

Return of Organization Exempt From Income Tax

2003

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements.

Open to Public Inspection

A For the 2003 calendar year, or tax year beginning and ending

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return
 Amended return
 Application pending

C Name of organization
RONALD MCDONALD HOUSE CHARITIES OF ALABAMA, INC.
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
920 17TH STREET SOUTH
 City or town, state or country, and ZIP + 4
BIRMINGHAM, AL 35205

D Employer identification number
63-0753358

E Telephone number
(205) 933-0692

F Accounting method Cash Accrual
 Other (specify) **▶**

G Website: **▶ N/A**

J Organization type (check only one) 501(c) (3) (insert no) 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. **Some states require a complete return.**

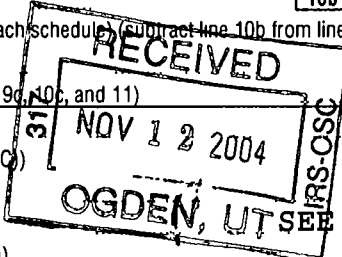
L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **▶ 997,593.**

H and I are not applicable to section 527 organizations.
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates **▶**
H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number **▶**

M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

1 Contributions, gifts, and similar amounts received:					
a	Direct public support	1a	563,048.		
b	Indirect public support	1b	19,216.		
c	Government contributions (grants)	1c			
d	Total (add lines 1a through 1c) (cash \$ 579,789. noncash \$ 2,475.)	1d		582,264.	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		43,265.	
3	Membership dues and assessments	3			
4	Interest on savings and temporary cash investments	4			
5	Dividends and interest from securities	5		41,061.	
6a	Gross rents	6a			
6b	Less: rental expenses	6b			
6c	Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7	Other investment income (describe ▶)	7			
8a	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
		100,000.	8a	4,623.	
b	Less: cost or other basis and sales expenses	100,421.	8b		
c	Gain or (loss) (attach schedule)	-421.	8c	4,623.	
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	STMT 1		STMT 2	
8d				4,202.	
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including \$ 0. of contributions reported on line 1a)	9a	220,926.		
b	Less: direct expenses other than fundraising expenses	9b	31,724.		
9c	Net income or (loss) from special events (subtract line 9b from line 9a)			189,202.	
10a	Gross sales of inventory, less returns and allowances	10a			
b	Less: cost of goods sold	10b			
10c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)				
11	Other revenue (from Part VII, line 103)	11		5,454.	
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		865,448.	
13	Program services (from line 44, column (B))	13		386,001.	
14	Management and general (from line 44, column (C))	14		55,441.	
15	Fundraising (from line 44, column (D))	15		33,947.	
16	Payments to affiliates (attach schedule)	16		14,002.	
17	Total expenses (add lines 16 and 44, column (A))	17		489,391.	
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18		376,057.	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		2,339,349.	
20	Other changes in net assets or fund balances (attach explanation)	20		165,135.	
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		2,880,541.	



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**RONALD MCDONALD HOUSE CHARITIES OF
ALABAMA, INC.**

63-0753358

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

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Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule)				
	cash \$ _____ noncash \$ _____				
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc.	78,750.	62,674.	8,038.	8,038.
26	Other salaries and wages	125,951.	100,239.	12,856.	12,856.
27	Pension plan contributions				
28	Other employee benefits				
29	Payroll taxes	16,101.	12,843.	1,629.	1,629.
30	Professional fundraising fees				
31	Accounting fees	16,291.	6,672.	6,505.	3,114.
32	Legal fees				
33	Supplies	6,144.	5,148.	475.	521.
34	Telephone	11,924.	9,540.	1,192.	1,192.
35	Postage and shipping	2,189.	875.	657.	657.
36	Occupancy	42,090.	41,159.	465.	466.
37	Equipment rental and maintenance				
38	Printing and publications				
39	Travel				
40	Conferences, conventions, and meetings				
41	Interest				
42	Depreciation, depletion, etc. (attach schedule)	57,865.	56,617.	624.	624.
43	Other expenses not covered above (itemize):				
a	_____				
b	_____				
c	_____				
d	_____				
e	SEE STATEMENT 6	118,084.	90,234.	23,000.	4,850.
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15	475,389.	386,001.	55,441.	33,947.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____.

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? SEE ATTACHED STATEMENT

SEE ATTACHED STATEMENT

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)

a	TO PROVIDE A FACILITY FOR USE BY CHILDREN AND THEIR IMMEDIATE FAMILIES NEEDING LOW-COST LODGING DURING EXTENDED MEDICAL TREATMENT IN BIRMINGHAM AREA HOSPITALS. SEE ATTACHED STATEMENT FOR MORE INFORMATION. (Grants and allocations \$ _____)	386,001.
b	_____ (Grants and allocations \$ _____)	
c	_____ (Grants and allocations \$ _____)	
d	_____ (Grants and allocations \$ _____)	
e	Other program services (attach schedule) (Grants and allocations \$ _____)	
f	Total of Program Service Expenses (should equal line 44, column (B), Program services)	386,001.

Part IV Balance Sheets

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year	(B) End of year
Assets	45 Cash - non-interest-bearing	70,221.	45 241,831.
	46 Savings and temporary cash investments		46
	47 a Accounts receivable	47a 32,606.	
	b Less: allowance for doubtful accounts	47b	47c 32,606.
	48 a Pledges receivable	48a	
	b Less: allowance for doubtful accounts	48b	48c
	49 Grants receivable		49
	50 Receivables from officers, directors, trustees, and key employees		50
	51 a Other notes and loans receivable	51a	
	b Less: allowance for doubtful accounts	51b	51c
	52 Inventories for sale or use		52
	53 Prepaid expenses and deferred charges		53
	54 Investments - securities	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV	54
	55 a Investments - land, buildings, and equipment: basis	55a	
	b Less: accumulated depreciation	55b	55c
56 Investments - other	SEE STATEMENT 7	1,418,093.	56 1,572,851.
57 a Land, buildings, and equipment: basis	57a 1,735,663.		
b Less: accumulated depreciation	57b 935,610.	852,227.	57c 800,053.
58 Other assets (describe ▶ SEE STATEMENT 8)			58 258,333.
59 Total assets (add lines 45 through 58) (must equal line 74)		2,353,106.	59 2,905,674.
Liabilities	60 Accounts payable and accrued expenses	6,133.	60 25,133.
	61 Grants payable	7,500.	61
	62 Deferred revenue		62
	63 Loans from officers, directors, trustees, and key employees		63
	64 a Tax-exempt bond liabilities		64a
	b Mortgages and other notes payable		64b
	65 Other liabilities (describe ▶ OTHER LIABILITIES)		124.
66 Total liabilities (add lines 60 through 65)		13,757.	66 25,133.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.		
	67 Unrestricted	1,807,949.	67 2,292,795.
	68 Temporarily restricted		68 56,346.
	69 Permanently restricted	531,400.	69 531,400.
	Organizations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 70 through 74.		
	70 Capital stock, trust principal, or current funds		70
	71 Paid-in or capital surplus, or land, building, and equipment fund		71
	72 Retained earnings, endowment, accumulated income, or other funds		72
73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)		2,339,349.	73 2,880,541.
74 Total liabilities and net assets / fund balances (add lines 66 and 73)		2,353,106.	74 2,905,674.

