

IOCF RESTRICTED USE FUND – Policies and Procedures

Background: The **I.O.C.F** Restricted Use Fund was created as a means of administering proceeds derived from donations to said fund. Said administration of proceeds from these activities is intended to fund charitable activities related strictly to orphans and other children in crises without any general administrative overhead. It is intended to create a means of ensuring responsible use of discerning donors' funds and complete transparency of the use of those funds through fully audited disclosure of the subset accounting of the restricted fund. In order to be successful in meeting these parameters, the following policies and procedures of the administration of the fund are necessary.

Section 1: For the purpose of the Restricted Use Fund, a direct program expense is one that directly contributes to the fulfillment of the mission to provide for orphan children or other crises children that does not include general administrative expense. This means that the funds are all directed at operations with no layer between them and the actual aid being given. As this relates to salaries it means that only employees or indirect agents that physically contribute to the foreign or domestic programs will be considered as a direct expense. Included in this are Lifeline of Hope's Child Care Facilitators and the Directors and Caregivers in the orphanage home. The Child Care Facilitator is directly involved in the care of the orphan children in that the initial and ongoing assessments as well as the delivery of aid and services are a vital and non-administrative element of the aid programs and are written into the programs as such.

Outside of these specified salaries, the restricted fund monies can only be used for direct aid that fulfills the mission and stated program in which they (monies) are traded for goods and / or services that provide an element of Lifeline of Hope's Program Model. Said elements are as follows:

- 1. Critical Needs:** Any item or service that is critical to the survival of the orphan children, i.e. basic critical human needs.
- 2. Ongoing Needs:** Per Critical Needs and any item or service that contributes to improving the living and learning environment of the orphan child and provides them with security.
- 3. Mentoring and Nurturing:** Any item or service that contributes to the orphan child's sense of belonging and being loved.
- 4. Education:** Any item or service that contributes to the child receiving an education that meets the minimum standards required by the indigenous country's government, but is not limited to this minimum standard and can include the costs of higher learning and / or vocational training and tutoring, including other elements such as transportation and living costs.
- 5. Self Actualization:** Any item or service that contributes to providing the orphan child with a sense of self worth, achievement and value to his or her local community and the world as a whole.
- 6. Integration into Society:** Any item or service that contributes to the orphan child's integration into society, i.e. adoption, foster care, post orphanage shelters, job training, higher learning, etc.

Section 2:

- 1. Fund Placement** – The funds designated by donors for the I.O.C.F Restricted Use Account will be deposited only in the account specifically designated as such. A separate and audited subset accounting will be kept and managed for this account and managers and users of this account will follow the same security and accounting cross-checks that are in place for all of Lifeline of Hope's accounts and per Lifeline of Hope's Policies and Procedures. In essence, checks or withdrawals from this account must be signed by two authorized agents after approval by the financial committee. Approval by the financial committee will be based upon the criteria set forth in **Section 1**. The basis for the approval by the financial committee will also be based upon fund availability and annual budgeting and allocation consistent with Lifeline of Hope's Program Model.
- 2. Discretionary Balance** – The I.O.C.F. will maintain a **restricted** balance of no more or less than 32.5% as a discretionary fund. That amount will be determined moving forward based upon the

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immediate prior 6 month period. This will protect dependent on-going programs from declines in the fund due to recessions as well as providing emergency funds for projects related to natural or man-made disasters that negatively impact the orphan and crises children and / or create new orphan or crises children. If depleted or partially depleted, the reserve fund will be replaced with funds from the project budget as well as new funds from continued donations.

- 3. Fund Maintenance and Growth** – It is the policy of Lifeline of Hope that this be an on-going fund. Lifeline of Hope shall continue to seek ongoing support for the IOCF in an effort not just to maintain it, but to increase the fund level each year.
- 4. Fund Disbursements** – Disbursements will take place following initial approval by the financial committee and according to Lifeline of Hopes policies and procedures regarding adherence to the mission statement. Initial approval will be based upon criteria in **Section 1** and will be designated as project, ongoing or one time disbursements. Lifeline of Hope may, at its discretion, choose to disburse funds as a grant to a partner agency insomuch as the grants specific activities fulfill a component of Lifeline of Hopes mission statement and therein, the criteria set forth in **Section 1**. Grant opportunities will not be advertised, nor will Lifeline of Hope entertain unsolicited grants. Lifeline of Hope will make invitations for proposals based upon need for fulfillment of a particular need and in such selection of partnering NGO's will be at the discretion of the Program Director of Lifeline of Hope and subject to approval by the CEO and the financial committee in accordance with the policies and procedures. Checks or withdrawals will be authorized by two signatures in the approved amount only and couriered by an authorized agent for final transfer to foreign or domestic recipient via bank transfer or other wiring procedures. Fees associated with the costs of transfer will be included in the check or withdrawal amount. Lifeline of Hope will require reporting from the foreign or domestic agent per Lifeline of Hopes policies on ongoing assessments that includes budgets, receipts, photographs, etc.
- 5. Disclosure** – Lifeline of Hope as the administrator of the I.O.C.F. Restricted Use Fund will provide to all IOCF founders a copy of a P&L, Statement of Cash Flow and Balance Sheet of the IOCF Account. If requested, Lifeline of Hope will also provide a copy of the non profit orgs. Latest 990. Said documents will be made available on August 31 of each calendar year.
- 6. Recognition** – All donors that contribute to the IOCF will receive a plaque indicating the donor's name, private or corporate and the level of donation. Donors will also receive recognition in periodical publications and on the Website. Donors may remain anonymous solely at their discretion and should inform the IOCF representative of this intention at the time of donation.