

MISSION, POLICY & OPERATIONS STATEMENT
of the
HOUSE OF HOPE HAITI
Date of Adoption: April 20, 2008

A Preliminary Statement

Jesus said: "And if anyone gives even a cup of cold water to one of these little ones because he is my disciple, I tell you the truth, he will certainly not lose his reward." Matthew 10:42.

The House of Hope Haiti is inspired by the love of Jesus to reach out to children who are without hope. Poverty in Haiti is so oppressive that thousands of children are left to fend for themselves. Some of the children are completely orphaned, while others are abandoned by their parents since they have no way to care for them. The House of Hope Haiti sees two problems that it is working to address: (1) the presence of thousands of children who are left without care, and (2) a lack of an opportunity to earn a living and provide for ones' family in Haiti.

The overall goal of the House of Hope Haiti is to take children who are without hope and turn them into people who (1) love their creator, (2) love their neighbor, and (3) have the ability to earn a living and help break the cycle of poverty in Haiti.

The House of Hope Haiti was started by a small group of people who came mainly from Prince of Peace Lutheran church in Topeka, Kansas. As an outreach of Prince of Peace Lutheran Church, the House of Hope Haiti has provided the financial support for orphaned or abandoned children, and has helped to provide salaries for teachers at the school that is located on the same site as the House of Hope Haiti orphanage.

As the children who are part of the House of Hope Haiti ministry grow up, the focus of the ministry will expand to provide technical training to the children to enable them to be economically self-sufficient. In addition to being economically self-sufficient, the children will learn to use their skills to serve others in a Christ-like manner.

The House of Hope Haiti ensures that all gifts are directed to the stated mission project. The administrative costs are at members' own expense or funded from future endowment funds or specific administrative grants.

The House of Hope Haiti consults with a certified public accountant to ensure that all of its efforts remain within its stated tax exempt purpose and to ensure that proper financial records are maintained.

Mission Statement

The House of Hope Haiti spreads the love of Jesus by providing food, shelter, clothing, Christian education, and job skill training to underprivileged children in Haiti and other parts of the world.

A Brief History

In 1994, Nannette Zander traveled to Haiti as part of a church mission. While on the trip she saw many young children roaming the streets and fending for themselves. Moved by these images, she began to work with other family members and friends from her church to pursue an opportunity to open an orphanage in Haiti. She was put into contact with Lutheran ministers in Haiti who were interested in helping to start an orphanage. In 2005, Mirlande Alcene, a Christian single woman in Haiti, decided to convert her home into an orphanage for up to 16 children. The house needed some improvements, such as extra living quarters, before it could be used for this purpose. In addition, Mirlande did not have the resources to provide ongoing physical support for these children.

Nannette began working with the Haitian nationals to open the House of Hope Haiti at Mirlande's home. Friends and family donated funds to construct the extra living quarters. She also recruited donors to sponsor children in the orphanage and help with other expenses. In addition, House of Hope Haiti was adopted as an outreach mission of Nannette's church, Prince of Peace Lutheran church in Topeka, Kansas. In September of 2005, the House of Hope opened its doors to 16 children.

At the time, Mirlande and others were already running a make-shift kindergarten through third grade school for an additional 48 children on the patio of her home. She named her school the Good Samaritan School. Some of the funds for the House of Hope Haiti were used to help pay teacher salaries for this school, although the school is not under the direction of the board of the House of Hope Haiti. The school is part of the House of Hope Haiti mission only in the sense that it is used for the initial education of the children who live at the House of Hope Haiti mission. However, the existence of the House of Hope Haiti orphanage has indirectly benefited their school through the addition of faculty and improved resources.

In addition, a group of about 60 people meet at the House of Hope Haiti on Sundays as part of a home church. This church is not part of the House of Hope Haiti, but its members do enjoy a close relationship with the children of the House of Hope Haiti mission.

Since the beginning of the House of Hope Haiti orphanage, the children have transformed from emaciated, sickly children wearing rags, into healthy, energetic children who have the hope of a future here on the earth, as well as with their creator.

In 2007, it was decided that the House of Hope should become an independent non-profit corporation and 501(c) 3 organization. Up until this point, it had operated as part of the outreach of Prince of Peace Lutheran church; however, because of the expanding base of donors, who were not all members of this church, it seemed practical that the House of Hope stand on its own as a not-for-profit charitable organization.

Another reason for becoming a 501(c) 3 is that the House of Hope Haiti hopes to expand its services to include job skill training for the children as they grow up, including learning and implementing water treatment and bio-fuels technologies to benefit the orphanage and the surrounding area. The House of Hope plans to seek funding from US government agencies, such as US Aid, that give grants to 501(c) 3 organizations that focus on economic development in developing countries. The grant money would be used to further develop and implement these technologies at the House of Hope and, in the future, other impoverished areas in Haiti. If the economic development work done at the House of Hope Haiti is successful, then the efforts in Haiti may be duplicated in other developing countries in the future.

