

Cornerstone TeleVision Network

Gift Acceptance and Solicitation Policies

1 Signal Hill Drive, Wall, PA 15148-1499
Phone: 1-412-824-3930; Fax: 1-412-824-5442
Cornerstone TeleVision Network Tax ID: 23-7112560

Approved by the CTVN Board of Directors on December 19, 2000

Gift Acceptance/Solicitation Policies of Cornerstone TeleVision Network

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CTVN Gift Acceptance and Solicitation Policies

I. MISSION STATEMENT

Cornerstone TeleVision Network is called by God to serve and excel as a media ministry to bring glory to His name. In obedience to the great commission of Jesus Christ CTVN seeks to provide entertaining means to evangelize and edify the general public in our viewing area. As a result of being exposed to the Gospel, some will come to know Jesus Christ personally as Lord and Savior. Believers will be exhorted to live a Biblical lifestyle, encouraged to join a local church, and equipped and challenged to help reach their world for Christ.

II. PROGRAM PHILOSOPHY

To present a well-balanced and diversified program schedule that proclaims the Gospel of our Lord Jesus Christ in varied ways by using unique entertaining means to attract all segments of our viewing audience so as to evangelize and edify them -- emphasizing Cornerstone TeleVision Network produced programming and featuring the best Christian programs available -- always aiming to add or replace a program with the same quality or better.

III. STATEMENT OF BIBLICAL UNITY

Because Biblical unity and harmony among Christians will bring glory to God and help advance the Gospel, Cornerstone TeleVision Network seeks to promote unity and harmony among the various Christian communities using as its basis for coming together in agreement the belief that the scriptures -- both the Old and New Testaments are verbally inspired of God in the original writing and are God's special revelation of Himself and His creation. (Ephesians 4:1-16)

IV. FINANCIAL ACCOUNTABILITY

Cornerstone TeleVision Network is a member in good standing of the Evangelical Council for Financial Accountability. Cornerstone TeleVision Network has an independent Board of Directors and has an annual audit by an independent CPA firm that is available for public inspection upon written request.

V. RESPONSIBILITY FOR FUNDRAISING ACTIVITIES

Annual fund drives, capital campaigns and planned giving programs shall be under the supervision of the Vice President of Administration and Finance who shall report to the President. The President shall be responsible for the oversight of organizing volunteers/staff to solicit prospects and donors, and the development and cultivation of personal, corporate, foundation and organizational giving. Both the Vice President of Administration and Finance and President are accountable to the board of directors.

All gifts will be forwarded to the Vice President of Administration and Finance for Cornerstone TeleVision Network, who has the ultimate responsibility for the administration, tax reporting and record keeping for various gifts. This person shall be responsible, either directly or via assignment to a third party, for:

1. Maintaining accounting reports;
2. Calculating and preparing all income payments;
3. Filing reports with the Internal Revenue Service and beneficiaries for gifts involving life plans;
4. Reporting to the appropriate staff concerning the dates of all income payments, of all fiduciary, annual or donor-designated gift funds; and,
5. Consulting with appropriate staff concerning in-kind gift valuation/acceptance.

VI. GENERAL POLICIES CONCERNING RESTRICTIONS IMPOSED BY DONORS UPON GIFTS TO CTVN

While the primary goal of CTVN is to obtain unrestricted dollars to support the CTVN mission, CTVN will accept gifts from contributors who wish to restrict the use of a gift, provided there is a demonstrated need for such gift. Donors may also direct that contributions be used for a defined special purpose or endowment fund.

It is the policy of CTVN not to discriminate against any individual on the basis of race, color, religion, creed, sex, or national or ethnic origin. Gifts will not be accepted if restrictions on the gift violate this policy.

Only gifts of cash and stock and pledges of cash will be directed to accounts for donor-designated purposes (restricted funds) unless the President directs otherwise.

It will be the general policy of CTVN to liquidate donated property (stock, real estate, etc.) as soon as possible and place the net proceeds of the sale in the appropriate account.

VII. SOLICITATION AND ACCEPTANCE OF TANGIBLE PERSONAL PROPERTY

Non-cash gifts may be accepted by CTVN. If a gift involves additional expense for the display, maintenance, or administration of the property, it will only be accepted if the President determines that the expense is reasonable or if the donor is willing to assume those expenses.

