necessary to further the 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 this 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 the 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 exempt purposes and in a manner that is in the best interests of this corporation.

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

8. 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, or initiatives, it may do so only after receiving written approval from this corporation regarding the eligibility of such subsequent recipients under the terms of this policy.

9. 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 board or committee or individual designated above shall take reasonable steps 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 this policy. Reasonable due diligence may include the following:

(a) the names of foreign organization recipients being checked against the lists of "Specially Designated Nations" and "Sanction Programs and Country Summaries" maintained by the US Treasury Department's Office of Foreign Assets 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 being 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 board or committee or individual designated in Paragraph 3 above may 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 board or committee or individual shall consult with legal counsel as to appropriate next steps.