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

**RONALD MCDONALD HOUSE CHARITIES OF
ALABAMA, INC.**

Form 990 (2003)

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Part VI	Other Information		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77	X	
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a		X
b	If "Yes," has it filed a tax return on Form 990-T for this year? N/A	78b		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a		X
b	If "Yes," enter the name of the organization and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.			
81 a	Enter direct or indirect political expenditures. See line 81 instructions 81a 0.			
b	Did the organization file Form 1120-POL for this year?	81b		X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) 82b N/A			
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A	84b		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members? N/A	85a		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? N/A	85b		
	If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.			
c	Dues, assessments, and similar amounts from members 85c N/A			
d	Section 162(e) lobbying and political expenditures 85d N/A			
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e N/A			
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f N/A			
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? N/A	85g		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? N/A	85h		
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12 86a N/A			
b	Gross receipts, included on line 12, for public use of club facilities 86b N/A			
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders 87a N/A			
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b N/A			
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88		X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 0.; section 4912 0.; section 4955 0.			
b	501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ 0.			
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ 0.			
90 a	List the states with which a copy of this return is filed ▶ ALABAMA			
b	Number of employees employed in the pay period that includes March 12, 2003 90b 13			
91	The books are in care of ROBERTA SHAPIRO Telephone no. (205) 933-0692			
	Located at 920 17TH STREET SOUTH, BIRMINGHAM, ALABAMA ZIP + 4 35205			
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92 N/A			

RONALD MCDONALD HOUSE CHARITIES OF ALABAMA, INC.

Form 990 (2003)

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Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
Note: Enter gross amounts unless otherwise indicated.					
93 Program service revenue:					
a ROOM RENTALS					43,265.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	41,061.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	4,202.	
101 Net income or (loss) from special events			01	189,202.	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a VENDING					3,269.
b WASHER & DRYER					2,141.
c NOVELTY ITEMS			01	44.	
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		234,509.	48,675.
105 Total (add line 104, columns (B), (D), and (E))					283,184.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	SEE STATEMENT 10

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Accompanying schedules and statements, and to the best of my knowledge and belief, it is true, information of which preparer has any knowledge

1/4/04 Date Check if self-
A. Sims Garrison - Treasurer
Preparer's SSN or PTIN

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information-(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No 1545-0047

2003

Name of the organization **RONALD MCDONALD HOUSE CHARITIES OF ALABAMA, INC.** Employer identification number **63 0753358**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE -----				

Total number of other employees paid over \$50,000 ▶	0			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE -----		

Total number of others receiving over \$50,000 for professional services ▶	0	

RONALD MCDONALD HOUSE CHARITIES OF

Part III Statements About Activities (See page 2 of the instructions.)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.	1	X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)		
a Sale, exchange, or leasing of property?	2a	X
b Lending of money or other extension of credit?	2b	X
c Furnishing of goods, services, or facilities?	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	X
e Transfer of any part of its income or assets?	2e	X
3 a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.)	3a	X
b Do you have a section 403(b) annuity plan for your employees?	3b	X
4 Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4	X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ► _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 of the instructions.)

RONALD MCDONALD HOUSE CHARITIES OF

Schedule A (Form 990 or 990-EZ) 2003 **ALABAMA, INC.**

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Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) Use cash method of accounting.
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	189,167.	171,834.	174,181.	159,895.	695,077.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	32,713.	35,627.	37,667.	28,381.	134,388.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	52,628.	66,243.	65,829.	4,997.	189,697.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	274,508.	273,704.	277,677.	193,273.	1,019,162.
24 Line 23 minus line 17	241,795.	238,077.	240,010.	164,892.	884,774.
25 Enter 1% of line 23	2,745.	2,737.	2,777.	1,933.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 17,695.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 143,487.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 884,774.
d Add: Amounts from column (e) for lines: 18 189,697. 19 _____ 22 _____ 26b 143,487.					26d 333,184.
e Public support (line 26c minus line 26d total)					26e 551,590.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 62.3425%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c N/A
d Add: Line 27a total _____ and line 27b total _____					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)	27f N/A				
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

NONE

RONALD MCDONALD HOUSE CHARITIES OF

Part V Private School Questionnaire (See page 7 of the instructions.)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.) _____ _____ _____		
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.) _____		
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.) _____ _____		
34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation		

RONALD MCDONALD HOUSE CHARITIES OF

Schedule A (Form 990 or 990-EZ) 2003 ALABAMA, INC.

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Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.) N/A

(To be completed ONLY by an eligible organization that filed Form 5768)

Check **a** if the organization belongs to an affiliated group. Check **b** if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations												
		N/A													
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36														
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37														
38 Total lobbying expenditures (add lines 36 and 37)	38														
39 Other exempt purpose expenditures	39														
40 Total exempt purpose expenditures (add lines 38 and 39)	40														
41 Lobbying nontaxable amount. Enter the amount from the following table -															
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">If the amount on line 40 is -</td> <td style="width: 50%;">The lobbying nontaxable amount is -</td> </tr> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 40</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </table>	If the amount on line 40 is -	The lobbying nontaxable amount is -	Not over \$500,000	20% of the amount on line 40	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000	41		
If the amount on line 40 is -	The lobbying nontaxable amount is -														
Not over \$500,000	20% of the amount on line 40														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
42 Grassroots nontaxable amount (enter 25% of line 41)	42														
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43														
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44														
Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.															

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities N/A

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h.)			0.
If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.			

FORM 990 GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES STATEMENT 1

DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
PHILADELPHIA ELECTRIC CO - 100 UNITS	100,000.	100,421.	0.	-421.
TO FORM 990, PART I, LINE 8	100,000.	100,421.	0.	-421.