Gifts of tangible personal property will not be accepted if made on the condition that the property will be loaned back to the donor or to anyone else designated by the donor for any period of time.

Gifts of real estate with a retained life interest may be accepted with the approval of the President. A donor who contributes real property with a retained life estate will bear the expenses of maintenance and pay all real estate taxes on the property during the donor's lifetime. Gifts of real estate with restrictions upon the ultimate sale of the property may be accepted only by vote of the Board of Directors with a recommendation from any planned giving and/or finance committees in place at that time.

CTVN will accept gifts of listed securities or securities traded over the counter. Gifts of securities not traded on an exchange or over the counter may be accepted if valuation of the securities can be substantiated through other sale prices or expert appraisal and with the approval of the President.

The President and Vice President of Administration and Finance must be consulted concerning the advisability of accepting any gift-in-kind. Any staff person, volunteer, consultant or other person associated with CTVN must first consult with the President and Vice President of Administration and Finance before accepting unusual gifts-in-kind or other extraordinary gifts that might involve continuing obligations for CTVN.

VIII. POLICIES CONCERNING GIFTS FOR SPECIFIED PURPOSES

Donors will be encouraged to make unrestricted gifts. Gifts for certain purposes, however, may be accepted by CTVN. Generally, the designated purposes should be described broadly and detailed restrictions avoided. The language used in creating such a gift should leave enough leeway for the board of directors to apply the gift to some other purpose if the designated purpose is no longer feasible or if the board of directors determines that the CTVN mission would be better served by using the gift in another way. Such action would require a simple majority vote of the board. The following or similar language may be used to provide this leeway:

"Should the purpose designated for my gift no longer exist or become impractical in the opinion of the CTVN Board of Directors, I direct that the board make every effort to apply my gift to a related purpose or purposes which in the Directors' opinion will most nearly accomplish my wishes while meeting a then current need of Cornerstone TeleVision Network."

Any unrestricted gifts from private sources for current operations may be added to the annual budget. Gifts for endowment, if relatively small, will be added to the endowment fund. Gifts of at least \$100,000, however, may establish a named fund for a specific purpose related to CTVN's mission. Requests to establish such funds will be handled on an individual basis. Donors may establish a named fund for less than the minimum specified level they agree in writing to increase the funds to the minimum level within a period of three years.

IX. GENERAL POLICIES CONCERNING PLANNED GIFTS

A planned gift usually involves an outlay of capital assets (not annual income) and can result in the donor receiving income or other benefits. Typical planned gifts include charitable trusts, gift annuities, insurance and bequest designations to name a few. The President and Vice President of Administration and Finance of CTVN are authorized to negotiate planned gifts or designate someone to negotiate on their behalf, and shall be responsible for:

1. Providing support materials to donors, then obtaining basic information to allow CTVN to better assist that donor in making an informed decision with his/her advisors;
2. Producing computations associated with planned gifts and reporting to donors;
3. Negotiating with donors and their advisors to execute the best gift for the donor and CTVN;
4. Working with CTVN legal counsel to review planned giving agreements prior to their execution and;
5. Continuing relationships with donors and beneficiaries concerning the operation of trusts and other planned gift arrangements.

Payout rates offered for charitable remainder trusts will comply with current IRS regulations and CTVN's gift acceptance policy.

Payout rates offered for deferred gift annuities and immediate gift annuities will not exceed the rates recommended by the American Council on Gift Annuities. It is the policy of CTVN to offer and administer all forms of charitable gift annuities to benefit CTVN and be sure they conform to all state and federal laws.

The Investment Committee of the board of directors shall be responsible for the determination of investment strategies for all endowment funds and retained life income funds, with the consultation of the President and Vice President of Administration and Finance.

Before any donor enters into an irrevocable planned gift, the staff shall ascertain that the donor understands the irrevocable nature of the gift. To assure the charitable intent and avoid potential conflict of interest, planned gift structures and/or investment strategies suggested by a donor will be reviewed carefully prior to execution of the gift. The staff will neither offer to provide, nor provide estate planning or tax advice to any donor or prospective donor. Donors shall be urged to consult their own attorneys and other advisors, and in no case shall the staff or anyone representing CTVN draw up a will/living trust for a donor.

CTVN may suggest language to be included in wills and trusts and may submit sample language for planned giving agreements such as charitable trusts, gift annuities, deed remainder interest contracts, or other generic examples for consideration by the donor and his/her advisors.