Policies of the House of Hope Haiti

1 – Administrative Responsibility

The House of Hope Haiti is an independent non-profit corporation, incorporated in the state of Missouri and operating under its published Articles of Incorporation and in accordance with the Mission, Policy & Operations Statement. The House of Hope Haiti is organized and led by laymen. The affairs of the House of Hope Haiti are administered by a Board of Directors which is elected by members of the House of Hope Haiti in accordance with these documents. The owners of the House of Hope Haiti are considered to be those individuals and members of organizations that financially support it. The Articles of Incorporation and/or the Mission, Policy & Operations Statement can be amended by a simple majority of the Board of Directors at any regularly or specially called meeting.

Many of the supporters for the House of Hope Haiti have come from the Lutheran Church Missouri Synod (LCMS). However, the House of Hope Haiti is not an entity of the LCMS or any other church body.

2 – Financial Accountability

All funds contributed to the House of Hope Haiti are used for program services such as feeding, clothing, educating, and providing medical care for the children who are part of the House of Hope ministry. The activities of the House of Hope Haiti are approved by its Board of Directors. Financial gifts and bequests, however, are accepted for House of Hope Haiti “endowment” purposes. The proceeds of the endowment may be used for administrative support as well as for funding the care and education of children in the House of Hope Haiti ministry. The House of Hope Haiti also actively seeks appropriate grant funding in support of administrative costs and promotional activities.

3 – Board of Directors Reimbursement

There will be no financial reimbursement to any member of the Board of Directors, the designated “House of Hope Haiti Ambassadors”, or to the consulting accountant for their services in support of the House of Hope Haiti. The Treasurer is however, authorized to reimburse members of the Board of Directors, House of Hope Haiti Ambassadors, and the consulting accountant for any direct costs associated with the functioning of the House of Hope Haiti. However, costs associated with the attendance at regular or specially called meetings of the House of Hope Haiti or any of its associated sub-groups are excluded from these “direct costs.”

4 – Racially Nondiscriminatory Policy

The House of Hope Haiti and the adjoining school do not discriminate against applicants, students, faculty or staff on the basis of race, color, or national or ethnic origin as defined by IRS publication 557. Children selected to live at the House of Hope Haiti orphanage are selected based on (1) the lack of an adult to properly care for them, and (2) a disposition that would allow them to get along with other

children and staff members. For reporting purposes, the racial and ethnic background is determined from the history of each child along with their appearance.

5- Project Administration and Control

Members of the House of Hope Haiti Board of Directors or, when necessary, designated representatives make periodic visits to the House of Hope Haiti in order to maintain relationships, demonstrate interest, provide encouragement, and assess the accomplishments and needs of the House of Hope Haiti. During the visit the member(s) of the Board of Directors discusses the accomplishments and needs of the House of Hope Haiti with the staff of Haitian Nationals who run the mission on a day to day basis. Based on the visit, recommendations about the budget for the following year are presented at the annual meeting. No funding is provided for these visits from the House of Hope Haiti.

In addition, correspondence is maintained throughout the year between the staff of Haitian Nationals running the House of Hope Haiti and members of the Board of Directors.

The Haitian nationals who run the House of Hope Haiti are asked to provide receipts for their expenses. However, the possibility still exists for misappropriation of funds. Consequently, when possible, Haitian nationals who are not associated with the House of Hope are invited to visit the site. The board members can then discuss past and future projects with unbiased individuals to ensure that the cost of the projects are appropriate for the country of Haiti.

6 - Project Success

Success of the project is difficult to quantify since the goal of the project is to make a long-term, positive impact in the lives of the children supported by the House of Hope Haiti. However, certain things can be observed including (1) the health and appearance of the children, (2) the academic progress of the children, and (3) the children's knowledge of, and appreciation for the Bible. In addition, all staff members should clearly state that they were paid the salary that is listed in the annual budget; and any special purchases that were authorized by the House of Hope Haiti should be clearly evident.

Operational Guidelines of the House of Hope Haiti

To accomplish its Purposes as outlined in the Policy statements and in accordance with the published Articles of Incorporation, the House of Hope Haiti functions under the following guidelines:

Structure

Ownership of the House of Hope Haiti

The ownership of the House of Hope Haiti belongs to the individuals and members of organizations who contribute the funds for its proper functioning and the accomplishment of its purposes. These contributing members are convened annually at a duly called meeting and can be convened at a special

meeting by the President or by a majority of the Board of Directors.

House of Hope Haiti Board of Directors

The House of Hope Haiti Board of Directors consists of the five Elected Officers and up to ten Board Members. Members of the Board of Directors are elected by the contributing members in attendance at the annual meeting. Eligibility for election to the Board of Directors is restricted to individuals from the contributing membership. Vacancies that occur between elections will be filled at the discretion of the Board of Directors.

Elected Officers

President

Vice President

Recoding Secretary

Treasurer

Corresponding Secretary

Board Members

The Board Members will number no less than three (3) in accordance with the Articles of Incorporation. In addition, the Board Members will number no more than fifteen. The Board of Directors will appoint a consulting accountant who will advise on financial matters affecting the House of Hope Haiti.