FORM 990 GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 2

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
CAPITAL GAIN DIVIDENDS	VARIOUS	VARIOUS	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	4,623.	0.	0.	0.	4,623.
TO FM 990, PART I, LN 8	4,623.	0.	0.	0.	4,623.

FORM 990 SPECIAL EVENTS AND ACTIVITIES STATEMENT 3

DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME
FOUNDERS AWARDS DINNER	117,319.		117,319.	20,570.	96,749.
GOLF TOURNEY	54,488.		54,488.	7,899.	46,589.
YLB EVENT	13,664.		13,664.	1,983.	11,681.
BIG FISH	35,455.		35,455.	1,272.	34,183.
TO FM 990, PART I, LINE 9	220,926.		220,926.	31,724.	189,202.

FORM 990 PAYMENTS TO AFFILIATES STATEMENT 4

AFFILIATE'S NAME	AFFILIATE'S ADDRESS	AMOUNT
RONALD MCDONALD HOUSE CHARITIES - NATIONAL	ONE KROC DRIVE, OAKBROOK, IL 60523	
PURPOSE OF PAYMENT		
REMITTANCE TO AFFILIATE BASED ON 25% OF CANISTER DONATIONS		14,002.
TOTAL TO FORM 990, PART I, LINE 16		14,002.

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 5

DESCRIPTION	AMOUNT
NET UNREALIZED GAIN ON INVESTMENTS	165,135.
TOTAL TO FORM 990, PART I, LINE 20	165,135.

FORM 990 OTHER EXPENSES STATEMENT 6

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
DUES & SUBSCRIPTIONS	400.		400.	
INSURANCE	31,071.	26,044.	4,521.	506.
MAINTENANCE, GROUNDS	240.	234.	3.	3.
MAINTENANCE, BUILDING	10,912.	10,670.	121.	121.
MISCELLANEOUS EXPENSES	439.	158.	245.	36.
PAYROLL SERVICE	1,790.	1,430.	180.	180.
PEST CONTROL	395.	387.	4.	4.
WASHER & DRYER SERVICE	1,553.	1,553.		
INVESTMENT EXPENSES	12,927.		12,927.	
TRAINING & DEVELOPMENT	325.	113.	106.	106.
DONOR, VOLUNT, & STAFF RECOGNITION	2,768.	1,449.	413.	906.
MAINTENANCE, EQUIPMENT	5,587.	2,766.	1,464.	1,357.

RONALD MCDONALD HOUSE CHARITIES OF ALABA

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JANITORIAL SERVICES	35,825.	35,033.	396.	396.
BANK SERVICE CHARGES	258.		258.	
PERSONNEL				
RECRUITMENT	511.		511.	
BOARD & COMMITTEE				
MEETING EXPENSE	842.	17.	825.	
FUNDRAISING EXPENSES	936.			936.
CONSULTING FEES	1,567.	642.	626.	299.
SECURITY EXPENSE	9,738.	9,738.		
TOTAL TO FM 990, LN 43	118,084.	90,234.	23,000.	4,850.

FORM 990 OTHER INVESTMENTS STATEMENT 7

DESCRIPTION	VALUATION METHOD	AMOUNT
ENDOWMENT FUND - UNRESTRICTED	MARKET VALUE	1,041,451.
ENDOWMENT FUND - PERMANENTLY RESTRICTED	MARKET VALUE	531,400.
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		1,572,851.

FORM 990 OTHER ASSETS STATEMENT 8

DESCRIPTION	AMOUNT
BENEFICIAL INTEREST IN REMAINDER TRUST	258,333.
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B	258,333.

FORM 990

PART V - LIST OF OFFICERS, DIRECTORS,
TRUSTEES AND KEY EMPLOYEES

STATEMENT 9

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
DENSON FRANKLIN, III 1819 FIFTH AVENUE NORTH BIRMINGHAM, AL 35203	PRESIDENT/CHAIRMAN 2	0.	0.	0.
MATTHEW AIKEN 1901 SIXTH AVENUE NORTH, SUITE 2600 BIRMINGHAM, AL 35203	VICE PRESIDENT 2	0.	0.	0.
TODD SHARLEY, JR 2501 20TH PLACE SOUTH, SUITE 400 BIRMINGHAM, AL 35223	VICE PRESIDENT 2	0.	0.	0.
SIMS GARRISON 2830 CAHABA RD BIRMINGHAM, AL 35213	TREASURER 2	0.	0.	0.
PATRICIA PRITCHETT 500 22ND STREET SOUTH, SUITE 504 BIRMINGHAM, AL 35233	SECRETARY 2	0.	0.	0.
MAX COOPER 121 SUMMIT PKWY BIRMINGHAM, AL 35209	CHAIRMAN EMERITUS 2	0.	0.	0.
ROBERTA SHAPIRO 920 17TH STREET SOUTH BIRMINGHAM, AL 35205	EXECUTIVE DIRECTOR 45	78,750.	0.	0.
DEBBIE KIKER 121 SUMMIT PKWY BIRMINGHAM, AL 35209	BOARD MEMBER 2	0.	0.	0.
NINA BRU 825 C 39TH STREET SOUTH BIRMINGHAM, AL 35222	BOARD MEMBER 2	0.	0.	0.
DR. ELI CAPILOUTO 1530 3RD AVENUE SOUTH-AB1064 BIRMINGHAM, AL 35294	BOARD MEMBER 2	0.	0.	0.

SUZAN DOIDGE 3533 ROCKHILL ROAD BIRMINGHAM, AL 35233	BOARD MEMBER 2	0.	0.	0.
LORI EWOLDSEN 1600 7TH AVENUE SOUTH BIRMINGHAM, AL 35233	BOARD MEMBER 2	0.	0.	0.
WENDY FILLER 2904 CAHABA BROOK LANE BIRMINGHAM, AL 35243	BOARD MEMBER 2	0.	0.	0.
SUSAN FITZGIBBON 2100 16TH AVENUE SOUTH BIRMINGHAM, AL 35205	BOARD MEMBER 2	0.	0.	0.
DR. WALDEMAR CARLO 620 20TH STREET SOUTH BIRMINGHAM, AL 35233	BOARD MEMBER 2	0.	0.	0.
CHIP GARDNER P.O. BOX 130579 BIRMINGHAM, AL 35213	BOARD MEMBER 2	0.	0.	0.
RICK HANNA 204 SOUTH TEMPLE AVE FAYETTE, AL 35555	BOARD MEMBER 2	0.	0.	0.
ELEANOR BARNES 1600 7TH AVENUE SOUTH BIRMINGHAM, AL 35233	BOARD MEMBER 2	0.	0.	0.
CYNTHIA BARGINERE 619 19TH STREET SOUTH BIRMINGHAM, AL 35294	BOARD MEMBER 2	0.	0.	0.
DR. PAMELA BURKS MT 419, ZIP 4410 BIRMINGHAM, AL 35294	BOARD MEMBER 2	0.	0.	0.
SUSAN BROUILLETTE 4752 HIGHWAY 280 EAST BIRMINGHAM, AL 35242	BOARD MEMBER 2	0.	0.	0.
MAYO FLYNT 3196 HIGHWAY 280 SOUTH, STE. 302 N BIRMINGHAM, AL 35243	BOARD MEMBER 2	0.	0.	0.
LEISHA HARRIS 800 MONTCLAIR ROAD BIRMINGHAM, AL 35213	BOARD MEMBER 2	0.	0.	0.