Confidentiality shall be maintained for all information garnered by the staff in negotiating and preparing a planned gift, and no information shall be disclosed to anyone except as necessary in administering the gift.

The President must propose exceptions to these guidelines. CTVN's board of directors must approve amendments to these guidelines.

The board-authorized CTVN staff to negotiate planned giving arrangements are the President, Vice President of Administration and Finance, or anyone designated by the President to act on CTVN's behalf. **Only the President, Vice President of Administration and Finance or the Board Chair are authorized by the board of directors to sign gift agreements on behalf of CTVN.**

Planned giving agreements are subject to certain minimum requirements as set out below:

1. **Gift Annuities:** \$10,000 minimum net value of gifted amount with the youngest income beneficiary not being less than 60 years of age when income is first received;
2. **Charitable Lead Trusts:** \$250,000 minimum net cash value equivalent;
3. **Charitable Remainder Trusts:** \$150,000 minimum net cash value equivalent;
4. **Outright Gifts of Real Estate:** \$100,000 minimum net cash value equivalent;
5. **Pooled Income Fund:** \$10,000 minimum net cash value equivalent.

X. BEQUESTS

It shall be the policy of CTVN to encourage persons to designate CTVN as a bequest recipient in wills and living trusts and to recognize those commitments, though revocable.

It shall be the policy of CTVN to direct all unrestricted bequests and other testamentary gifts to a board-designated endowment fund for the purpose of generating income to address operational needs, but whose principle can be used with the approval of two-thirds of the board.

Language such as the following shall be drafted and included in CTVN marketing materials to simplify inclusion of CTVN in donor estate plans:

- **Contingent Bequest:** “I give and bequeath the residue of the property, real and personal and wherever situate, owned by me at my death to my spouse (name), if he/she survives me. If my spouse does not survive me, I give and bequeath my residuary estate to Cornerstone TeleVision Network located at 1 Signal Hill Drive, Wall, Pennsylvania 15148-1499 to support its mission.”
- **Direct Bequest:** “I give and bequeath the sum of \$_____ to Cornerstone TeleVision Network located at 1 Signal Hill Drive, Wall, Pennsylvania 15148-1499 to support its mission.”
- **Gifts of Residue of Estate:** “I give and bequeath the residue of the property, real and personal and whenever situate, owned by me at my death to Cornerstone TeleVision Network located at 1 Signal Hill Drive, Wall, Pennsylvania 15148-1499 to support its general mission.”
- **Gifts of Limited Size of Bequest:** “I give and bequeath the sum of \$_____ or _____ percent of my adjusted gross estate as finally determined for federal estate tax purposes, whichever is less, to Cornerstone TeleVision Network located at 1 Signal Hill Drive, Wall, Pennsylvania 15148-1499 to support its general mission.”

It is the policy of Cornerstone TeleVision Network to always advise donors to “**Always consult with your attorney concerning the best way for you to provide for Cornerstone TeleVision Network in your will or living trust.**”

XI. POLICY REGARDING CTVN EMPLOYEES SERVING AS ESTATE EXECUTORS

No CTVN employee may knowingly act as executor or executrix of any estate where CTVN is a beneficiary. Exceptions to this policy may be made by the President in cases in which the donor and the CTVN employee are relatives or in which the friendship/working relationship between the donor and CTVN employee existed before and outside of the employee's connection with CTVN.

APPENDIX

I. GIFTS OF CASH

Checks should be made payable to Cornerstone TeleVision Network located at 1 Signal Hill Drive, Wall, Pennsylvania 15148-1499. Donors should clearly indicate their intentions regarding the gift in accompanying correspondence and with a notation on the check.

In order to make it easier for donors to support Cornerstone TeleVision Network, gifts can be made by major credit card by calling 1-412-824-3930 for more information.

Some banks and savings institutions permit gifts to be made by telephone or to be made on a scheduled arranged by the donor and approved by the bank. Donors should contact their personal financial institution for more information or Cornerstone TeleVision Network.

II. GIFTS OF SECURITIES

Here are methods of making gifts of securities to Cornerstone TeleVision Network in order of preference:

Contact your broker or the transfer agent to transfer ownership from you to Cornerstone TeleVision Network (Inquire if CTVN already has an account with your broker. That could expedite transfer). The donor is asked to send a letter to Cornerstone TeleVision Network at the same time the broker/transfer agent is notified, stating the donor's intention to transfer stock so CTVN is alerted to follow-up on the gift so that it can be logged for proper tax credit when received.

