



CMAIN

1172 MURPHY AVE #237

SAN JOSE, CA 95131

General Mission Policy

Chinese Mutual Aid International Network
General Guidelines for Mission Policies

CMAIN (Chinese Mutual Aid International Network) is a Non-Profit Organization formed by volunteers. The mission of CMAIN is to build a reliable and consistent channel for oversea Chinese to make donations and to provide help when the communities are in need. CMAIN contributes to the US communities.

China is a country with lots of natural disasters such as flooding, drought, snow disasters, and earthquakes. After the devastating 8.0 magnitude earthquake in Sichuan province, China, we witnessed numerous donations made by Chinese immigrants. We see these people are willing to help when their mother country China with nature disaster happens, but there is no easy way for them to do so. That's why CMAIN is founded to give these people a channel to make their donations to help each other.

Donation policies are in the attachment "Policies and Procedures of Contributions, Solicitation and Distribution"

Requests to CMAIN asking for the donation distribution will be strictly reviewed and examined to make sure the distribution is fully under the control of CMAIN, and is fully distributed for charity purpose only.

CMAIN has established few donation programs:

A. To aid individuals and to provide support to people in finance difficulties

When incident happens, victim(s) could submit donation request. Upon approval, CMAIN will call for donation on behalf the victim(s).

To distribute fund to individual:

1. CMAIN will distribute the fund directly the individual upon approval by the CMAIN board members. There will be no fees occur to the beneficiary. Every transaction must be reviewed by CMAIN.
2. CMAIN has volunteers in China to audit the transaction, to make sure it is qualified as charity donations restricted by the 501(C)3 code.
3. Beneficiary must provide 3 references with written document to prove he/she encountered serious difficulties and he/she couldn't support him/her anymore. Fund usage should also be in the document.
4. CMAIN must get a receipt for each fund distribution.
5. Beneficiary cannot be a business organization, cannot be family members, relatives or affiliated business partners to any of the CMAIN volunteers.
6. Donation activities are led by CMAIN board members. CMAIN members don't take any personal benefits such as salary, stipends, etc. from the donation. Minimum operation cost (such as postages, bank fees, office supplies) may be deducted from the donation.
7. Beneficiary cannot have connection with any terrorist, or any country support terrorism.
8. Beneficiary cannot have criminal history.
9. Beneficiary must accept conditions and terms made by CMAIN, and must take CMAIN's supervise, and must provide document to prove they are in need and the fund usage plan.

B. To provide help to US natural disaster victims

More and more highly educated Chinese immigrate to US. They are generally kind and have sympathy. They choose to live in US for a better life and they do want to contribute their effort to local communities. However due to the different background culture, most of them are not familiar with the rules and benefits of making

charity donations in US.

United States also has lots of nature disasters caused by, for example, fire, flooding, hurricane and tornados. These nature disasters cause great loss. CMAIN would like to build the bridge for Chinese immigrants to contribute their effort for the US society.

1. After a disaster, CMAIN will call for donation through its media such as web site, public bulletin board, and local Chinese newspapers. All donations will be distributed to 501(C)3 NPOs directly involved in the disaster relief efforts. Beneficiary cannot be profit-making organizations or businesses. Beneficiary must present the plan on how to re-distribute the fund and the plan has to be approved by all CMAIN board members. After receive the fund, beneficiary must be willing to take audit from a third party. Fund received from CMAIN by the beneficiary cannot be used for other purposes. Fund transfer transactions must have beneficiary's signature.
2. Donation methods include online PayPal, Google Checkout and check. CMAIN board members originate and organize the donation activities. CMAIN volunteers take part in the voluntary donation work.
3. CMAIN limits the overhead up to 5% of the donation amount. The overhead includes bank wire transfer fee, receipt mailing postage, office supplier. CMAIN has no plan to give any benefit to its board members, officers and volunteers.
4. Organizations receiving fund from CMAIN must be IRS approved 510(C)3 organizations. The fund must be used to public recognized projects.
5. CMAIN should not distribute the donation fund for irrelevant purposes.
6. Organizations receiving fund from CMAIN must complete the "RENEWAL REPORT" and get "Annual Recertification of Organizations Receiving CMAIN Funds Receiving Organization Information" (See attachment)

C. To provide educational activities

CMAIN will organize some seminars for Chinese immigrants. Topics include how to prepare for the disaster, how to ask for help after disaster, how to apply for fund, how to contribute to the society, what's the tax benefit for the donation.

1. Seminars are usually held in free public area, such as public libraries. Ticket to the seminar is usually less than \$10.
2. Seminars are open to public, limited to the available seats. Speakers are familiar with the topic or professionals in that area.
3. Admissions and sponsors income stays in the operation cost pool, used to cover Seminar expenses.
4. CMAIN members don't make any profit by organizing the seminars.
5. Important seminars will be recorded and shared online
6. Seminar topics are focused on issues interested to most of Chinese immigrants.

D. Activities in foreign countries

1. Foreign activities are strictly limited in China. The goal is to help people in need to get the fund quickly.
2. Fund transferred to China can only be received by organizations such as public schools, public hospitals, or Red Cross. These organizations must provide independent audit report and the fund distribution plan. The fund is not to be diverted to any other purpose. CMAIN member will supervise the donation project in China, providing reports.
3. CMAIN Beneficiary organization in China must be non-profit organization, must be assured by state-level NPO.
4. All donation and fund transfer transactions must be available to general public for auditing purpose.
5. CMAIN will not participant any political or military related donation program. Once the donation program is beyond public education, public health, and disaster relief, CMAIN will consult IRS to make sure the program is qualified charity program.
6. In the extremely unlikely event that China is listed as a terrorism country, CMAIN will stop any program not complied with the IRS and other government regulations immediately.
7. CMAIN will ask beneficiary to sign the contact to guarantee the fund will not be diverted to any terrorism organizations or countries.
8. Beneficiary organizations must provide final beneficiary list. Once any purchase from terrorism country is determined, the purchase order needs to be replaced. In the event the order cannot be replaced, CMAIN terminates the program and retrieve the fund.
9. Prior to the donation program, CMAIN conducts background investigation.

E. CMAIN follow-up procedures to ensure that all funds will be used for the stated purposes and retain control and discretion over the funds, assets, expenditures and grants to insure they will be used for charitable purpose

CMAIN reviews and approves requests for funds, goods and services made by other non-profit organizations.

1. The request starts by submitting 501(C)3 qualification. For organization in China, they have to prove they are non-profit, and is assured by state-level NPOs.
2. Show evidence of previous charity projects.
3. Provide the project background and the reason they need fund from CMAIN.
7. CMAIN board evaluates the request and asks independent organization to authenticate information.
8. Prior to receive the fund from CMAIN, the beneficiary organization must provide report about the fund usage plan, how and when the fund will be used, what kind of goal will be achieved by the fund.
9. After one month receives the fund, the beneficiary organization must provide receipt and fund usage report. And request to next phase of fund.
10. The beneficiary organization must complete the "RENEWAL REPORT", get the "Annual Recertification of Organizations Receiving CMAIN Funds Receiving Organization Information" (See attachment)
11. CMAIN doesn't charge any fees from the beneficiary.
12. Beneficiary must provide 3 references with written document to prove he/she encountered serious difficulties and he/she couldn't support him/her anymore. Fund usage plan should also be in the document.
13. CMAIN members will supervise the projects in China; will provide project status report every month.
14. Once beneficiary has different plan than the original plan contracted with CMAIN, CMAIN has the right to terminate the project, re-evaluate the project. If required document is not complete, CMAIN will suspend the project until the required document is complete.
15. In the event the fund is not distributed correctly, CMAIN will terminate the project and report to IRS and FBI for further investigation.

F. CMAIN foreign mission policy with regard to the solicitation of contributions and the distribution of funds.

1. CMAIN accepts donations world-wide. However, CMAIN only distribute the donation within US and China.
2. CMAIN provides choices for donors to select different donation programs



G. due diligence investigation is done in advance of grant-making

The cornerstone of our due diligence is to know our grantees. All of our non-U.S. grants are in China where our corporation have public affairs or other staff who recommend grantees and grant projects to the Foundation. In-country staff is responsible for meeting with the grantee and assisting the grantee in the completion of an Application. Form as well as the Pre-Grant Inquiry form that we use for Equivalency Determination.

These two forms together provide: background on the organization, its history, its board members, its mission and charitable purpose; at least two years of its financials detailing sources of income; and its budget for the present year. In the case of project funding, as opposed to general support, company staff request specific details on the objectives and time frame of the project and its total budget, as well as the grant amount being requested.

In the case of countries where the corporation does not have staff, the Foundation will often work on a donor-advised basis with a trusted U.S.-based public charity that has in country staff to meet with potential grantees, perform due diligence, and oversee the documentation process, as well as to disburse grants approved by their board. Examples of such public charities are 2008 Sichuan Earth Quake Relief Fund, which has foreign language capabilities and are giving heightened attention to the possibility of the diversion of funds

Our non-U.S. employees then recommend organizations at which they volunteer as potential grant recipients, and the U.S. public charity, through its own internal due diligence and decision-making process, makes the ultimate decision as to which organizations will receive funds.

Some of the public charities where CMAIN has set up donor-advised funds have amended their grant agreement letters to require certification by the grantee organization of the general nature: "Grantee Organization operates in compliance with the laws of its home country and confirms it actively does not support, directly or indirectly, any terrorist activities or violence of any kind."