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DANITA JOYNER P.O. DRAWER 318237 BIRMINGHAM, AL 35238	BOARD MEMBER 2	0.	0.	0.
ALAN LOTT 1900 FIFTH AVENUE NORTH BIRMINGHAM, AL 35203	BOARD MEMBER 2	0.	0.	0.
JACKIE MARTINEK 2010 BROOKWOOD MEDICAL CENTER DRIVE BIRMINGHAM, AL 35209	BOARD MEMBER 2	0.	0.	0.
J. BURTON MCDONALD P.O. BOX 10247 BIRMINGHAM, AL 35202	BOARD MEMBER 2	0.	0.	0.
LOUISE MCPHILLIPS 3715 OLD LEEDS ROAD BIRMINGHAM, AL 35213	BOARD MEMBER 2	0.	0.	0.
SAMUEL E. SCRUGGS, JR. 105 VULCAN ROAD, 2ND FLOOR BIRMINGHAM, AL 35209	BOARD MEMBER 2	0.	0.	0.
TRICIA TAYLOR 431 OFFICE PARK DRIVE BIRMINGHAM, AL 35205	BOARD MEMBER 2	0.	0.	0.
ROBERT WASON IV P.O. BOX 385014 BIRMINGHAM, AL 35238	BOARD MEMBER 2	0.	0.	0.
BEN WEIL 325 FIRST AVENUE NORTH BIRMINGHAM, AL 35204	BOARD MEMBER 2	0.	0.	0.
MARIANNE SHARBEL #3 OFFICE PARK CIRCLE, SUITE 116 BIRMINGHAM, AL 35223	HONORARY BOARD MEMBER 2	0.	0.	0.
TOTALS INCLUDED ON FORM 990, PART V		<u>78,750.</u>	<u>0.</u>	<u>0.</u>

PART III – STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

What is the organization's primary exempt purpose? *The primary mission of Ronald McDonald House Charities of Alabama (RMHCA) is to provide a safe, affordable, supportive "home-away-from-home" for sick children and/or their families when they travel to Birmingham for medical care.*

Alabama has one of the nation's highest infant mortality rates and one of the highest child death rates. In addition, Alabama has a poor, largely rural population and a centralized (in Birmingham) system of pediatric care. Therefore, Birmingham's health facilities serve a large number of children who travel significant distances to receive care. Many of these families arrive in Birmingham struggling not only with the emotional stress of caring for a seriously ill child, but also struggling with the financial stress of a child's illness. For a charge of just **\$4-8 per family per night** (less if family circumstances warrant), Ronald McDonald House Charities of Alabama guest families receive services that cost more than \$50 per night to provide. Families frequently tell us that were it not for the Ronald McDonald House, they would be sleeping in their cars, hospital lobbies, or worse yet, separated from their sick child.

In addition to providing affordable lodging, RMHCA has from time to time made grants and contributions to qualified charitable, scientific or educational organizations and programs that to benefit children. After 2003, however, RMHCA's Board agreed to suspended its community grant program pending development and completion of a new Ronald McDonald House, replacing it current 80 and 50 year old facilities. The Organization also may undertake other activities that are consistent with applicable laws, the Organization's bylaws and with the terms of its Licensee Agreement with Ronald McDonald House Charities.

Describe exempt purpose achievements:

Ronald McDonald House Charities of Alabama Programs

Ronald McDonald House

As of mid-year-end 2003, the Ronald McDonald House in Birmingham had housed nearly 25,000 families of seriously ill children; almost 1200 families in 2002 alone.

- Guests come from all over Alabama, from throughout the U.S. and even from Europe and South America. Current guidelines call for guests to:
 - Live outside of Jefferson County.
 - Have a child (under 18 years of age) who is receiving inpatient care, or intensive outpatient services, at any Birmingham medical facility.
- The Birmingham House provides lodging, cooking, laundry and internet facilities, frequent dinners donated by individuals, businesses and community groups, emotional support from other families facing similar challenges and assistance transportation.

PART III – STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS (continued)

A “snapshot” of RMHCA’s guests reveals:

Basic Demographics Of Ronald McDonald House Guests: 2003

# of Guest Family Stays	1,173
# of Unduplicated¹ Guest Families	864
# of Unduplicated Guest Families from Alabama	762
# of Unduplicated Guest Families from Outside Alabama	98
Other States Represented by RMHCA Guests	14
Out of Country Guest Families	4
# of Pediatric Patients Who Stayed Overnight at RMH with their Family	446 patients
# of People Who Spent \geq 1 Night at RMH	> 3600
Average Length of Stay	7.1 days
Long -Stay Guests (More than 3 weeks)	10% of all Guests
% of Nights of Service Used by Long Stay Guests	53%
Longest Continuous Stay in 2003	174 days/5.7 months
% of Guest Families with > 1 stay in 2003	13%
Range of Stays for Multiple Stay Families	2 -21 stays
% of Guest Families with Household Income less than \$40,000	85%
% of Guest Families with Household Income less than \$20,000	51%

Number of people to be served & ethnicity breakdown: A % breakdown of guest families (1,391 in 2002) followed by selected demographic characteristics (of the child who was the patient necessitating the travel.)

% of Guest Self-Reporting Racial or Ethnic Minority Group Origin	38%
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Geographic Region Served: In 2003, guest families came from all 67 Alabama counties, 14 other states and 4 foreign countries.

Key 2003 Results

RMHCA’s recently enhanced organizational energy and its increased focus on client feedback and service yielded important, positive results in 2003.