1. **To sell through our broker:** Please contact: Vice President of Administration and Finance, Cornerstone TeleVision Network, 1 Signal Hill Drive, Wall, Pennsylvania 15148-1499 (412-824-3930). No wire transfers will be accepted without prior formal notification.
2. **Unendorsed certificates may be sent to the address listed above by registered mail or personally delivered.** If mailing the certificates, executed stock powers should be sent separately to the address listed above. Stock certificates may also be delivered and signed on site. Donors may obtain copies of the required stock power from a bank, broker, or CTVN.
3. **Unendorsed certificates and executed stock powers may be sent to a bank or broker for the account of Cornerstone TeleVision Network** and the bank or broker should be requested to telephone the Vice President of Administration and Finance at CTVN at 412-824-3930 who will advise the bank or broker as to the disposition of the securities.

CTVN asks that it NOT be indicated as "transferee" on the assignment form on the back of the stock certificate or on the stock power and that the stock not be sent to a transfer agent for registering in CTVN's name. This procedure results in delay and expense and is not necessary.

CTVN advises donors to consult their personal advisors regarding the tax consequences as they apply to them at the time of transfer. CTVN staff may not provide tax or estate planning advice.

The value of the contribution to CTVN for recording purposes is the mean value of the stock on the day the transfer is completed.

III. GIFTS OF REAL PROPERTY

CTVN will accept gifts of real estate consistent with its mission and purpose. CTVN shall have the absolute right to accept or refuse any gift of real estate for reasons CTVN deems prudent and in the best interest of CTVN, including but not limited to issues regarding encumbrances, zoning, easements, environmental problems, and salability.

Prior to accepting a gift of real estate, CTVN shall secure pertinent information about the proposed donated property. The information to be examined should include debt and other encumbrances, zoning, sewage, water, other utilities, access, easements, location, environmental concerns, and other issues affecting the property. Costs associated with acquiring such information should be borne by the donor.

Prior to accepting a gift of real estate, a CTVN employee shall physically examine the proposed gift property. Whenever possible, photographs or videotape of the property will be secured and kept on file with other CTVN documentation of the property.

Title insurance indicating a deed, which is free and clear of liens and encumbrances, shall be secured for the gift value of the property. General liability and, if applicable, all risk property insurance shall be secured by CTVN for the gifted property. In most cases, an amendment to CTVN's existing general liability and hazard property insurance can be utilized to provide the necessary insurance, and every effort should be made to effect an amendment to CTVN's existing insurance policies to provide the coverage.

The donor shall be responsible for securing an appraisal of the gifted property and forwarding a copy of the appraisal to CTVN. To protect the charitable deduction for the donor resulting from the gift of real estate, the appraisal shall be a qualified appraisal completed by an individual with substantial experience in the appraisal business in that location who will be required to sign section B, Part III of Internal Revenue Service Form 8283. The appraisal must include the date or expected date of gift; the appraised fair market value on the date or expected date of the gift; the appraiser's tax identification number; a statement that the appraisal was prepared for federal income tax purposes; a description of the appraiser's background, education, experience, and membership (if any) in professional appraisal associations and a description of the fee arrangement between donor and appraiser (Reg. section 1.170A-13(c)(3)(ii) should be referenced). It is important to note that in order for an appraisal to be a "qualified appraisal," it must be obtained no earlier than 60 days before the date of gift and no later than the day before the due date of the income tax return on which the gift is first claimed or reported. Due date includes extensions of time to file the return (Reg. section 1.170A-13(c)(3)(i)(A) should be referenced).

CTVN reserves the right to obtain an independent appraisal of the property, should it be deemed necessary. In case of a discrepancy, CTVN will decide which appraisal to use. CTVN's appraisal shall also be a qualified appraisal completed by an individual with substantial experience in the appraisal business in that location and who will be required to sign Section B, Part III of Internal Revenue Service Form 8283. The donor may be required to make additional representations about the property in writing.

In general, gifts of real estate shall require a Phase I environmental audit. However, a Phase I environmental audit may be waived: if a satisfactory Phase I audit has already been completed within a reasonable period of time of the date of the gift; if the property is located within the service area of CTVN, and CTVN has no reason to suspect environmental problems; or if there is evidence of many years of continuous residential usage for the property. The donor is expected to bear the cost of a Phase I environmental audit and, if required, a Phase II environmental audit.