Included in the standard application package that we require for all grants are an Application Form and Pre-grant Inquiry questionnaire as well as the following: official government registration (or explanation as to why the organization is not registered), a photocopy of governing documents, and financial statements. These materials are reviewed by headquarters philanthropic staff and in some cases our in-house lawyers. We are checking the names of all non-U.S. grantee organizations against the OFAC SDN List and in some cases, where a risk analysis would suggest the necessity, against other lists as well. However, this manual list-checking activity is not yet automated and, given the possibility of error and false-positives, we believe it is of very limited utility. In view of the proliferation of lists of this nature, and our staffing constraints, we urge Treasury to provide grant makers and others with a consolidated list of governmental and related lists of proscribed persons or entities against which our grantees should be checked. This would vastly simplify the process, reduce its cost and increase the degree and frequency of list checking.

Staff may also check on the grantee's reputation and track record by consulting with trusted third parties. This is especially important in area where we have been told that there have been incidences of diversion of funds for terrorist or other purposes. In the case of new grantees, input from senior staff, board members and other sources are taken into account when making grant decisions.

H. Will anyone from your organization make any field investigations to ensure your funds are being used properly? If yes, how often? How will your organization safeguard its assets and ensure the charitable use of the money oversea? Please fully explain.

If the grant has been approved internally and if, after review of the Pre-Grant Inquiry, we determine that we will exercise Expenditure Responsibility, we will ask that the grantee sign a Grant Agreement which obligates the grantee to supply an Annual Report detailing the use of funds on the grant report date (in some cases these reports are required more frequently).

The Grant Agreement letter that we use as part of the Expenditure Responsibility process refers to the explicit grant purposes as defined in the Application Form and provides for procedures to be followed if these are subsequently to be amended in any way. In countries where we have company staff, we ask that they remain in direct contact with the grantee and report back periodically on grant progress according to the detailed project outlines and budgets provided in the Application Form and Pre-Grant Inquiry.

I. What reports or other mechanisms are used to track the use of grant funds?

The detailed Annual Report required by the Expenditure Responsibility process is the main way we have of tracking the use of funds. On rare occasions we have found ourselves obliged, after at least two failed attempts to elicit these reports, to inform the grantee that its failure to comply means that it will receive no further grants from us.

J. If a public charity or a private foundation makes repeated grants to the same foreign grantee, how often does it perform renewed due diligence on the grantee?

CMAIN performs due diligence for each grant. Two grants to the same foreign grantee requires two instances of due diligence, including an Application Form, Pre-Grant Inquiry and so forth, but this may exceed standard practice. A renewal grant to the same grantee also requires renewed due diligence to be performed. We ask for a completed Application Form for all new grants, whether we have made a grant to the grantee before or not, and presently require renewed pre-grant documentation to determine equivalency (or lack there of) every two years, even in the case of multi-year grants to the same organization

K. Are grant agreements, reports, and other significant correspondence written or accurately translated into English? Are grant funds disbursed by Check, Electronic fund transfer, or Cash?

Grant agreements and reports are written in English. Other significant correspondence is written or translated into English. Grant disbursements outside of the United States are sent via check, by wire or electronic funds transfer. Grant disbursements within the United States are disbursed by check. CMAIN does not disburse funds by cash.

L. Are any members of your board of directors also members of the board of directors of the foreign entity? Describe any relationships between your board and the foreign board.

No.

M. How to become a member of CMAIN?

CMAIN will conduct background check for the applicant. Previous voluntary working experience with other NPOs is a plus. CMAIN board makes final decision.



N. CMAIN Conflict of Interest Policy

Article I, Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (CMAIN) 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:

1. An ownership or investment interest in any entity with which CMAIN has a transaction or arrangement,
2. A compensation arrangement with CMAIN or with any entity or individual with which CMAIN has a transaction or arrangement, or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which CMAIN 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

1. 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.
2. 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.
3. 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.
4. 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

1. 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.
2. 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:

1. 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.
2. 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

1. A voting member of the governing board who receives compensation, directly or indirectly, from CMAIN for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from CMAIN for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from CMAIN, 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:

1. Has received a copy of the conflicts of interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy, and
4. Understands CMAIN 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 CMAIN 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:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
2. Whether partnerships, joint ventures, and arrangements with management organizations conform to CMAIN'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, CMAIN 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.



O, copies of any written commitments or understandings that CMAIN will have with your donors. Provide copies of your solicitation materials.

2008, is a year of exciting, and proud, year of sigh with lamentation. Together, all we overseas Chinese experienced those remarkable moments for overseas Chinese started from April, 9th San Francisco.

On May 12th, 2008, a massive earthquake in China killed more than 60,000 people. Overseas Chinese put into action again to help our brothers and sisters in our homeland. Volunteers from Silicon Valley put into action right within 4 hours of the Earthquake, setup the donation channel and bought many tents, contact airline company to help victims suffering from this massive earthquake. All volunteers were from Silicon Valley Tsinghua Network, MITBBS. Till now, about 10000 donors from more than 30 countries donated from us, all donations have been 100% transferred to Sichuan victims.

During the volunteering working for Earthquake relief, we, volunteers have been sensing and deeply moved by the love and care from overseas to victims in all the time, we have been thinking how to serve all American Chinese community more effectively and constantly. Now we volunteers decide to form a non profitable organization: CHINESE MUTUAL AID INTERNATIONAL NETWORK (CMAIN). CMAIN will be a public charity non-profit organization, focus on disaster and event relief among all our American Chinese communities and people who is suffering in China and USA.

CMAIN is applying for IRS 501(c) (3) tax-exempt status. CMAIN is entirely volunteer-based, with completely transparent accounting methods of operations.

You can join us, to help more people who are suffering, to be a proud American Chinese!



CMAIN Policies and Procedures Contributions, Solicitation and Distribution

1.0 PURPOSE

To establish uniform standards and guidelines for the solicitation and distribution of contributions to the CMAIN Corporation and member teams.

2.0 POLICY

It is the policy of the CMAIN Board to review requests from Member Teams for CMAIN funds or services on the basis of defined need. The CMAIN Board shall solicit contributions from government, business and private sources for the purposes of Corporate administration, procurement and training operations.

3.0 DEFINITIONS

The following definitions will be used when referenced hereafter:

3.1 ANNUAL RECERTIFICATION - The official document filed annually by requesting organizations when those organizations have previously been approved and have been included in regular budget appropriations by the Board.

3.2 APPLICATION FORM - The official document, with noted attachments, that serves as a request for CMAIN funds, use of property or equipment, training operations, etc.

3.3 BOARD - The Board of Directors of the Association of Valley Emergency Response Teams.

3.4 BUDGET - The annual budget for CMAIN, funding all programs and operations based on a calendar year.

3.5 MEMBER - A general term to mean any emergency service trained individual, business entity, municipal entity, governmental entity or Board Member that has made application to and has been accepted by the CMAIN Board of Trustees. The various categories are collectively known as the MEMBERSHIP.

3.6 CONTRIBUTION - Any donation of funds, gifts, grants or resources in the form of cash, services, or property made by or to the CMAIN Corporation, to or by any government, business or private source.

3.7 COMMITTEE - The members of any specified standing committee within the CMAIN Corporation.

3.8 DISBURSEMENT OF FUNDS REPORT - An official report from any receiving Team, briefly detailing how the contribution was used.



3.9 CHARITABLE ORGANIZATION - Any benevolent, artistic, educational, philanthropic, humane, patriotic, social welfare, public health, environmental conservation, civic, or other similar organization which is entitled to tax exempt status under the laws of either the United States or the State of Utah.

3.10 PUBLIC PURPOSE - CMAIN's authority or responsibility to provide aid to relieve the disasters in USA and China as more particularly set out and defined in CMAIN's Mission Statement and Implementation plan.

3.11 WAIVER - Any dismissal of fees for the use of CMAIN facilities, property, equipment, administration, training personnel or other services.

3.12 ORGANIZATION - Any member team, CMAIN Corporate Entity or Charitable Organization as defined above.

4.0 GENERAL GUIDELINES

4.1 All contributions made by or to the CMAIN Corporation must be made to reflect a bona fide corporate purpose. Contributions made to benefit specified teams must be so identified and will be held in trust until said team requests release of those funds.

4.2 All requests must be made on the official application form noted above in 3.1, to the Board through the Fundraising Committee.

4.3 No contributions or waivers will be made to any member, team or outside organization which stands to gain commercially as a whole or individually.

4.4 All requesters must be a team or outside charitable organization.

4.5 All organizations receiving contributions will be required to submit a "Disbursement of Funds Report" within six months of receipt of said contribution and upon completion of project if not completed within six months, briefly outlining what was accomplished with the funds. These reports are to be submitted to the Board through the Fundraising Committee and any failure to submit the report on a timely basis may subject the organization to potential legal action for recovery of the contributed amounts.

5.0 REQUESTS FOR CONTRIBUTIONS/WAIVERS

5.1 Review Process

5.1.1 Every requested contribution under this policy must reflect a valid corporate purpose, as set out in paragraph 4.1 above. If a requested contribution does not meet a valid corporate purpose, it must be rejected by the Fundraising Committee.



5.1.2 If a requested contribution meets a corporate purpose, in order for it to be made in the form of an uncompensated contribution or donation, the Board must have specific statutory authority to make or receive such a contribution or donation.

5.1.3 In the event that a requested contribution does not fall within the provisions of a specific statutory grant of authority to make or receive an uncompensated donation, it may be processed, upon the recommendation of the Fundraising Committee, in the form of a contractual arrangement, with consideration flowing both to and from the Corporation, under the provisions of the CMAIN fund raising and procurement policies and procedures.

5.2 Applications must be submitted on the proper forms available through the World Wide Web or the Fundraising Committee.

5.3 The Fundraising Committee will meet as necessary to make recommendations to the Board regarding requested contributions.

5.3.1 The Fundraising Committee will be represented by one sitting Board member and consist of as many volunteers as required and appointed by the Board. The Corporate Attorney shall act as staff to the committee for the purposes of providing legal advice.