Guest/Provider Services

- Through new approaches to service and staffing, beginning in 2003, guests can check into the House 24 hours a day, 365 days a year, whenever a family with a sick or injured child may need our services.
- Almost 1200 guest stays were provided.
- Guest satisfaction levels reached new heights with an emphasis on the friendliness and professionalism of the staff.
- Orientation sessions for referring health care providers were conducted at the House and at provider sites, and a daily email was initiated to enhance communications with referral sources.

¹ In an “unduplicated” count, a family is counted 1-time regardless of how many times that family stayed at the House in 2003. Approximately 13% of guest families had more than one stay (ranging from 2 to 21 stays) during 2003

PART III – STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS (continued)

- RMHCA fielded a referral source satisfaction study to better understand how to improve its services.
- The design phase of an automated guest registration, tracking and statistical reporting system was completed.
- Guest referral forms and House policies were written or revised to enhance the safety, consistency and appropriateness of operations.

Resource Development/Finances

- Increased communication with referring health care providers, businesses, foundations, community and religious organizations, McDonald's owners and other key constituencies resulted in greater support for RMHCA's work. For example, support through local McDonald's more than doubled, and grant support quadrupled, in 2003.
- RMHCA went from a *loss* of over \$228,000 in 2002 to generating an estimated \$555,800² *surplus* in 2003. This surplus will help fund needed facility replacement or renewal.

Awareness

- RMHCA was featured in over 50 print, radio and TV stories in 2003, creating greater awareness of its programs and services.
- Two short documentary films were produced (pro bono about RMHCA's work).

Governance

- The RMHCA Board adopted new bylaws, providing for longer, staggered terms, more flexible committee structures and leadership succession planning.
- The Young Leadership Board (YLB) completed its second year, mounting two successful fundraising events and adopting a formal charter and organizational structure.

Facilities

- A comprehensive facilities and planning assessment was completed in 2003. The study estimated that necessary repairs/renovations to current facilities would cost \$1.7 million. However, based on a number of considerations, the consultants urged the Board to consider a replacement option.
- The Board adopted a plan, subject to contingencies, to pursue development of a replacement facility.
- The Board initiated serious discussions to secure a site for development of a new Ronald McDonald House adjacent to the medical campus.
- Initiated review and revision of all policies and procedures, with an initial focus on House safety and guest services.

Community Grants Program

In 2003, the final year before suspending the Community Grants Program to focus its resources on development of a replacement Ronald McDonald House Facility, RMHCA made over \$28,000 in community grants. Funds from these grants were derived from public donations to canisters in McDonald Restaurants. These grants were matched 2:1 by RMHCA global, bringing over \$84,000 to programs and organizations that benefit children in Alabama.

² This amount includes a one-time \$258,000 beneficial interest in a Charitable Remainder Trust from the Estate of Joan Kroc, widow of McDonald Founder Ray Kroc. Mrs. Kroc died in October 2003.

FORM 990 - Part IV, Line 57: Land, Buildings and Equipment

	<u>Basis</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Buildings & Improvements	\$ 1,503,373	\$ 732,739	\$ 770,634
Furniture & Fixtures	176,160	157,250	18,910
Equipment	54,439	44,328	10,111
Computer Software	1,690	1,292	398
Total to Form 990, Part IV, Line 57	<u>\$ 1,735,662</u>	<u>\$ 935,609</u>	<u>\$ 800,053</u>

Note: Depreciation is provided principally by the straight-line method over the estimated useful lives of the related assets

FORM 990 - Part IV: NET ASSETS

	<u>12/31/2002</u>	<u>12/31/2003</u>
Unrestricted net assets:		
Operating	\$ 305,722	\$ 842,742
Board designated for endowment, capital expenditures and replacement reserve	650,000	650,000
Land, building and equipment	<u>852,227</u>	<u>800,053</u>
Total unrestricted net assets (Line 67)	1,807,949	2,292,795
Temporarily restricted net assets (Line 68)	-	56,346
Permanently restricted net assets (Line 69)	<u>531,400</u>	<u>531,400</u>
Total net assets (Line 73)	<u>\$ 2,339,349</u>	<u>\$ 2,880,541</u>

AMENDED AND RESTATED

BYLAWS

OF

RONALD MCDONALD HOUSE CHARITIES OF ALABAMA, INC.

ARTICLE 1.

NAME AND LOCATION

Section 1.1 Name. The name of the organization shall be Ronald McDonald House Charities of Alabama, Inc., which shall be referred to in these bylaws as the "Organization."

Section 1.2 Location. The principal office of the Organization is located at 920 17th Street South, Birmingham, Alabama 35205. The Organization may have such offices within the State of Alabama as the Board of Directors may determine or as the business or activities of the Organization may require. The registered office of the Organization may, but need not be, the same as its principal office. The address of the registered office may be changed from time to time by the Board of Directors of the Organization in a manner described in the Alabama Non-Profit Corporation Act.

ARTICLE 2.

PURPOSES AND SCOPE OF ACTIVITY

Section 2.1 Purposes. The purposes of the Organization are (a) to own and operate the Ronald McDonald House of Alabama in order to provide temporary housing for seriously ill children and their families while the children are receiving treatment at or from hospitals and healthcare facilities located in the Birmingham, Alabama metropolitan area, including, without limitation, The Children's Hospital or The University of Alabama at Birmingham Medical Center, and (b) to make contributions and grants to (i) corporations, trusts, or community chests, funds or foundations, public schools or school districts and other governmental entities that provide services to children organized and operated exclusively for charitable, scientific, social/human services or educational purposes and which engage in whole or in part in educating children, or providing for the essential needs of children, or the diagnosis, prevention, and treatment of diseases and conditions of children, no part of the net earnings of any of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation, and which does not participate in, or interfere in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office, and (ii) the United States, any state, territory, or any political subdivision thereof, or the District of Columbia for exclusively public purposes. The Organization may undertake all such other activities as determined and designated by the Board of Directors, provided such activities are consistent with the scope of activity of the Organization as set forth in Section 2.2 below.

Section 2.2 Scope of Activity. The Organization shall be organized and operated exclusively for any one or more of the charitable purposes enumerated in 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended from time to time (the "Code"). The Organization shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under 501(c)(3) of the Code, or (b) by a corporation contributions to which are deductible under 170(c)(2) of the Code. No part of the net earnings of the Organization shall inure to the benefit of any private individual. The Organization shall not engage in any activities attempting to influence legislation nor shall it participate or intervene in any political campaign on behalf of, or in opposition to, any candidate for political office.

ARTICLE 3.