If the Phase I audit reveals possible environmental contamination, CTVN may decide not to accept the gift of real estate or may decide to proceed with a Phase II environmental audit. After completion of the Phase II audit, CTVN shall assess exposure to the environmental concerns raised in the Phase I or the Phase II audit and decide whether to accept the gift of real estate.

From time to time, CTVN may accept gifts of real estate including but not limited to outright gifts, bargain sales, unitrusts, gift annuities, life estates, and by will. Regardless of the gift arrangement, the previously indicated guidelines for gifts of real estate shall be utilized.

CTVN shall not accept mortgaged property as a general rule unless donor agrees in writing to assume the obligation for its payment and receipt of the gift does not result in Unrelated Business Income Tax (UBIT) that could jeopardize the tax exempt status of a trust or place CTVN in an unfavorable tax position. Waivers and exceptions to this policy may be made by those authorized by the board to negotiate planned gifts, with input from CTVN legal counsel.

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Phase I/II Environmental Site Assessment Definitions

The Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) imposes liability associated with environmental contamination of property on the current property owner as well as past property owners. Therefore, under 1980 CERCLA provisions, the purchaser of a property with existing environmental contamination was financially liable for cleanup of contaminated property even though he/she may have done nothing to contribute to the contamination.

In 1986, the federal government passed the Superfund Amendments and Reauthorization Act (SARA) that allows the owner, operator, or any other party to prove that it did not contribute to the environmental contamination of the property and therefore is an innocent landholder. SARA established and loosely defined the due-diligence environmental assessment. Section 101 of SARA implies that the buyer is protected as long as he/she has undertaken, prior to closure, **“all appropriate inquiry into previous ownership and uses of the property consistent with good commercial or customary practice in an effort to minimize liability.”** An environmental assessment is the systematic approach of identifying, verifying, and documenting the environmental condition (contamination) of a property prior to acquisition.

Because of the financial/legal implications surrounding the question of what is **“all appropriate inquiry into previous ownership and uses of the property consistent with good commercial or customary practice in an effort to minimize liability,”** the American Society for Testing and Materials (ASTM) developed a standard for conduct of Phase I Environmental Site Assessments (ASTM Practice E 1527-94). Conduct of a Phase I Environmental Site Assessment in accordance with this ASTM method has become the accepted standard.

The Purpose of the Phase I Environmental Site Assessment (ESA) is to identify recognized environmental conditions in connection with the property. A Phase I ESA has four components: (1) Records Review; (2) Site Reconnaissance; (3) Interviews with current property owners and site occupants; and (4) Evaluation and Report. The Phase I ESA does not include any sampling or testing of materials. The interviews and site reconnaissance, as well as review and interpretation of information upon which the report is based and overseeing the writing of the report are all portions of a Phase I ESA that are to be performed by an environmental professional(s).

If the Phase I Environmental Site Assessment reveals the possibility of environmental contamination, a Phase II assessment is undertaken to confirm or refute the presence of contamination by means of performing environmental sampling. The environmental sampling program generally is tailored to target the suspect area(s) and contaminant(s) of concern. Because of the wide variability of circumstances/conditions leading to the conclusion that there is a real possibility of environmental contamination in a Phase I Environmental Site Assessment Report, ASTM has not yet developed a standard procedure for conduct of a Phase II Environmental Site Assessment. Therefore, the conduct of the Phase II investigation is based upon the judgment of the environmental professional.

It is important that the Phase II investigation be tailored to address the area(s) of concern revealed in the properly conducted and documented Phase I Environmental Site Assessment. The Phase II investigation should be developed/implemented and completely documented. Documentation should not only state what was done and the findings, but also provide the rationale for the investigation process based upon the site conditions discovered and documented during the Phase I assessment.

IV. GIFTS OF LIFE INSURANCE POLICIES AND OTHER PROPERTY

Gifts of life insurance policies are encouraged to assist in building CTVN's endowment program. Gifts of life insurance policies with cash values are booked and recognized at their cash surrender value in the year in which CTVN becomes the irrevocable owner and beneficiary of that life insurance policy. Gifts of beneficial-only interests in life insurance policies are not booked because of the revocable nature of the gift, however they are recognized as expectancies.