5.3.2 The Committee will be staffed by the Board. The Committee will be responsible for the following:

- a. meeting notifications, minutes and record keeping,
- b. obtaining specific Board approvals, and
- c. distribution, collection and tracking of application forms and disbursement of funds reports.

5.3.3 Any request which falls under the criteria outlined in Team Standard Operating Procedures must be processed as such according to those procedures, but must also meet the minimum legal requirements of this policy and procedure and of state law.

5.4 For any organization which the Board determines to be worthy of on-going annual donations to be included in CMAIN's annual budgeting process, the initial request for a donation shall be submitted by the organization in accordance with the terms of this policy and procedure. For each year thereafter when the Board determines to include that organization's request in the CMAIN budget, the requesting organization shall file an annual recertification notice which sets out the nature of the organization and that the services contemplated have not changed from the original request of that organization before any funds may be disbursed.



6.0 REQUESTS FOR USE OR TRANSFER OF SURPLUS PROPERTY

6.1 All requests will be handled according to Procurement Committee policies concerning Surplus Property.

7.0 When a matter has been reviewed and approved by the Fundraising Committee, in accordance with the provisions of this policy and state law and has been approved as such by the Corporate Attorney representative, further legal approval, except under circumstances in which a contract is required under procurement policies and procedures, is not required.



Answers to Questions Related to Detailed Description of all CMAIN Activities

1.

Each description includes as a minimum the following:

- a, A general description of the activity including its purpose and function.
- b, When it was or will be initiated.
- c, How, when, where and by whom it is or will be conducted.
- d, Requirements a person or organization must meet in order to participate in or receive benefit from the activity.
- e, Any charges or fees, their amount and their basis.
- f, What the activity has accomplished or will accomplish.
- g, Percentage of time and funds devoted to this activity.

A) to provide support to Victims in US who are suffering from natural disaster,

a, A general description of the activity including its purpose and function.

United States has lots of nature disasters caused by, for example, fire, flooding, hurricane and tornados. These nature disasters cause great loss. Many Chinese immigrants want to help victims. However due to the different culture background, most of them are not familiar with the rules and benefits of making charity donations in US. CMAIN would like to build the bridge for Chinese immigrants to contribute their efforts.

b, When it was or will be initiated.

When USA is hit by a natural disaster, CMAIN will initiate a donation activity for the disaster relief after board approval.

c, How, when, where and by whom it is or will be conducted.

1, How: After a disaster happens in USA, CMAIN will call for donation through media such as web site, public bulletin board, alumni email groups and local Chinese newspapers, etc.

CMAIN will call volunteers to join the project team, arrange schedule for volunteers, so there will be online/phone/email/mail service available every day for donors;

CMAIN's secretary will keep all documents/copy of checks/online transaction records for auditing purpose;

CMAIN's CFO will ensure/verify all transactions before receipts issued.

Donation could be made through check, cash, or online donations.

CMAIN may buy goods (tents, food, water, blanket etc.) and ship them to the disaster area (usually rescue centers) if needed. All purchasing should have a receipt for auditing. Any goods purchasing should follow CMAIN "Conflict of Interests" rules.

2. when: These activities will be started after the natural disaster after CMAIN board approval. Usually, in CMAIN, volunteer groups will work on the project after 6pm during work days and whole day during weekend.

3. Where: These activities will be carried out in CMAIN office which is located in 1172 Murphy Avenue, San Jose, CA 95131.

4. By Whom: These activities will be carried out by CMAIN board members, officers, and volunteers.

d, Requirements a person or organization must meet in order to participate in or receive benefit from the activity.

For natural disaster relief, CMAIN will not distribute donations to individuals directly. All donations will be distributed to either a 501(C)3 NPOs which directly involve in the disaster relief efforts or to a disaster relief team led directly by CMAIN.

Beneficiary cannot be profit-making organizations or businesses.

Beneficiary must present the plan on how to re-distribute the fund and the plan has to be approved by CMAIN board.

After receive the fund, beneficiary must be willing to take audit from a third party.

The fund must be used to public recognized projects, should not distribute the donation fund for irrelevant purposes.

Fund received from CMAIN by the beneficiary cannot be used for other purposes. Fund transfer transactions must have beneficiary's signature.

Organizations receiving fund from CMAIN must complete the "RENEWAL REPORT" and get "Annual Recertification of Organizations Receiving CMAIN Funds Receiving Organization Information" (See attachment 1)

e, Any charges or fees, their amount and their basis.

CMAIN limits the overhead cost up to 5% of the donation amount. The overhead includes bank wire transfer fee, receipt mailing postage, office suppliers. CMAIN will not give any salary and/or benefit to its board members, officers and volunteers.

f, What the activity has accomplished or will accomplish.

There is no activity accomplished yet. This kind of activity to help victims caused by natural disaster in US will be accomplished once a disaster occurred. CMAIN will not start such kind of activity till 501(c)3 status approved from IRS.

g, Percentage of time and funds devoted to this activity.

Time: 50%;

Fund: For fund specially setup for such disaster relief purpose, all fund will be used for this activity. For general fund in CMAIN, 50% of fund will be used for this activity.

B) to aid individuals

a, A general description of the activity including its purpose and function.

In United States, Chinese immigrants are getting a better living circumstance. However, sometimes some of them happen to have very unfortunate accidents, especially for those who don't have any family in the states. CMAIN will initiate a donation effort to help such kind of individuals to overcome their difficulties.

b, When it was or will be initiated.

When incident happens, victim(s) could submit a donation request. Upon approval, CMAIN will set up a special fund to help the victim(s).

c, How, when, where and by whom it is or will be conducted.

1, How: CMAIN will call volunteers to join the project team, arrange schedule for volunteers, so there will be online/phone/email/mail service available every day for donors;

CMAIN's secretary will keep all documents/copy of checks/online transaction records for auditing purpose;

CMAIN's CFO will ensure/verify all transactions before receipts issued.

Donation could be made through check, cash, or online donations.

CMAIN may buy goods (tents, food, water, blanket etc.) and ship them to the disaster area (usually rescue centers) if needed. All purchasing should have a receipt for auditing. Any goods purchasing should follow CMAIN "Conflict of Interests" rules.

2, when: After CMAIN board vote to start an aid project on some victim(s), Usually volunteer group will work on the project after 18:00 during work day and whole day during weekend.

3, Where: The main office will be in 1172 Murphy Avenue, San Jose, CA 95131 where all event will be conducted.

4, By Whom: CMAIN board members originate and organize the donation activities. CMAIN volunteers take part in the voluntary work.

d, Requirements a person or organization must meet in order to participate in or receive benefit from the activity.

Beneficiary must provide 3 references with written document to prove he/she encountered serious difficulties and he/she couldn't support him/her anymore. Fund usage should also be in the document.

CMAIN must get a signed receipt for each fund distribution.

Beneficiary cannot be a business organization, cannot be family members, relatives or affiliated business partners to any of the CMAIN volunteers.

Beneficiary cannot have connection with any terrorist, or any country support terrorism.

Beneficiary cannot have criminal history.

Beneficiary must accept conditions and terms made by CMAIN, and must take CMAIN's supervise, and must provide document to prove they are in need and the fund usage plan.

A charitable class must be large or indefinite enough that providing aid to members of the class benefits the community as a whole.

* temporarily in need of food or shelter when stranded, injured, or lost because of a disaster

* temporarily unable to be self-sufficient as a result of a sudden and severe personal or family crisis, such as victims of crimes of violence or physical abuse

e. Any charges or fees, their amount and their basis.

1. Minimum operation cost (such as postages, bank fees, office supplies) may be deducted from the donation, up to 5%.

f. What the activity has accomplished or will accomplish.

There is no activity accomplished yet. This kind of activity will be started a request approved by CMAIN board. CMAIN will not start such kind of activity till 501(c)3 status approved from IRS.

g. Percentage of time and funds devoted to this activity.

Time: 20%;

Fund: About 20% fund will be used for this activity.

C) to aid other organizations,

a. A general description of the activity including its purpose and function.

Sometimes, CMAIN don't have connections with some area that has local disasters, or, we don't have knowledge on how to relieve or distribute fund to help. We will have to find a reliable NPO that qualified with 501c3 by IRS to make the bridge for American Chinese for making their donation to help victims as soon as possible. In this case, CMAIN will transfer the donations to other NPOs (with 501c3 status).

b. When it was or will be initiated.

When USA is hit by a natural disaster, CMAIN will initiate a donation activity for the disaster relief after board approval.

c. How, when, where and by whom it is or will be conducted.

1, How: After a disaster happens in USA, CMAIN will call for donation through media such as web site, public bulletin board, alumni email groups and local Chinese newspapers, etc.

CMAIN will call volunteers to join the project team, arrange schedule for volunteers, so there will be online/phone/email/mail service available every day for donors;

CMAIN's secretary will keep all documents/copy of checks/online transaction records for auditing purpose;

CMAIN's CFO will ensure/verify all transactions before receipts issued.

Donation could be made through check, cash, or online donations.

CMAIN may buy goods (tents, food, water, blanket etc.) and ship them to the disaster area (usually rescue centers) if needed. All purchasing should have a receipt for auditing. Any goods purchasing should follow CMAIN "Conflict of Interests" rules.

2. When: These activities will be started after the natural disaster after CMAIN board approval. Usually, in CMAIN, volunteer groups will work on the project after 6pm during work days and whole day during weekend.

3, Where: These activities will be carried out in CMAIN office which is located in 1172 Murphy Avenue, San Jose, CA 95131.

4, By Whom: These activities will be carried out by CMAIN board members, officers, and volunteers.

d. Requirements a person or organization must meet in order to participate in or receive benefit from the activity.

For natural disaster relief, CMAIN will not distribute donations to individuals directly. All donations will be distributed to either a 501(C)3 NPOs which directly involve in the disaster relief efforts or to a disaster relief team led directly by CMAIN.