BOARD OF DIRECTORS

Section 3.1 General Powers; Make-up.

(a) The affairs of the Organization shall be managed by its Board of Directors. The duly elected or appointed Board of Directors shall have control and management of the affairs, business, property, and funds of the Organization and shall have the authority to fashion and implement the policies, goals, and purposes of the Organization. The Board of Directors may adopt such rules and regulations for the conduct of its meetings and the management of the Organization as the Board may deem appropriate, not inconsistent with federal or state law or these Bylaws. The Board of Directors, by resolution thereof, shall from time to time enumerate the duties, obligations, and responsibilities of the directors, including their attendance at meetings of the Board and their participation in the activities of the Organization.

(b) The Board of Directors shall include representatives of the medical community, McDonald's restaurants, and parents and/or volunteers.

Section 3.2 Number, Qualification and Tenure. The number of directors constituting the Board of Directors of the Organization shall be not less than three (3) nor more than forty (40). The number of directors may be increased or decreased from time to time in the manner provided by these Bylaws for the amendment thereof, but no decrease shall have the effect of shortening the term of any incumbent director. At the annual meeting of the Board of Directors to be held in January of 2004, or at a special meeting called prior to such meeting for the purpose of electing the Board, one-third the number of directors shall be elected to serve on the Board for a term of one year, one-third the number of directors shall be elected to serve on the Board for a term of two years, and one-third the number of directors shall be elected to serve on the Board for a term of three years (provided, however, that if the classes are elected initially at a special meeting prior to the annual meeting to be held in January 2004, the term of the directors elected to a one year term shall expire at the annual meeting held in 2005, the term of the directors elected to a two year term shall expire at the annual meeting held in 2006 and the terms of the directors elected to a three year term shall expire at the annual meeting held in 2007). At each annual meeting of the Board of Directors thereafter, a number of directors at least equal to that of those whose terms have expired shall be elected for a term of three years. Any director who has served two consecutive terms on the Board of

Directors of the Organization, beginning with the term to which they are elected at the annual meeting held in 2005, shall not be elected to another term as a director during the one year period immediately following the expiration of the second of such two consecutive terms. In the case, however, where a Director's term limit is attained during their term as Board President or President Elect, such individual may serve up to one additional consecutive term of three years in order to complete their term as President and at least a one year term as Immediate Past President. In the event the Board increases the number of directors at a meeting thereof other than the annual meeting, the directors elected to fill such additional directorships shall serve for a term to be determined by the Board at the time of said increase. Directors shall hold office until their successors have been duly elected and qualified or until their deaths or until they shall resign or shall have been removed from office in the manner provided in these Bylaws. Directors need not be residents of the State of Alabama.

Section 3.3 Resignation. Any director may resign at any time by giving written notice of such resignation to the President or a Vice-President of the Board.

Section 3.4 Vacancies. Any vacancy occurring in the Board of Directors may be filled by an affirmative vote of a majority of directors present at a meeting of the Board at which a quorum is present or, if less, by a majority of the remaining directors though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected to serve for the unexpired term of the director's predecessor in office, and a director elected to fill a vacancy to be filled by reason of an increase in the number of directors shall be elected to serve only until the next election of directors.

Section 3.5 Ex-Officio Members. The Executive Director of the Organization, if any, will serve as an ex-officio member of the Board of Directors; provided, however, that the Board of Directors may hold meetings in closed session from time to time without the Executive Director in attendance. The Board of Directors may from time to time elect other ex-officio members to the Board of Directors. Ex-officio members shall not be counted to establish a quorum at meetings of the Board of Directors, shall not be entitled to vote at meetings of the Board of Directors and, generally, shall not exercise the powers and authority of an elected member of the Board of Directors.

ARTICLE 4. MEETINGS OF THE BOARD OF DIRECTORS

Section 4.1 Annual and Regular Meetings. A regular meeting of the Board of Directors, which shall be the annual meeting thereof, shall be held on the third Wednesday of each January commencing in 2004 or on an alternative date in the first calendar quarter of each year, as may be designated by resolution adopted by the Board of Directors or Executive Committee. At the annual meeting, the Board of Directors shall, in accordance with 3.2 above, elect directors of the Organization and, in accordance with 5.2 below, appoint the officers of the Organization, and shall transact such other business as shall come before the directors at such meeting. Additional regular meetings of the Board of Directors shall be held at such times and places as may be determined by

the President. There shall be at least four (4) regular meetings of the Board, including the annual meeting thereof, during each calendar year.

Section 4.2 Special Meetings. A special meeting of the Board of Directors may be called by the President, or upon written request of five (5) directors, provided that notice of such meeting be given to each director as described in 4.3 below.

Section 4.3 Notice of Meetings. Written notice stating the place, date, and time of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called and the name or names of the person or persons by whom or at whose direction the special meeting is called shall, except in extraordinary situations, be given each director, by or at the direction of the Secretary or the Assistant Secretary, by personal delivery, email, facsimile or mail, not less than five (5) days before the date of any annual or regular meeting. In the case of a Special Meeting, such notice shall be sent by or at the direction of the Secretary or the Assistant Secretary, either by mail, not less than five (5) days before the date of the Special Meeting or by facsimile, email or telephone call transmitted not less than twenty-four hours before the time of the Special Meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the director at such director's address as it appears in the records of the Organization, with postage thereon prepaid. If by facsimile, such notice shall be deemed to be delivered upon confirmation to the sender that such facsimile transmission is complete. If by email, such notice shall be deemed to be delivered when sent by the sender to the director at such director's email address as it appears in the records of the Organization. Each director shall be responsible for keeping the Secretary informed as to such director's proper mailing address, facsimile number and email address. A director may waive his or her right to notice of the annual or a regular or special meeting.

Section 4.4 Meeting by Telephone. Members of the Board of Directors or any committee designated thereby may participate in a meeting of the Board or a committee thereof by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time and participation by such means shall constitute presence in person at a meeting.

Section 4.5 Quorum. The presence of at least thirty percent (30%) in number of the directors then serving on the Board of Directors at the annual or a regular or special meeting of the Board of Directors shall constitute a quorum for the conduct of business. If less than thirty percent (30%) of the directors are present at a meeting of the Board of Directors, a majority of the directors present may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally noticed. Directors present at a duly organized meeting thereof may continue to transact business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum.

Section 4.6 President. At all meetings of the Board of Directors, the President, or in the absence of the President, an acting President chosen by the directors shall preside over the

meeting.