The acceptance of other types of property are reviewed on an individual basis

V. RESTRICTIONS ON USE OF GIFTS

If the use of a gift is restricted, CTVN should be advised of the restriction at the time the gift is offered. It is advisable to discuss this in advance with the appropriate CTVN staff person.

VI. VALUATION OF GIFTS

In valuing gifts to CTVN, CTVN will follow generally accepted accounting practices. For tax purposes, however, CTVN shall follow the requirements of state and federal taxing authorities. When necessary for CTVN internal use, valuations of property, other than securities for which a ready market exists, should be arranged by the Vice President of Administration and Finance. Donors should obtain their own valuations for tax purposes.

For securities for which there is a market, the value is the mean between the highest and lowest quoted selling prices on the date of delivery. For mutual fund shares, the fair market value is the redemption (bid) price. When there are no sales on the date of delivery, but there were sales within a reasonable period before and after delivery, value is the weighted average of the mean between the highest and lowest sales on the nearest trading dates before and after delivery.

Irrevocable gifts in trust for which CTVN serves as Trustee and irrevocable beneficiary will be recorded on the gift system to conform to FASB rules. Likewise, irrevocable gifts in trust for which CTVN does not serve as Trustee and is a revocable beneficiary, and for which proper documentation has been secured, shall not be entered into the gift system but shall be footnoted in CTVN's annual financial statement and recognized in a manner so as to encourage others to consider this form of planned gift. CTVN will also footnote in its annual report for informational purposes only the number and approximate face value of all its planned gift expectancies. All irrevocable gifts in trust made on or after January 1, 2000 shall be governed by this policy.

VII. DETERMINING DATE GIFT IS DELIVERED FOR VALUATION AND TAX PURPOSES

A. GIFTS OF SECURITIES

When securities are mailed directly to CTVN, the date of mailing through the U.S. Postal Service of the stock power or the certificates, whichever is later, is the delivery date. If securities are hand-delivered, including delivery by commercial means such as Federal Express, the delivery date is the date they are received by CTVN.

If the securities are delivered by the donor's bank or broker, as the donor's agent, or to the issuing corporation with instructions to reissue the securities in CTVN's name, the delivery date is the date the securities are transferred to CTVN's name on the corporation's books.

Securities mailed to CTVN's broker or agent are delivered when mailed or when the stock powers are mailed, if that date is later, unless they are not received in the ordinary course of the mails. Securities hand-delivered to CTVN's broker are delivered when received by the broker.

Securities transferred by wire (DTC) are not delivered until such time as they physically reside in CTVN's account and are controlled by CTVN.

B. GIFTS BY CHECK

If mailed, the date of mailing is the delivery date. If hand-delivered, the date is the date the check is received by CTVN.

C. GIFTS OF ART WORKS AND OTHER TANGIBLE PERSONAL PROPERTY

The date the property is received by CTVN is the delivery date.

D. REAL ESTATE

The delivery date is the date CTVN receives a properly executed deed.

VIII. ANONYMOUS GIFTS

Every effort will be made to honor a donor's wish to remain anonymous. Donors should state that intention in writing to CTVN at the time a gift is made.

IX. INTENTION TO COMPLY WITH FEDERAL STATE AND LOCAL LAW AND GENERALLY ACCEPTED ACCOUNTING PRACTICES

This document shall be a blueprint for donor relations and gift acceptance guidelines. It is CTVN's intention to conform to all federal, state and local law and employ all generally accepted accounting practices related to gift solicitation, receipting and fund disbursement.

Disclosure statements shall be issued to donors with all trusts and appropriate planned gifts in accordance with the rules set forth in The Philanthropy Protection Act of 1995.

CTVN will comply with all IRS regulations regarding gift substantiation and disclosure.

CTVN will conform to Commonwealth of Pennsylvania ACT 127 that defines the terms under which charities in Pennsylvania may issue charitable gift annuities.

CTVN will comply with the Substantiation for Charitable Funds Act.

It will be the policy of CTVN to stress to donors the irrevocable nature of planned gifts and to always direct donors to consult with their personal legal/financial advisors before entering into a major gift arrangement. CTVN will not offer legal or tax advice to donors.

In an effort to assure compliance and correctness, CTVN legal counsel, prior to execution, will review all planned giving documents, including but not limited to contracts, trust agreements, administration agreements and letters of understanding.