Beneficiary cannot be profit-making organizations or businesses.

Beneficiary must present the plan on how to re-distribute the fund and the plan has to be approved by CMAIN board.

After receive the fund, beneficiary must be willing to take audit from a third party.

The fund must be used to public recognized projects, should not distribute the donation fund for irrelevant purposes.

Fund received from CMAIN by the beneficiary cannot be used for other purposes. Fund transfer transactions must have beneficiary's signature.

Organizations receiving fund from CMAIN must complete the "RENEWAL REPORT" and get "Annual Recertification of Organizations Receiving CMAIN Funds Receiving Organization Information"(See attachment 1)

e. Any charges or fees, their amount and their basis.

CMAIN limits the overhead cost up to 5% of the donation amount. The overhead includes bank wire transfer fee, receipt mailing postage, office suppliers. CMAIN will not give any salary and/or benefit to its board members, officers and volunteers.

f. What the activity has accomplished or will accomplish.

There is no activity accomplished yet. This kind of activity to help victims caused by natural disaster in US will be accomplished once a disaster occurred. CMAIN will not start such kind of activity till 501(c)3 status approved from IRS.

g. Percentage of time and funds devoted to this activity.

Time: 5%;

Fund: 5% of fund will be used for this activity.

D) to provide support to victims in China who are suffering from natural disaster,

a. A general description of the activity including its purpose and function.

CMAIN's Foreign supports are strictly limited in China. The goal is to help people suffering disasters in China get the rescue/aid quickly and build a channel for them to get help from USA more efficiently.

b. When it was or will be initiated.

When USA is hit by a natural disaster, CMAIN will initiate a donation activity for the disaster relief after board approval.

c. How, when, where and by whom it is or will be conducted.

1, How: After a disaster happens in USA, CMAIN will call for donation through media such as web site, public bulletin board, alumni email groups and local Chinese newspapers, etc.

CMAIN will call volunteers to join the project team, arrange schedule for volunteers, so there will be online/phone/email/mail service available every day for donors;

CMAIN's secretary will keep all documents/copy of checks/online transaction records for auditing purpose;

CMAIN's CFO will ensure/verify all transactions before receipts issued.

Donation could be made through check, cash, or online donations.

CMAIN may buy goods (tents, food, water, blanket etc.) and ship them to the disaster area (usually rescue centers) if needed. All purchasing should have a receipt for auditing. Any goods purchasing should follow CMAIN "Conflict of Interests" rules.

CMAIN has volunteers in China to audit the transactions, to make sure it is qualified as charity donations restricted by the 501(C)3 code.

2. when: These activities will be started after the natural disaster after CMAIN board approval. Usually, in CMAIN, volunteer groups will work on the project after 6pm during work days and whole day during weekend.

3, Where: These activities will be carried out in CMAIN office which is located in 1172 Murphy Avenue, San Jose, CA 95131.

4, By Whom: These activities will be carried out by CMAIN board members, officers, and volunteers.

d, Requirements a person or organization must meet in order to participate in or receive benefit from the activity.

1, For natural disaster relief in China, CMAIN will not distribute fund to individuals directly. All fund will be distributed to Chinese NPOs directly for charity purpose.

2, Fund transferred to China can only be received by organizations such as public schools, public hospitals. These organizations must provide the fund distribution plan and independent audit report. The fund is not to be diverted to any other purpose. CMAIN will supervise the project in China, providing reports.

3. CMAIN Beneficiary organization in China must be non-profit organization, must be assured by country-level NPO. Beneficiary cannot be profit-making organizations or businesses.

4. All donation and fund transfer transactions records must be available to public for auditing purpose.

5. CMAIN will not be involved in any political or military related donation program. Once the donation program is beyond public education, public health, and disaster relief, CMAIN will consult IRS to make sure the program is qualified charity activity.

6. In the extremely unlikely event that China is listed as a terrorism country, CMAIN will stop any program not complied with the IRS and other government regulations immediately.

7. CMAIN will ask beneficiary to sign the contract to guarantee the fund will not be diverted to any terrorism organizations or countries.

8. Beneficiary organizations must provide final beneficiary list. Once any purchase from terrorism country is determined, the purchase order needs to be replaced. In the event the order cannot be replaced, CMAIN terminates the program and retrieve the fund.

9. Prior to the donation program, CMAIN conducts background investigation.

10, CMAIN will comply with the OFAC regulation; apply for license from OFAC before any kind of transactions /event related to overseas.

11, Beneficiary must present the plan on how to re-distribute the fund and the plan has to be approved by CMAIN board.

12, After receiving the fund, beneficiary must be willing to take audit from a third party.

13, The fund must be used to public recognized projects, and charitable class. Should not distribute the donation fund for irrelevant purposes.

14, Fund received from CMAIN by the beneficiary cannot be used for other purposes. Fund transfer transactions must have beneficiary's signature.

15, Organizations receiving fund from CMAIN must complete the "RENEWAL REPORT" and get "Annual Recertification of Organizations Receiving CMAIN Funds Receiving Organization Information" (See attachment 1)

e, Any charges or fees, their amount and their basis.

CMAIN limits the overhead cost up to 5% of the donation amount. The overhead includes bank wire transfer fee, receipt mailing postage, office suppliers. CMAIN will not give any salary and/or benefit to its board members, officers and volunteers.

f, What the activity has accomplished or will accomplish.

There is no activity accomplished yet. This kind of activity to help victims caused by natural disaster in China will be accomplished once a disaster occurred. CMAIN will not start such kind of activity till 501(c)3 status approved from IRS.

g. Percentage of time and funds devoted to this activity.

Time: 5%;

Fund: For fund specially setup for such disaster relief purpose, all fund will be used for this activity. For general fund in CMAIN, 5% of fund will be used for this activity.

E) to provide support to people in difficulties,

a. A general description of the activity including its purpose and function.

In United States, Chinese immigrants are getting a better living circumstance. However, sometimes some of them happen to have very unfortunate accidents, especially for those who don't have any family in the states. CMAIN will initiate a donation effort to help such kind of individuals to overcome their difficulties.

b. When it was or will be initiated.

When incident happens, victim(s) could submit a donation request. Upon approval, CMAIN will set up a special fund to help the victim(s).

c. How, when, where and by whom it is or will be conducted.

1, How: CMAIN will call volunteers to join the project team, arrange schedule for volunteers, so there will be online/phone/email/mail service available every day for donors;

CMAIN's secretary will keep all documents/copy of checks/online transaction records for auditing purpose;

CMAIN's CFO will ensure/verify all transactions before receipts issued.

Donation could be made through check, cash, or online donations.

CMAIN may buy goods (tents, food, water, blanket etc.) and ship them to the disaster area (usually rescue centers) if needed. All purchasing should have a receipt for auditing. Any goods purchasing should follow CMAIN "Conflict of Interests" rules.

2, when: After CMAIN board vote to start an aid project on some victim(s), Usually volunteer group will work on the project after 18:00 during work day and whole day during weekend.

3, Where: The main office will be in 1172 Murphy Avenue, San Jose, CA 95131 where all event will be conducted.

4, By Whom: CMAIN board members originate and organize the donation activities. CMAIN volunteers take part in the voluntary work.

d. Requirements a person or organization must meet in order to participate in or receive benefit from the activity.

Beneficiary must provide 3 references with written document to prove he/she encountered serious difficulties and he/she couldn't support him/her anymore. Fund usage should also be in the document.

CMAIN must get a signed receipt for each fund distribution.

Beneficiary cannot be a business organization, cannot be family members, relatives or affiliated business partners to any of the CMAIN volunteers.

Beneficiary cannot have connection with any terrorist, or any country support terrorism.

Beneficiary cannot have criminal history.

Beneficiary must accept conditions and terms made by CMAIN, and must take CMAIN's supervise, and must provide document to prove they are in need and the fund usage plan.

A charitable class must be large or indefinite enough that providing aid to members of the class benefits the community as a whole.

* temporarily in need of food or shelter when stranded, injured, or lost because of a disaster

* temporarily unable to be self-sufficient as a result of a sudden and severe personal or family crisis, such as victims of crimes of violence or physical abuse

e, Any charges or fees, their amount and their basis.

1. Minimum operation cost (such as postages, bank fees, office supplies) may be deducted from the donation, up to 5%.

f, What the activity has accomplished or will accomplish.

There is no activity accomplished yet. This kind of activity will be started a request approved by CMAIN board. CMAIN will not start such kind of activity till 501(c)3 status approved from IRS.

g, Percentage of time and funds devoted to this activity.

Time: 20%;

Fund: About 20% fund will be used for this activity.

F) to provide self rescue education to community,

a, A general description of the activity including its purpose and function.

CMAIN will organize some seminars for Chinese immigrants. Topics include how to avoid / survive disasters, what people should do during and after the disasters. how to prepare for the disaster, how to ask for help after disaster, Meanwhile CMAIN will spread out the information on how to donate to NPO to help more people in USA, how to apply for fund, how to contribute to the society, what's the tax benefit for the donation. Build up correct concept on donation.

b. When it was or will be initiated.

We will initiate this kind of event after we get 501(C)3 status.

c. How, when, where and by whom it is or will be conducted.

1,how: Once a topic is chosen, CMAIN will spread the news through media such as web site, public bulletin board, alumni email groups and local Chinese newspapers broadcasts. People have to reserve a seat in advance via phone fax or email.

CMAIN members don't make any profit by organizing the seminars.
Important seminars will be recorded and shared online
Seminar topics are focused on issues interested to most of Chinese immigrants.

2, when: usually this kind of seminar will be hold during weekend.

3, where: Seminars are usually held in free public area, such as public libraries.. Milpitas Library is ideal place, it is located in the middle of the Silicon Valley.