Section 4.7 Acts of the Board. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 4.8 Action Without a Meeting. Any action required or permitted to be taken by the Board of Directors or a committee thereof at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors or all of the members of the committee, as the case may be. Such consent shall have the same effect as a unanimous vote of the directors or the members of such committee.

Section 4.9 Conflicts of Interest. Each director shall notify and disclose to the Board, in a manner consistent with the Organization's official Conflict of Interest Policy, if any, any real, potential or perceived conflict of interest of such director with respect to any matter coming before the Board for a vote or action thereon. No director having a conflict of interest shall vote on such matter but shall be counted for purposes of determining whether a quorum exists at a meeting when such matter is considered and acted upon by the Board.

Section 4.10 Removal. A director may be removed or suspended for cause by the affirmative vote of at least two-thirds of all the directors then serving on the Board. For purposes of this Section 4.10, "cause" shall include, without limitation, gross misconduct, illegal acts, unethical conduct, the inability of the director to perform his or her obligations as a director by reason of incapacity or disability, or the substantial failure of the director to perform such obligations.

ARTICLE 5.

OFFICERS

Section 5.1 Officers. The officers of the Organization shall consist of a President, one or more Vice Presidents, a Secretary, a Treasurer and such other officers and assistant officers as may be deemed desirable by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary. Officers shall serve for a term of two (2) years commencing with the date of such officer's appointment by the Board unless such officer is earlier removed from office by the Board of Directors of the Organization in the manner hereinafter provided or until the death, retirement, resignation, or other event resulting in such officer ceasing to hold office. No officer may serve more than two consecutive terms in the same office.

Section 5.2 Election of Officers. The officers of the Organization shall be elected by the Board of Directors at the annual meeting, beginning with the annual meeting held in 2004, and take office at such annual meeting. Each officer shall hold office until his or her successor shall have been duly elected and qualified, or, if earlier, until his or her death, or until he or she shall resign or shall have been removed in the manner hereinafter provided. Election of an officer shall not of itself create contract rights. Officers shall not receive compensation for their services.

Section 5.3 Vacancies. In case any office of the Organization becomes vacant by death, resignation, retirement, disqualification, or any other cause, such vacancy shall be filled by an affirmative vote of a majority of directors present at a meeting of the Board at which a quorum is present or, if less, by a majority of the remaining directors though less than a quorum of the Board of Directors. The officer so elected shall hold office and serve until the appointment and qualification of his or her successor.

Section 5.4 Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Organization will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 5.5 Duties of Officers. The officers of the Organization, if and when elected by the Board of Directors of the Organization, shall have the following duties:

(a) President. The President shall be the chief executive officer of the Organization and shall, subject to the direction of the Board, supervise and control the business and affairs of the Organization. The President shall, when present, preside at all meetings of the Board of Directors. The President may sign deeds, mortgages, bonds, contracts or other instruments on behalf of the Organization except where required by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly restricted or delegated by the Board of Directors to some other officer or agent of the Organization. The President shall serve as a member of the Executive Committee and the Nominations Committee. In general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors.

(b) Vice-Presidents. The Board of Directors shall designate at least one Vice President of the Organization and may designate additional Vice Presidents having such duties as the Board of Directors may specify. In the absence of the President, or in the event of the President's inability to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order determined by the Board of Directors) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President may sign deeds, mortgages, bonds, contracts or other instruments on behalf of the Organization except where required by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly restricted or delegated by the Board of Directors to some other officer or agent of the Organization and shall perform such other duties as from time to time may be assigned to the Vice President by the President or the Board of Directors.

(c) Secretary. The Secretary shall keep the minutes of the proceedings of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records and of the seal of the Organization; see that the seal of the Organization, if any, is affixed to all documents, the execution of which on behalf of the Organization under its seal is duly

authorized and required; keep a register of the mailing address, facsimile number and email address of each director which shall be furnished to the Secretary by such director; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President, any Vice President or the Board of Directors.

(d) Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Organization, receive and give receipts for moneys due and payable to the Organization from any source whatsoever, and deposit all such moneys in the name of the Organization in such banks, trust companies or other depositaries as may be designated by the Board of Directors, and in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the President, any Vice President or the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine.

(e) Assistant Secretaries and Assistant Treasurers. The Assistant Secretary (or if there shall be more than one, the Assistant Secretaries in the order determined by the Board of Directors), shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary. The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer. The Board of Directors may require any Assistant Treasurer to give a bond for the faithful discharge of his or her duties in such sums and with such surety or sureties as the Board of Directors shall determine. The Assistant Secretaries and Assistant Treasurers shall all perform such other duties as shall be assigned to them by the Secretary and Treasurer, respectively, or by the President, or the Board of Directors.

ARTICLE 6. **COMMITTEES**

Section 6.1 Committees of Directors. The President, as provided in Section 6.4 below, and the Board of Directors, by resolution adopted by a majority of the directors at a duly called meeting thereof, may designate one or more committees, which committees, to the extent provided in the authorization or resolution establishing the Committee, shall have and exercise the authority of the Board of Directors in the management of the Organization, except that no such committee shall have the authority of the Board of Directors in reference to amending, altering or repealing these Bylaws; electing, appointing or removing any member of any such committee or any director or officer of the Organization; amending the articles of incorporation, restating articles of incorporation, adopting a plan of merger or adopting a plan of consolidation with another Organization; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Organization; authorizing the voluntary dissolution of the Organization or revoking proceedings therefore; adopting a plan for the distribution of the assets of the Organization; or amending, altering or repealing any action or resolution of the Board of Directors which by its terms provides that it shall not be amended, altered or repealed by such committee. Each committee so designated by the Board of Directors shall be comprised of two or more directors and such other

persons as are appointed to the committee by the Board of Directors. Each Committee shall prepare and provide a regular written report of its activities to the Board of Directors.

Section 6.2 Executive Committee. The Board of Directors shall at its annual meeting, or at such other regular or special meeting as determined by the Board, elect an Executive Committee from among their number. The President, each Vice President, the Secretary and the Treasurer shall each be members of the Executive Committee. The Board of Directors may also designate additional members of the Board of Directors as members of the Executive Committee. Subject to the limitations contained elsewhere in these Bylaws and as may otherwise be restricted by law, the Executive Committee shall possess and may exercise all the powers and functions of the Board of Directors in the management and direction of the affairs of the Organization in all cases in which specific directions shall not have been given by the Board of Directors.