GOVERNANCE

Officers and Board Members

The Elected Officers are known as the Executive Board. The Elected Officers and the Board Members are together known as the Board of Directors and are the governing body of the House of Hope Haiti. The primary responsibility of the Board of Directors is to establish, and continually reevaluate the Policies of the House of Hope Haiti. The Board of Directors shall have the authority to conduct, manage, and control the affairs and business of the House of Hope Haiti and to make such rules and regulations that foster the mission of the House of Hope Haiti and are not inconsistent with the law or with the Articles of Incorporation or Operational Guidelines of the House of Hope Haiti.

The Board of Directors will approve the annual budget of the House of Hope Haiti. In addition, the Board of Directors will approve the allocation of any contributions that are made to the House of Hope Haiti.

The Executive Board is authorized to meet independently of the Board of Directors at specially called meetings. The Executive Board has limited authority to act on matters of concern to the House of Hope

Haiti. Functions of the Executive Board include making recommendations for action or policy changes to the Board of Directors, setting the agenda for the annual meeting of the House of Hope Haiti, coordinating the activities of the various committees and work groups, and making necessary management decisions in accordance with established policy. For either the Board of Directors or the Executive Board to act they must have a quorum in attendance. A quorum consists of a simple majority of the incumbents of the Board of Directors or the Executive Board respectively.

The Board of Directors is a working board. Board members, working individually or as a member of a committee or work group, are authorized to perform specific Board authorized activities in carrying out necessary functions in support of the House of Hope Haiti. The specific functions are assigned and approved by the Board of Directors.

All House of Hope Haiti funds shall be located in First National Bank of Oberlin, 101 North Penn, Oberlin, Kansas 67749. In the event that the name of the financial institution should change, this change will be noted on the House of Hope Haiti web site.

One signature is required to write checks from the House of Hope account if the amount of the check is \$5,000 or less. These checks may be signed by either the corresponding secretary or the treasurer. Checks written for amounts greater than \$5,000 from the House of Hope account require the signature of both the treasurer and the corresponding secretary.

If a grant is received for a special project, the Board of Directors can authorize the person who is coordinating the special project to spend the funds of the grant. The project coordinator will make monthly expense reports available to the Board of Directors.

The term of each member of the Board of Directors shall be two years or until their successors have been duly qualified and elected.

A simple majority vote is needed to approve all decisions made by the Board of Directors of the House of Hope Haiti.

Scheduled and Called Meetings

The annual meeting of the House of Hope Haiti will be held at a place and time designated by the President and at least thirty (30) days written notice will be given to all members, as defined earlier. At such meeting the directors and officers shall be elected, reports of the affairs of the House of Hope Haiti shall be considered and any other business may be transacted which is in the power of the membership.

When decisions about the affairs of the House of Hope Haiti need to be made in a timely manner, the President will contact the Board of Directors by electronic mail and the members of the Board of Directors shall cast their votes by electronic mail or by voice.

Whistleblower Policy

A modified version of The National Council of Non-Profit Associations Whistleblower policy is listed below and is adopted for use by the House of Hope Haiti.

General

House of Hope Haiti Code of Ethics and Conduct ("Code") requires directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and

responsibilities. All people associated with the House of Hope Haiti must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

Reporting Responsibility

It is the responsibility of all directors, officers and employees to comply with the Code and to report violations or suspected violations in accordance with this Whistleblower Policy.

No Retaliation

No director, officer or employee who in good faith reports a violation of the Code shall suffer harassment, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the Organization prior to seeking resolution outside the Organization.

Reporting Violations

The Code addresses the Organization's open door policy and suggests that anyone associated with the House of Hope Haiti share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, this could be a member of the Board of Directors. Members of the Board of Directors are required to report suspected violations of the Code of Conduct to the President of the House of Hope Haiti, who has specific and exclusive responsibility to investigate all reported violations. For suspected fraud, or when you are not satisfied or uncomfortable with following the Organization's open door policy, individuals should contact the President of the House of Hope Haiti directly.

Compliance Officer

The President of the House of Hope Haiti is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Code and, at his discretion, shall advise the Board of Directors. If the Board of Directors deems it necessary, they shall form an audit committee. The President has direct access to the audit committee of the board of directors and is required to report to the audit committee at least annually on compliance activity. The Board of Directors shall appoint a chair of the audit committee.

Accounting and Auditing Matters

The audit committee of the board of directors shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing. The Compliance Officer shall immediately notify the audit committee of any such complaint and work with the committee until the matter is resolved.

Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation of the Code must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Confidentiality

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

Handling of Reported Violations

The President will notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

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Conflict of Interest Policy

The sample conflict of interest policy provided by the IRS at <http://www.irs.gov/instructions/i1023/ar03.html> is listed below and has been adopted by the House of Hope Haiti.

Article I

Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (the House of Hope Haiti's) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II

Definitions

1. Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article III

Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the governing board or committee shall determine whether the organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV

Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V

Compensation

a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI

Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VII

Periodic Reviews

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Article VIII

Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.