4, by whom: CMAIN volunteer team. Team leader will take care of the details, all team leaders report to CMAIN board monthly.

d. Requirements a person or organization must meet in order to participate in or receive benefit from the activity.

Basically, anyone live in Bay Area can join the seminar. Seminars are open to public, limited to the available seats. Speakers are familiar with the topic or professionals in that area.

e. Any charges or fees, their amount and their basis.

Free of the charge.

f. What the activity has accomplished or will accomplish.

Many Chinese donated to Sichuan Earthquake relief last year. So we will hold a seminar on how to deal with tax return forms for donation this month (March 2009).

g. Percentage of time and funds devoted to this activity.

Time: 5%

Fund: 5% of CMAIN general fund.

G) to provide educational activities,

All CMAIN educational activities will be limited to Self rescue education.

a, A general description of the activity including its purpose and function.

CMAIN will organize some seminars for Chinese immigrants. Topics include how to avoid / survive disasters, what people should do during and after the disasters. how to prepare for the disaster, how to ask for help after disaster, Meanwhile CMAIN will spread out the information on how to donate to NPO to help more people in USA, how to apply for fund, how to contribute to the society, what's the tax benefit for the donation. Build up correct concept on donation.

b, When it was or will be initiated.

We will initiate this kind of event after we get 501(C)3 status.

c, How, when, where and by whom it is or will be conducted.

1,how: Once a topic is chosen, CMAIN will spread the news through media such as web site, public bulletin board, alumni email groups and local Chinese newspapers broadcasts. People have to reserve a seat in advance via phone fax or email.

CMAIN members don't make any profit by organizing the seminars.
Important seminars will be recorded and shared online
Seminar topics are focused on issues interested to most of Chinese immigrants.

2, when: usually this kind of seminar will be hold during weekend.

3, where: Seminars are usually held in free public area, such as public libraries.. Milpitas Library is ideal place, it is located in the middle of the Silicon Valley.

4, by whom: CMAIN volunteer team. Team leader will take care of the details, all team leaders report to CMAIN board monthly.

d, Requirements a person or organization must meet in order to participate in or receive benefit from the activity.

Basically, anyone live in Bay Area can join the seminar. Seminars are open to public, limited to the available seats. Speakers are familiar with the topic or professionals in that area.

e, Any charges or fees, their amount and their basis.

Free of the charge.

f, What the activity has accomplished or will accomplish.

Many Chinese donated to Sichuan Earthquake relief last year. So we will hold a seminar on how to deal with tax return forms for donation this month (March 2009).

g, Percentage of time and funds devoted to this activity.

Time: 5%

Fund: 5% of CMAIN general fund.

H) to have activities in foreign countries.

All CMAIN activities in foreign countries will be only in China, for natural disaster relief.

a, A general description of the activity including its purpose and function.

CMAIN's Foreign supports are strictly limited in China. The goal is to help people suffering disasters in China get the rescue/aid quickly and build a channel for them to get help from USA more efficiently.

b, When it was or will be initiated.

When USA is hit by a natural disaster, CMAIN will initiate a donation activity for the disaster relief after board approval.

c, How, when, where and by whom it is or will be conducted.

1, How: After a disaster happens in USA, CMAIN will call for donation through media such as web site, public bulletin board, alumni email groups and local Chinese newspapers, etc.

CMAIN will call volunteers to join the project team, arrange schedule for volunteers, so there will be online/phone/email/mail service available every day for donors;

CMAIN's secretary will keep all documents/copy of checks/online transaction records for auditing purpose;

CMAIN's CFO will ensure/verify all transactions before receipts issued.

Donation could be made through check, cash, or online donations.

CMAIN may buy goods (tents, food, water, blanket etc.) and ship them to the disaster area (usually rescue centers) if needed. All purchasing should have a receipt for auditing. Any goods purchasing should follow CMAIN "Conflict of Interests" rules.

CMAIN has volunteers in China to audit the transactions, to make sure it is qualified as charity donations restricted by the 501(C)3 code.

2, when: These activities will be started after the natural disaster after CMAIN board approval. Usually, in CMAIN, volunteer groups will work on the project after 6pm during work days and whole day during weekend.

3, Where: These activities will be carried out in CMAIN office which is located in 1172 Murphy Avenue, San Jose, CA 95131.

4, By Whom: These activities will be carried out by CMAIN board members, officers, and volunteers.

d, Requirements a person or organization must meet in order to participate in or receive benefit from the activity.

1, For natural disaster relief in China, CMAIN will not distribute fund to individuals directly. All fund will be distributed to Chinese NPOs directly for charity purpose.

2. Fund transferred to China can only be received by organizations such as public schools, public hospitals. These organizations must provide the fund distribution plan and independent audit report. The fund is not to be diverted to any other purpose. CMAIN will supervise the project in China, providing reports.
3. CMAIN Beneficiary organization in China must be non-profit organization, must be assured by country-level NPO. Beneficiary cannot be profit-making organizations or businesses.
4. All donation and fund transfer transactions records must be available to public for auditing purpose.
5. CMAIN will not be involved in any political or military related donation program. Once the donation program is beyond public education, public health, and disaster relief, CMAIN will consult IRS to make sure the program is qualified charity activity.
6. In the extremely unlikely event that China is listed as a terrorism country, CMAIN will stop any program not complied with the IRS and other government regulations immediately.
7. CMAIN will ask beneficiary to sign the contract to guarantee the fund will not be diverted to any terrorism organizations or countries.
8. Beneficiary organizations must provide final beneficiary list. Once any purchase from terrorism country is determined, the purchase order needs to be replaced. In the event the order cannot be replaced, CMAIN terminates the program and retrieve the fund.
9. Prior to the donation program, CMAIN conducts background investigation.

10. CMAIN will comply with the OFAC regulation; apply for license from OFAC before any kind of transactions /event related to overseas.

11. Beneficiary must present the plan on how to re-distribute the fund and the plan has to be approved by CMAIN board.

12. After receiving the fund, beneficiary must be willing to take audit from a third party.

13. The fund must be used to public recognized projects, and charitable class. Should not distribute the donation fund for irrelevant purposes.

14. Fund received from CMAIN by the beneficiary cannot be used for other purposes. Fund transfer transactions must have beneficiary's signature.

15. Organizations receiving fund from CMAIN must complete the "RENEWAL REPORT" and get "Annual Recertification of Organizations Receiving CMAIN Funds Receiving Organization Information" (See attachment 1)

e. Any charges or fees, their amount and their basis.

CMAIN limits the overhead cost up to 5% of the donation amount. The overhead includes bank wire transfer fee, receipt mailing postage, office suppliers. CMAIN will not give any salary and/or benefit to its board members, officers and volunteers.

f. What the activity has accomplished or will accomplish.

There is no activity accomplished yet. This kind of activity to help victims caused by natural disaster in China will be accomplished once a disaster occurred. CMAIN will not start such kind of activity till 501(c)3 status approved from IRS.

g. Percentage of time and funds devoted to this activity.

Time: 5%;

Fund: For fund specially setup for such disaster relief purpose, all fund will be used for this activity. For general fund in CMAIN, 5% of fund will be used for this activity.

2.

A) Please furnish more details concerning your plans to aid the individuals. List the criteria used in selecting the recipients of this aid. How will eligible recipients know of the aid?

A charitable class must be large or indefinite enough that providing aid to members of the class benefits the community as a whole.

temporarily in need of food or shelter when stranded, injured, or lost because of a disaster

temporarily unable to be self-sufficient as a result of a sudden and severe personal or family crisis, such as victims of crimes of violence or physical abuse

CMAIN must get a signed receipt for each fund distribution and maintain a CMAIN_AID_RECORD (see attachment 2)

Beneficiary cannot be a business organization, cannot be family members, relatives or affiliated business partners to any of the CMAIN volunteers.

Beneficiary cannot have connection with any terrorist, or any country support terrorism.

Beneficiary must accept conditions and terms made by CMAIN, and must take CMAIN's supervise, and must provide document to prove they are in need and the fund usage plan.

CMAIN will not distribute aid/fund to individuals at one time, and will not distribute fund to the individual directly even though the individuals passed CMAIN review and CMAIN agreed to aid.

Anytime individuals need to be aided, CMAIN board will review the application again and investigate the usage of the fund, then CMAIN will pay to the vendors instead of giving the fund to the individuals need aid. CMAIN will have volunteers in China for the investigation to ensure all fund has been used properly.

How will eligible recipients know of the aid?

In USA and in China, CMAIN will publish our information and background to the public through public media, like newspapers, broadcast, TV, websites.

B) Submit a statement over the signature of an officer of the organization that records will be maintained to show the aid given, circumstances surrounding need for the aid, name of the recipient, and recipient's relationship, if any, to your organization.

Please see attachment 4 . "

3.

A) Please furnish more details concerning your plans to aid the other organizations. List the criteria used in selecting the recipients of this aid. HOW will eligible recipients know of the aid?

For organizations in USA:

* All organizations should be in 501 (c)(3) status.

* Beneficiary must present the plan on how to re-distribute the fund and the plan has to be approved by CMAIN board.

* The fund must be used to public recognized projects, should not distribute the donation fund for irrelevant purposes.

* Fund received from CMAIN by the beneficiary cannot be used for other purposes. Fund transfer transactions must have beneficiary's signature.

For beneficiary organizations in China:

2, Fund transferred to China can only be received by organizations such as public schools, public hospitals. These organizations must provide the fund distribution plan and independent audit report.

The fund is not to be diverted to any other purpose. CMAIN will supervise the project in China, providing reports.

3. CMAIN Beneficiary organization in China must be non-profit organization, must be assured by country-level NPO. Beneficiary cannot be profit-making organizations or businesses.

