

# HCMA “Standards of Responsible Stewardship”



HCMA has consistently maintained high ethical standards regarding its financial accountability throughout its 70+ years of history as a faith mission organization. It has always been committed to “taking pains to do what is right, not only in the eyes of the Lord, but also in the eyes of men” (2 Corinthians 8:21, NIV), with regard to its finances. These financial precautions are done so that no one will be able to discredit HCMA in the administration of its mission.

Although HCMA is not a member of the ECFA, it has always followed the same “Standards of Responsible Stewardship” established by the ECFA.

- **Doctrinal Statement.** HCMA has a written doctrinal statement that clearly affirms its commitment to the evangelical Christian faith. Every member of HCMA must sign this Statement of Faith. HCMA is committed to conducting its financial and other operations in a manner that reflects these generally accepted biblical truths and practices. [Click here to see a copy of the HCMA Statement of Faith]
- **Board of Directors.** The HCMA Board of Directors currently has ten members, of whom six are independent from HCMA (in other words, they are not officially connected with HCMA). The other four members are HCMA Chaplains. The Board meets three times per year (January, May, and October). The Board sets policy and annually reviews accomplishments and financial statements. There is a Finance Committee that regularly reviews the financial statement and budget of HCMA. There is an Audit Committee that selects an independent auditor and maintains direct communication between the auditor and the Board. [Click here to see a list of the HCMA Board of Directors]
- **Conflicts of Interest.** HCMA Board members sign a conflict of interest statement each year. Any transaction with related parties are undertaken only if all of the following are observed: 1) a material transaction is fully disclosed in HCMA’s financial statement; 2) the related party is excluded from the discussion and approval of such transaction; 3) a competitive bid or comparable valuation exists; and 4) the Board has acted upon and demonstrated that the transaction is in the best interest of HCMA.
- **Annual Audit and Financial Disclosure.** HCMA has an annual financial review or audit done by an independent CPA (Byeman & Cleary CPAs in Glendale, CA). A copy of this complete and accurate annual financial statement is available upon request by contacting the HCMA Office.
- **Use of Resources.** HCMA exercises the management and financial controls necessary to provide reasonable assurance that all resources are used in conformity with applicable federal and state laws and regulations to accomplish the tax exempt purposes for which they are intended.

- **Finance Policy.** HCMA has an Accounting Policy and Procedure that sets forth guidelines for governing the accounting practices at the HCMA Office. A copy of this policy is available upon request by contacting the HCMA Office. HCMA assures that all donor funds go where they are intended and that purposes and end results are clearly communicated. Every donor receives a receipt for donations that clearly shows the date, amount, and designation of each contribution.
  
- **Fundraising.** All representations of fact, description of HCMA's financial condition, or narrative about events are current, complete, and accurate. References to past activities or events are appropriately dated. There are no material omissions or exaggerations of fact or use of misleading photographs or any other communication that would tend to create a false impression or misunderstanding about HCMA. Fundraising appeals are not done to create unrealistic donor expectations of what a donor's gift will actually accomplish within the limits of the ministry of HCMA. All statements made by HCMA in its fundraising appeals about the use of the gift are honored by HCMA. HCMA is aware that communications made in fundraising appeals may create a legally binding restriction. If HCMA raises or receives funds for programs that are not part of its present or prospective ministry, but are proper in accordance with its exempt purpose, it either treats them as restricted funds and channels them through an organization that can carry out the donor's intent or returns the funds to the donor. If HCMA makes fundraising appeals which, in exchange for a contribution, offer premiums or incentives (the value of which is not insubstantial, but is significant in relation to the amount of the donation), it advises the donor of the fair market value of the premium or incentive and that the value is not deductible for tax purposes. HCMA, when dealing with persons regarding commitments on major estate assets, seeks to guide and advise donors so they have adequately considered the broad interests of their family and the various ministries they are currently supporting before they make final decisions. Donors are encouraged to use the services of their attorneys, accountants, or other professional advisors. HCMA does not allow for compensation of outside fundraising consultants or its own employees based directly or indirectly on a percentage of charitable contributions raised. Tax-deductible gifts are not used to pass money or benefits to any named individual for personal use. An officer, director, or other principal of HCMA will not receive royalties for any product that HCMA uses for fundraising or promotional purposes. Property or gifts-in-kind received by HCMA will be acknowledged, describing the property or gift accurately *without* a statement of the gift's market value. It is the responsibility of the donor to determine the fair market value of the property for tax purposes. HCMA may be required to provide additional information for gifts of motor vehicles, boats, and airplanes. HCMA will make every effort to avoid accepting a gift from or entering into a contract with a prospective donor that would knowingly place a hardship on the donor, or place the donor's future well-being in jeopardy.