X. CTVN INVESTMENT POLICY

Permanently Restricted Funds

Objective

The assets of Cornerstone TeleVision Network, herein referred to as The Fund, will be managed with a focus on preservation and enhancement of capital at rates in excess of inflation. Emphasis will be placed on maximizing returns commensurate with the level of risk assumed. It is also recognized that both the income generated from the funds as well as capital gains, are restricted for use by Cornerstone TeleVision Network to supplement the annual operating budget. By a two-thirds vote of the board of directors, the principal of this fund may be used to finance capital projects for building facilities and major equipment for which there is an established need related to CTVN's mission.

The following strategic considerations will serve as guidelines for the investment management of The Fund:

1. Investment Horizon

The Fund will be managed with a long-term horizon due to the infrequency which funds will be needed due to its restricted nature.

2. Asset Types

The Fund will be managed using the following types of assets:

- **Equity securities and their equivalents. Equity securities will include common and preferred stocks issued by and representing an interest in any corporation or business, including any corporation or business trust organized under the law of any state of the United States.**
- **Fixed income securities will include commercial paper and convertible securities issued by and representing an obligation of any corporation or business trust organized under the law of any state of the United States. Fixed income securities will also include any debt instruments issued by the United States Government or any of its agencies.**
- **Cash and cash equivalents.**

3. Asset Allocation

The allocation limits for Equity/Fixed Income/Cash and Cash Equivalents will be:

	<u>Maximum</u>	<u>Minimum</u>
Equities	75%	40%
Bonds	50%	25%
Cash Equivalents	10%	- 0 -
U.S. Large Cap Stocks	75%	30%
U.S. Small Cap Stocks	15%	- 0 -

The investment manager will actively manage the assets of The Fund by shifting emphasis upon the allocation of the asset types comprising the portfolio within the guidelines listed above. Additionally, each asset type will be actively managed to provide incremental returns relative to appropriate market benchmarks as noted in Section 5.

4. Diversification and Risk Parameters

In order to minimize both the probability and impact of a substantial loss of principal due to a specific issue or industry sector and to limit portfolio volatility to that experienced by those indices listed in section 5, diversification among the asset types listed above will be employed. In addition, fixed income securities will be diversified as to maturities in order to reduce the probability and impact due to a change in interest rates and the subsequent changes in cash flow.

In consideration of the equity portion of the portfolio:

- i) No more than five percent of the market value of The Fund shall be invested in the securities of any one corporate issuer.
- ii) A moderate level of risk should be employed in the allocation of investments. Consequently, the beta of the portfolio should range between 90 and 110 percent of the beta of the benchmark portfolio.
- iii) The Fund shall not be unduly weighted towards any one industry sector and will therefore have a maximum weighting of 25 percent for any one-industry sector.

In the event the asset allocation would change, then consideration of the fixed income portion of the portfolio would be as follows:

- i) No more than five percent of the market value of The Fund shall be invested in the securities of any one corporate issuer;
- ii) No more than fifty percent of the market value of the fixed income portfolio shall be invested in corporate securities except for temporary re-alignment of the portfolio; and
- iii) The duration of the fixed income portfolio should range within 85 and 115 percent of the fixed income benchmark.

5. Performance Evaluation

The Fund performance should, on an annualized basis, experience a rate of return in excess of a market benchmark comprised of 60 percent of the S&P Stock Market Index and 40 percent of the Lehman Brothers Intermediate Bond Index.

6. Special Situations

In an effort to be more responsive to contributor needs, Cornerstone TeleVision Network offers a planned giving program that makes available charitable giving tools that can provide current income to contributors and future income to CTVN. The most common types of planned gifts include immediate gift annuities, deferred gift annuities, charitable remainder trusts and charitable lead trusts. With planned gifts, the gifted assets may be owned by a trust either for a term of years or until the death of a donor or donors. In these instances, the philanthropic and financial goals of the donor or donors will be considered on an individual basis when formulating a fund management policy. In such instances, the donor or donors will be informed of the investment strategy in writing prior to Cornerstone TeleVision Network accepting any gift.

Whenever possible, when Cornerstone TeleVision Network receives distributions to endowment from individual charitable trusts and other planned gifts, the corpus or principal amount will be added to the endowment fund and managed under the terms listed in sections one through five.

The Cornerstone TeleVision Network Board of Directors may revise, amend or alter this policy to respond to changes in market conditions under the terms of its bylaws.

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