4. All donation and fund transfer transactions records must be available to public for auditing purpose.

5. CMAIN will not be involved in any political or military related donation program. Once the donation program is beyond public education, public health, and disaster relief, CMAIN will consult IRS to make sure the program is qualified charity activity.

6. In the extremely unlikely event that China is listed as a terrorism country, CMAIN will stop any program not complied with the IRS and other government regulations immediately.

7. CMAIN will ask beneficiary to sign the contract to guarantee the fund will not be diverted to any terrorism organizations or countries.

8. Beneficiary organizations must provide final beneficiary list. Once any purchase from terrorism country is determined, the purchase order needs to be replaced. In the event the order cannot be replaced, CMAIN terminates the program and retrieve the fund.

9. Prior to the donation program, CMAIN conducts background investigation.

10. CMAIN will comply with the OFAC regulation; apply for license from OFAC before any kind of transactions /event related to overseas.

11. Beneficiary must present the plan on how to re-distribute the fund and the plan has to be approved by CMAIN board.

12. After receiving the fund, beneficiary must be willing to take audit from a third party.

13. The fund must be used to public recognized projects, and charitable class. Should not distribute the donation fund for irrelevant purposes.

14. Fund received from CMAIN by the beneficiary cannot be used for other purposes. Fund transfer transactions must have beneficiary's signature.

15. Organizations receiving fund from CMAIN must complete the "RENEWAL REPORT" and get "Annual Recertification of Organizations Receiving CMAIN Funds Receiving Organization Information" (See attachment 1)

How will eligible recipients know of the aid?

In USA and in China, CMAIN will publish our information and background to the public through public media, like newspapers, broadcast, TV, websites.

B) Charitable organizations must retain discretion and control over the use of funds they donate and maintain records establishing that the funds are used for charitable purposes. Please fully explain, how will your organization retain control and discretion over the funds to insure they will be used for charitable purposes.

For charitable organizations in USA, the charitable organizations must be in 501 (c)3 status. Such organization should submit the proposal of fund use to apply for the CMAIN fund.

For charitable organizations in China, following methods will be taken to retain control and discretion over the funds to insure they will be used for charitable purposes.

1. The charitable organizations need submit a grant request with detail purpose, fund use, process of selecting beneficiary etc.. In some cases, upon approval of CMAIN board, a field investigation of the activities of the requesting foreign organization is needed. Then CMAIN board could pre-approves this foreign grant request;

2. Periodic accounting of grant funds are required to submit to CMAIN by this charitable organization in China.
3. CMAIN retains the power to refuse grants that are requested from foreign organizations;
4. CMAIN retains the right to withdraw approval of a grant and perhaps even to receive a refund of any unexpended grant funds;
5. A written agreement is required between CMAIN and the foreign organization recipient as to the use of the funds;
6. Continuous field investigations occur to ensure that the grant money is used in accordance with the terms of the agreement or within the parameters of the grant request and award;
7. Grant monies are used for specific projects in furtherance of CMAIN's exempt purposes, and are not used merely for general administrative expenses of the foreign organization recipient;

C)

Explain in detail your follow-up procedures to ensure that all funds will be used for the stated purposes. Give the procedures you will follow if you discover a misuse of those funds. Specify what reports will be required of the recipients of the funds and indicate whether these reports are submitted each week, month, year or when.

Following are procedures required by CMAIN if an organization received funds from CMAIN.

1. Written progress reports every month;
2. Required accounting or financial statements every quarter;
3. Required internal or independent audits and inspections every year;
4. On-site program inspections by grantor personnel every half of year;
5. Retention of discretion as to when the fund will be remitted based on administration policies and grant agreements, including the policy and practice of refusing conditional or earmarked gifts that create an obligation to remit the funds immediately
6. Adequate oversight (supervision) and review (program evaluation) of compliance with administration policies by the governing board and/or the organizations independent auditors

D) Submit a statement over the signature of a principal officer that all funds your organization donates will be limited to organizations who are a USA governmental units and or who are exempt from Federal income tax under section 501(c)(3) of the code and who is not a private foundation within the meaning of 509(a) of the code.

Please see statement 3 : DECLARATION UNDER PENALTY OF PERJURY-STATEMENT

done

4.

Please provide a complete, detailed description of each of your educational training, programs, seminars and/or workshops. Include information pertaining to qualifications and compensation of instructors or speakers, topics covered, copies of educational literature used, a schedule of representative charges and fees, how and to whom the programs are publicized, who may attend, etc.

CMAIN will organize some seminars for Chinese immigrants. Topics include how to avoid / survive disasters, what people should do during and after the disasters. how to prepare for the disaster, how to ask for help after disaster, Meanwhile CMAIN will spread out the information on how to donate to NPO to help more people in USA, how to apply for fund, how to contribute to the

society, what's the tax benefit for the donation. Build up correct concept on donation.

We will initiate this kind of event after we get 501c3 proved

Once a topic is chosen, CMAIN will spread the news through media such as web site, public bulletin board, alumni email groups and local Chinese newspapers broadcasts. People have to reserve a seat in advance via phone fax or email.

CMAIN members don't make any profit by organizing the seminars.

Important seminars will be recorded and shared online

Seminar topics are focused on issues interested to most of Chinese immigrants.

Usually this kind of seminar will be hold during weekend.

Seminars are usually held in free public area, such as public libraries. Milpitas Library is ideal place. It is located in the middle of the Silicon Valley.

CMAIN Team leader will take care of the details, all team leaders report to CMAIN board monthly.

Basically, anyone live in bay area can join the seminar. Seminars are open to public, limited to the available seats. Speakers are familiar with the topic or professionals in that area.

There will be no compensation for any speaker or instructors, speaker or instructors should be public recognized professional on disaster rescue, like fireman, police or others who can provide fair and accurate information.

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5.

Please provide the following concerning your foreign activities/operations of aiding needy persons:

A) Will your organization provide aid and cash money to individual in foreign countries? If so please fully explain.

CMAIN will not distribute cash to individuals in foreign countries.

B) Please provide resumes for each and all your broad of directors, officers and or employees of your organization. In addition please provide a resume for any person(s) who makes any decision in or for your organization.

Please find resumes in attachment 9

C)Has or will your organization do back ground checks on all broad members, officers, employees, and or any one who has received or will receive funds from your organization? If not please fully explain why not? If so, please fully explain who will and how Will your organization do these back ground checks?

D) Please fully explain, what review or changes in practice has your organization made or will make to ensure that foreign expenditures or grants are used for the stated purposes.

E) How will your organization retain control and discretion over the funds, assets, expenditures and grants to insure they will be used for charitable purposes? Explain in detail your follow-up procedures to ensure that all funds will be used for the stated purposes.

F)

Give the procedures you will follow if you discover a misuse of those funds. Specify what reports will be required of the recipients of the funds and indicate whether these reports are submitted each week, month, and year or when.

G)

What kind of due diligence investigation is done in advance of grant-making?

H)

In the aftermath of September 11, 2001, what practices has your organization formed to ensure that foreign expenditures or grants are not diverted to support terrorism or other non-charitable activities? If you operate in a sanctioned country, will you acquire from OFAC the appropriate registration and license? When you conduct activities in the foreign countries, and at a late date, in other developing countries, will you check the OFAC list for names of persons with whom you are dealing who may reside in the sanctioned or non-sanctioned countries in which the organization may be operating?

-

6.

Please provide the following concerning your foreign activities of aiding other organizations/and having foreign projects:

A)

Will you donate aid and money to organizations located in foreign countries? If so, you must comply with the following.

B)

Revenue Ruling 63-252, 1963-2 C.B. 101 and 66-79, 1966-1 C.B. 48, provide that contributions to certain domestic charitable organizations are deductible if it can be shown that the gift is, in fact, to or for the use of the domestic organization and that the domestic organization is not serving as an agent for, or a channel of, a foreign charitable organization. Contributions to the domestic organization would be deductible if the domestic organization has reviewed, and approved the foreign project as being in furtherance of its own exempt purposes and if the domestic organization has control and discretion as to the use of the contributions given to foreign organizations.

In order to determine whether contributions made to your organization would be deductible, please provide information to show how your organization will have control and discretion as to the use of any funds you give to any foreign organizations.

Please review Revenue Ruling 63-252. It states that contributions to certain domestic charitable organizations are deductible if it can be shown that the gift is, in fact, to or for the use of the domestic organization, and that the domestic organization is not serving as an agent for, or channel for, a foreign charitable organization.

In reaching this conclusion, the revenue ruling states that it seems clear that the requirements of section 170(c)(2)(A) of the Code would be nullified if contributions inevitably committed to go to a foreign organization were held to be deductible solely because, in the course of transmittal to the foreign organization, they came to rest momentarily in a qualifying domestic organization.

In such cases, the domestic organization is only nominally the donee; the real donee is the ultimate foreign recipient.

a. How is your organization different or similar to the organizations described in Rev. Rel. 63-252?

CMAIN is similar to the organizations described in Rev. Rel 63-252.

CMAIN may conduct charitable activities in China. Where granting funds to charitable groups organized in China can further its purposes, CMAIN makes such grants for purposes, which it has reviewed and approved. The grants are paid from CMAIN's general funds and although CMAIN solicits from the public, no special fund is raised by a solicitation on behalf of particular foreign organizations in China.

b. Does your organization maintain control and responsibility over the use of any funds, goods and services granted to foreign organizations? If yes, explain in detail how you exercise such control?

Yes.

CMAIN reviews and approves requests for funds, goods and services made by other non-profit organizations.

1. The request starts by submitting 501(C)3 qualification. For organization in China, they have to prove they are non-profit, and are assured by country-level NPOs.
2. Show evidence of previous charity projects.
3. Provide the project background and the reason they need fund from CMAIN.
7. CMAIN board evaluates the request and asks independent organization to authenticate information.
8. Prior to receive the fund from CMAIN, the beneficiary organization must provide report about the fund usage plan, how and when the fund will be used, what kind of goal will be achieved by the fund.
9. After one month receives the fund, the beneficiary organization must provide receipt and fund usage report. And request to next phase of fund.
10. The beneficiary organization must complete the "RENEWAL REPORT", get the "Annual Recertification of Organizations Receiving CMAIN Funds Receiving Organization Information" (See attachment)
11. CMAIN doesn't charge any fees from the beneficiary.
12. Beneficiary must provide 3 references with written document to prove he/she encountered serious difficulties and he/she couldn't support him/her anymore. Fund usage plan should also be in the document.
13. CMAIN members will supervise the projects in China; will provide project status report every month.
14. Once beneficiary has different plan than the original plan contracted with CMAIN, CMAIN has the right to terminate the project, re-evaluate the project. If required document is not complete, CMAIN will suspend the project until the required document is complete.
15. In the event the fund is not distributed correctly, CMAIN will terminate the project and report to IRS and FBI for further investigation.

c. Will anyone from your organization make any field investigations to ensure your funds, goods and services are being used properly? If yes, then how often?

If the grant has been approved internally and if, after review of the Pre-Grant Inquiry, we determine that we will exercise Expenditure Responsibility, we will ask that the grantee sign a Grant Agreement which obligates the

grantee to supply an Annual Report detailing the use of funds on the grant report date (in some cases these reports are required more frequently).

The Grant Agreement letter that we use as part of the Expenditure Responsibility process refers to the explicit grant purposes as defined in the Application Form and provides for procedures to be followed if these are subsequently to be amended in any way. In China where we have company staff, we ask that they remain in direct contact with the grantee and report back periodically on grant progress according to the detailed project outlines and budgets provided in the Application Form and Pre-Grant Inquiry.

d. Does your organization have full control and discretion over funds, goods and services donated to you or do the other organizations control the funds, goods and services?

CMAIN will have full control and discretion over funds goods and services donated to us, instead of other organizations.

e. How does your organization ensure that the funds, goods and services you donate to the other organizations are used for the purposes that they were intended? Please explain.

1. For organization in China, they have to prove they are non-profit, and are assured by country-level NPOs.
2. Show evidence of previous charity projects.
3. Provide the project background and the reason they need fund from CMAIN.
7. CMAIN board evaluates the request and asks independent organization to authenticate information.
8. Prior to receive the fund from CMAIN, the beneficiary organization must provide report about the fund usage plan, how and when the fund will be used, what kind of goal will be achieved by the fund.
9. After one month receives the fund, the beneficiary organization must provide receipt and fund usage report. And request to next phase of fund.
10. The beneficiary organization must complete the "RENEWAL REPORT", get the "Annual Recertification of Organizations Receiving CMAIN Funds Receiving Organization Information" (See attachment)
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13. CMAIN members will supervise the projects in China; will provide project status report every month.
14. Once beneficiary has different plan than the original plan contracted with CMAIN, CMAIN has the right to terminate the project, re-evaluate the project. If required document is not complete, CMAIN will suspend the project until the required document is complete.
15. In the event the fund is not distributed correctly, CMAIN will terminate the project and report to IRS and FBI for further investigation.

f. Does your organization have a procedure for reviewing and approving requests for funds, goods and services made by the other organizations? If yes, please describe the process.

Yes,

1,

C)

Please provide a copy of your foreign mission policy with regard to the solicitation of contributions and the distribution of funds. Also, provide copies of any written commitments or understandings that you will have with your donors. Provide copies of your solicitation materials.

See attachment 3
CMAIN Policies and Procedures.doc

D)

What kind of due diligence investigation is done in advance of grant-making?

The cornerstone of our due diligence is to know our grantees. All of our non-U.S. grants are in China where our corporation has public affairs or other staff who recommend grantees and grant projects to the Foundation. CMAIN staff is responsible for meeting with the grantee and ask grantee to complete the Application Form as well as the Pre-Grant Inquiry form that we use for Equivalency Determination.

These two forms together provide: background on the organization, its history, its board members, its mission and charitable purpose; at least two years of its financials detailing sources of income; and its budget for the present year. In the case of project funding, as opposed to general support, company staff request specific details on the objectives and time frame of the project and its total budget, as well as the grant amount being requested.

In the case of countries where the corporation does not have staff, the Foundation will often work on a donor-advised basis with a trusted U.S.-based public charity that has in-country staff to meet with potential grantees, perform due diligence, and oversee the documentation process, as well as to disburse grants approved by their board. Examples of such public charities are 2008 Sichuan Earth Quake Relief Fund, which has foreign language capabilities and are giving heightened attention to the possibility of the diversion of funds

Our non-U.S. employees then recommend organizations at which they volunteer as potential grant recipients, and the U.S. public charity, through its own internal due diligence and decision-making process, makes the ultimate decision as to which organizations will receive funds.

Some of the public charities where CMAIN has set up donor-advised funds have amended their grant agreement letters to require certification by the grantee organization of the general nature: "Grantee Organization operates in compliance with the laws of its home country and confirms it actively does not support, directly or indirectly, any terrorist activities or violence of any kind."

Included in the standard application package that we require for all grants are an Application Form and Pre-grant Inquiry questionnaire as well as the following: official government registration (or explanation as to why the organization is not registered), a photocopy of governing documents, and financial statements. These materials are reviewed by headquarters philanthropic staff and in some cases our in-house lawyers. We are checking the names of all non-U.S. grantee organizations against the OFAC SDN List and in some cases, where a risk analysis would suggest the necessity, against other lists as well. However, this manual list-checking activity is not yet automated and, given the possibility of error and false-positives, we believe it is of very limited utility. In view of the proliferation of lists of this nature, and our staffing constraints, we urge Treasury to provide grant makers and others with a consolidated list of governmental and related lists of proscribed persons or entities against which our grantees should be checked. This would vastly simplify the process, reduce its cost and increase the degree and frequency of list checking.

Staff may also check on the grantee's reputation and track record by consulting with trusted third parties. This is especially important in area where we have been told that there have been incidences of diversion of funds for terrorist or other purposes. In the case of new grantees, input from senior staff, board members and other sources are taken into account when making grant decisions.

E)

Explain in detail how your organization will maintain control and responsibility over the use of any funds expended for your foreign activities.

1. For organization in China, they have to prove they are non-profit, and is assured by country-level NPOs.
2. Show evidence of previous charity projects.
3. Provide the project background and the reason they need fund from CMAIN.
7. CMAIN board evaluates the request and asks independent organization to authenticate information.
8. Prior to receive the fund from CMAIN, the beneficiary organization must provide report about the fund usage plan, how and when the fund will be used, what kind of goal will be achieved by the fund.
9. After one month receives the fund, the beneficiary organization must provide receipt and fund usage report. And request to next phase of fund.
10. The beneficiary organization must complete the "RENEWAL REPORT", get the "Annual Recertification of Organizations Receiving CMAIN Funds Receiving Organization Information" (See attachment)
11. Fund will not be transferred to the beneficiary in China at one time, CMAIN will review the need of fund every time the foreign NPO making a request.
12. Beneficiary must provide 3 references with written document to prove he/she encountered serious difficulties and he/she couldn't support him/her anymore. Fund usage plan should also be in the document.
13. CMAIN members will oversee the projects in China; will provide project status report every month so that CMAIN can decide next round fund transferring.
14. Once beneficiary has different plan than the original plan contracted with CMAIN, CMAIN has the right to terminate the project, re-evaluate the project. If required document is not complete, CMAIN will suspend the project until the required document is complete.
15. In the event the fund is not distributed correctly, CMAIN will terminate the project and report to IRS and FBI for further investigation

f)

Will anyone from your organization make any field investigations to ensure your funds are being used properly? If yes, how often? How will your organization safeguard its assets and ensure the charitable use of the money oversea? Please fully explain.

Yes. CMAIN board will assign CMAIN member to oversee the project every 2 month in China.

8. The charitable organizations need submit a grant request with detail purpose, fund use, process of selecting beneficiary etc.. In some cases, upon approval of CMAIN board, a field investigation of the activities of the requesting foreign organization is needed. Then CMAIN board could pre-approves this foreign grant request;
9. Periodic accounting of grant funds are required to submit to CMAIN by this charitable organization in China.
10. CMAIN retains the power to refuse grants that are requested from foreign organizations;
11. CMAIN retains the right to withdraw approval of a grant and perhaps even to receive a refund of any unexpended grant funds;
12. A written agreement is required between CMAIN and the foreign organization recipient as to the use of the funds;
13. Continuous field investigations occur to ensure that the grant money is used in accordance with the terms of the agreement or within the parameters of the grant request and award;
14. Grant monies are used for specific projects in furtherance of CMAIN's exempt purposes, and are not used merely for general administrative expenses of the foreign organization recipient;

G)

What reports or other mechanisms are used to track the use of grant funds?

The detailed Annual Report required by the Expenditure Responsibility process is the main way we have of tracking the use of funds. On rare occasions we have found ourselves obliged, after at least two failed attempts to elicit these reports, to inform the grantee that its failure to comply means that it will receive no further grants from us.

See attachment 10

H)

If a public charity or a private foundation makes repeated grants to the same foreign grantee, how often does it perform renewed due diligence on the grantee?

CMAIN performs due diligence for each grant. Two grants to the same foreign grantee requires two instances of due diligence, including an Application Form, Pre-Grant Inquiry and so forth, but this may exceed standard practice. A renewal grant to the same grantee also requires renewed due diligence to be performed. We ask for a completed Application Form for all new grants, whether we have made a grant to the grantee before or not, and presently require renewed pre-grant documentation to determine equivalency (or lack there of) every two years, even in the case of multi-year grants to the same organization

I)

Are grant agreements, reports, and other significant correspondence written or accurately translated into English?

Yes. Grant agreements and reports are written in English. Other significant correspondence is written or translated into English.

J) _____

Are grant funds disbursed by

- a. Check,
- b. Electronic fund transfer, or
- c. Cash?

Grant disbursements outside of the United States are sent via check, by wire or electronic funds transfer. Grant disbursements within the United States are disbursed by check. CMAIN does not disburse funds by cash.

K)

Are any members of your board of directors also members of the board of directors of the foreign entity?
Describe any relationships between your board and the foreign board

No

L) Are contributions, gifts and grants paid only to organizations exempt under IRC 501(c)(3)? Most foreign organizations are not determined to be exempt under IRC 501(c)(3). If not, please explain the criteria that will be used to maintain expenditure responsibility. How will you ensure that the grants paid will be used for exempt purposes under IRC 501(c)(3).

1. The charitable organizations need submit a grant request with detail purpose, fund use, process of selecting beneficiary etc.. In some cases, upon approval of CMAIN board, a field investigation of the activities of the requesting foreign organization is needed. Then CMAIN board could pre-approve this foreign grant request;
2. Periodic accounting of grant funds are required to submit to CMAIN by this charitable organization in China.
3. CMAIN retains the power to refuse grants that are requested from foreign organizations;
4. CMAIN retains the right to withdraw approval of a grant and perhaps even to receive a refund of any unexpended grant funds;
5. A written agreement is required between CMAIN and the foreign organization recipient as to the use of the funds;
6. Continuous field investigations occur to ensure that the grant money is used in accordance with the terms of the agreement or within the parameters of the grant request and award;
7. Grant monies are used for specific projects in furtherance of CMAIN's exempt purposes, and are not used merely for general administrative expenses of the foreign organization recipient;

M) What specific practices and safeguards has, or will, the organization put in place to ensure that grants to foreign recipients are not diverted for nonexempt purposes and overseas activities are in furtherance of its exempt purposes?

If the grant has been approved internally and if, after review of the Pre-Grant Inquiry, we determine that we will exercise Expenditure Responsibility, we will ask that the grantee sign a Grant Agreement which obligates the grantee to supply an Annual Report detailing the use of funds on the grant report date (in some cases these reports are required more frequently).

The Grant Agreement letter that we use as part of the Expenditure Responsibility process refers to the explicit grant purposes as defined in the Application Form and provides for procedures to be followed if these are subsequently to be amended in any way. In countries where we have company staff, we ask that they remain in direct contact with the grantee and report back periodically on grant progress according to the detailed project outlines and budgets provided in the Application Form and Pre-Grant Inquiry.

N) In order to determine if your organizations foreign expenditures and grant-making process are exempt activities, please answer the following questions:

a. What kind of due diligence investigation is done in advance of grant-making?

The cornerstone of our due diligence is to know our grantees. Most of our non-U.S.

grants are in countries where our corporations have public affairs or other staff who recommend grantees and grant projects to the Foundation. In-country staff is responsible for meeting with the grantee and assisting the grantee in the completion of an Application Form as well as the Pre-Grant Inquiry form that we use for Equivalency Determination.

These two forms together provide: background on the organization, its history, its board members, its mission and charitable purpose; at least two years of its financials detailing sources of income; and its budget for the present year. In the case of project funding, as opposed to general support, company staff request specific details on the objectives and time frame of the project and its total budget, as well as the grant amount being requested.

In the case of countries where the corporation does not have staff, the Foundation will often work on a donor-advised basis with a trusted U.S.-based public charity that has in country staff to meet with potential grantees, perform due diligence, and oversee the documentation process, as well as to disburse grants approved by their board. Examples of such public charities are CAF America, United Way International, and Give2Asia, all of which have foreign language capabilities and are giving heightened attention to the possibility of the diversion of funds, especially in countries where terrorist activities have occurred. An example is our worldwide “dollars for doers” grant making program. To run this program, we make a large annual donation to a U.S.-based public charity. Our non-U.S. employees then recommend organizations at which they volunteer as potential grant recipients, and the U.S. public charity, through its own internal due diligence and decision-making process, makes the ultimate decision as to which organizations will receive funds.

Some of the public charities where Corporate Foundation X has set up donor-advised funds have amended their grant agreement letters to require certification by the grantee organization of the general nature: “Grantee Organization operates in compliance with the laws of its home country and confirms it actively does not support, directly or indirectly, any terrorist activities or violence of any kind.”

Included in the standard application package that we require for all grants are an Application Form and Pre-grant Inquiry questionnaire as well as the following: official government registration (or explanation as to why the organization is not registered), a photocopy of governing documents, and financial statements. These materials are reviewed by headquarters philanthropic staff and in some cases our in-house lawyers, who may also consult the Council on Foundations’ international philanthropy website, called usig.org, to review relevant country legislation in English for 30 countries. We are checking the names of all non-U.S. grantee organizations against the OFAC SDN List and in some cases, where a risk

analysis would suggest the necessity, against other lists as well. However, this manual list-checking activity is not yet automated and, given the possibility of error and false-positives, we believe it is of very limited utility. In view of the proliferation of lists of this nature, and our staffing constraints, we urge Treasury to

provide grant makers and others with a consolidated list of governmental and related lists of proscribed persons or entities against which our grantees should be checked. This would vastly simplify the process, reduce its cost and increase the degree and frequency of list checking. Like our corporate peers, we are also checking, or planning to begin checking, the names of all U.S. 501(c)(3) organizations receiving matching grants through our employee gift matching program. We make 7,000 matching grants a year to U.S. 501(c)(3)'s, and a streamlined mechanism for checking is essential.

Staff may also check on the grantee's reputation and track record by consulting with trusted third parties. This is especially important in countries where we have been told that there have been incidences of diversion of funds for terrorist or other purposes. In the case of new grantees, input from senior staff, board members and other sources are taken into account when making grant decisions.

b. What provisions are used by grant agreements to ensure grants are used for their intended purpose?

If the grant has been approved internally and if, after review of the Pre-Grant Inquiry, we determine that we will exercise Expenditure Responsibility, we will ask that the grantee sign a Grant Agreement which obligates the grantee to supply an Annual Report detailing the use of funds on the grant report date (in some cases these reports are required more frequently).

The Grant Agreement letter that we use as part of the Expenditure Responsibility process refers to the explicit grant purposes as defined in the Application Form and provides for procedures to be followed if these are subsequently to be amended in any way. In countries where we have company staff, we ask that they remain in direct contact with the grantee and report back periodically on grant progress according to the detailed project outlines and budgets provided in the Application Form and Pre-Grant Inquiry.

c. What reports or other mechanisms are used to track the use of grant funds?

The detailed Annual Report required by the Expenditure Responsibility process is the main way we have of tracking the use of funds. On rare occasions we have found ourselves obliged, after at least two failed attempts to elicit these reports, to inform the grantee that its failure to comply means that it will receive no further grants from us.

d. If your organization makes or plans to make repeated grants to the same foreign grantee, how often does it perform renewed due diligence on the grantee?

Our institution performs due diligence for each grant. Two grants to the same foreign grantee requires two instances of due diligence, including an Application Form, Pre-Grant Inquiry and so forth, but this may exceed standard practice. A renewal grant to the same grantee also requires renewed due diligence to be performed. We ask for a completed Application Form for all new grants, whether we have made a grant to the grantee before or not, and presently require renewed pre-grant documentation to determine equivalency (or lack thereof) every two years, even in the case of multi-year grants to the same organization.

e. Are, or will, grant agreements, reports, and other significant correspondence written or accurately translated into English? Are grant funds to be disbursed by check? By electronic funds transfer? By cash?

Grant agreements and reports are written in English. Other significant correspondence is written or translated into English. Grant disbursements outside of the United States are sent via check, by wire or electronic funds transfer. Grant disbursements within the United States are disbursed by check. CMAIN does not disburse funds by cash.

f. In the aftermath of September 11, 2001, what practices has your organization formed to ensure that foreign expenditures or grants are not diverted to support terrorism or other non-charitable activities? If you operate in a sanctioned country, will you acquire from OFAC the appropriate

registration and license? When you conduct activities in the foreign countries, and at a late date, in other developing countries, will you check the OFAC list for names of persons with whom you are dealing who may reside in the sanctioned or non-sanctioned countries in which the organization may be operating?

- OFAC and other relevant “list” checking;
- Language added to certain grant agreements regarding violence and terrorist activities; and
- Increased due diligence procedures concerning grantees and their staff and, in some but not all cases, concerning grantee board members in countries where incidences of diversion of funds to terrorist activities have been reported.

g.

A domestic organization may not qualify for exemption if its primary activity is supporting a foreign government. Supporting a foreign government is not a recognized charitable purpose under IRC 501(c)(3). State whether or not your organization is directly supporting a foreign government.

No, CMAIN will not be supporting a foreign government.

h.

Please provide resumes for each and all your broad of directors, officers and or employees of your organization. In addition please provide a resume for any person(s) who makes any decision in or for your organization.

See attachment 9

i.

Has or will your organization do back ground checks on all broad members, officers, employees, and or any one who has received or will receive funds from your organization? If not please fully explain why not? If so, please fully explain who will and how will your organization do these back ground checks?

Yes, CMAIN will do background check on all board members join CMAIN in future, in USA, CMAIN will do background check on individuals and organizations receive funds from CMAIN , usually CMAIN will heir 3rd party investigation company to do this, meanwhile, CMAIN will ask local NPO provide related info on nenificiary. CMAIN asks for 3-5 references for individual beneficiary and all organizations receive funds from CMAIN must be 501(c)3 qualified NPO.