Section 6.3 Nominations Committee. At each annual meeting of the Board of Directors, the Board shall select a minimum of two (2) directors to serve with the President on the Nominations Committee for the coming year. The Nominations Committee shall be responsible for (a) identifying qualified persons to serve as directors of the Organization; (b) nominating candidates to stand for election to the Board of Directors at the next annual meeting of the Board of Directors; and (c) providing a slate of such nominees which shall be set forth in the notice of annual meeting given to the directors. In the event officers are to be elected in the coming year, the Nominations Committee shall be responsible for (a) identifying qualified persons to serve as the designated officers of the Organization; (b) nominating the candidates to stand for election to the designated offices; and (c) providing a slate of such nominees which shall be set forth in the notice of annual meeting given to the directors.

Section 6.4 Standing Committees. The President shall have authority to appoint standing committees and designate a chairperson for each such committee, and, except as otherwise specifically provided by these Bylaws, shall determine the membership thereof. Each standing committee of the Organization shall be chaired by a member of the Board of Directors, but may have as part of its membership persons not presently serving as a director of the Organization. A written statement of the purposes and responsibilities of each standing committee shall be prepared by the President thereof and submitted to the Executive Committee for its approval. Each standing committee shall keep records of its activities and shall, at such time as requested by the Executive Committee or Board of Directors of the Organization, submit a report on work done by the said committee. No standing committee shall enter into any contract or incur any indebtedness or financial obligation of any kind for or on behalf or in the name of the Organization except as expressly authorized by the Executive Committee or the Board of Directors. The Board of Directors may, but shall not be required to, elect the chairpersons of the standing committees as Vice President of the Organization. The Organization shall initially have the following standing committees: Program Committee, Finance Committee, Development Committee, Facilities Committee and External Relations Committee.

Section 6.5 Other Committees. It is anticipated that from time to time *ad hoc* committees and possible other standing committees will be appointed and approved by the Board of

Directors.

Section 6.6 Committee Governance. Subject to approval by the Board of Directors or the Executive Committee, each committee of the Organization shall have the power to adopt such rules and procedures as may be necessary for the effective conduct of the work entrusted to it.

ARTICLE 7.
HONORARY, ADVISORY AND SUPPORT MEMBERS

Section 7.1 Honorary Board Members. The Board of Directors may confer honorary membership from time to time to certain persons who have performed outstanding service to the Organization.

Section 7.2 Advisory Board Members. The Board of Directors may appoint individuals to serve as members of one or more advisory boards which shall consult with the Board or committees thereof to assist with the operations of the Organization. Former Board members may be asked to serve on an advisory board. No advisory board shall enter into any contract or incur indebtedness or financial obligation of any kind for or on behalf or in the name of the Organization.

Section 7.3 Support Board Members. The Board of Directors may appoint individuals to serve as members of one or more support groups formed to promote the interests of the Organization. No support boards shall enter into any contract or incur indebtedness or financial obligation of any kind for or on behalf or in the name of the Organization.

ARTICLE 8.
COMPENSATION

Directors, officers and committee members, with the exception of staff who serve as ex-officio members, are expected to serve without compensation. A director, officer or committee member shall be reimbursed for properly substantiated expenses incurred in connection with the fulfillment of that director's, officer's or committee member's authorized duties or responsibilities or which are otherwise directly related to the business or affairs of the Organization and which are deemed to be reasonable in amount by an officer of the Organization.

ARTICLE 9.
GENERAL

Section 9.1 Fiscal Year. The Organization shall operate on the basis of a fiscal year ending on December 31 of each calendar year.

Section 9.2 Checks, Demands and Transfers of Funds. All checks, demands for money, notes and transfers of funds of the Organization shall be signed in accordance with the financial policies adopted by the Board or Directors.

Section 9.3 Deposits. All funds of the Organization shall be deposited from time to time to the credit of the Organization in one or more banks, trust companies or other depositories as the Board of Directors may from time to time designate, upon such terms and conditions as shall be fixed by the Board of Directors. The Board of Directors, or in accordance with a Board approved policy, its designees, may from time to time authorize the opening and keeping, with any such depository as it may designate, of general and special bank accounts and may make such special rules and regulations with respect thereto, not inconsistent with the provisions of these Bylaws, as it may deem necessary.

Section 9.4 Corporate Seal. The Board of Directors shall select a corporate seal which shall have inscribed thereon the name of the Organization, the words "Alabama" and "Corporate Seal," and such seal may include the date of incorporation of the Organization. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

Section 9.5 Voting of Organization's Securities. Unless otherwise ordered by the Board of Directors, the President or any Vice-President, or such other officer as may be designated by the Board of Directors to act in the absence of the President or any Vice-President, shall have full power and authority on behalf of the Organization to attend and to act and to vote, and to execute a proxy or proxies empowering others to attend and to act and to vote, at any meetings of security holders of any Organization in which the Organization may hold securities, and at such meetings the President, or such other officer of the Organization, or such proxy shall possess and may exercise any and all rights and powers incident to the ownership of such securities, and which as the owner thereof the Organization might have possessed and exercised, if present. The Secretary or any Assistant Secretary may affix the corporate seal to any such proxy or proxies so executed by the President, or such other officer, and attest the same. The Board of Directors by resolution from time to time may confer like powers upon any other person or persons.

Section 9.6 Gifts. The Board of Directors may accept on behalf of the Organization any contribution, gift, bequest or devise for and consistent with the general purposes, or for and consistent with any specific purpose, of the Organization and consistent with any gift acceptance policies that the Board of Directors may from time to time adopt.

Section 9.7 Limitation on Pecuniary Obligations. No pecuniary obligation of more than Twenty-Five Thousand Dollars (\$25,000.00) shall be undertaken by the Organization or any directors, officer or employee hereof, without sanction by resolution of the Executive Committee or the Board adopted at any duly called meeting or by an action by written consent signed by all of the members of the Executive Committee or the full Board.

Section 9.8 Additional Organizations. The Board of Directors may authorize the formation of such subsidiary, auxiliary, associated and affiliated organizations as will in the opinion of the Board of Directors assist in effecting the purposes of the Organization. The organizational and governing documents and instruments of any subsidiary, auxiliary, associated or affiliated organization so authorized shall be subject to the approval of the Board of Directors. Each such

authorization shall, regardless of its terms, be revocable at any time in the sole discretion of the Board of Directors.

ARTICLE 10. **EXCULPATION OF DIRECTORS**

Section 10.1 Acts of Director. No director shall be liable to anyone for any acts on behalf of the Organization or any omissions with respect to the Organization committed by such director, except for his or her own willful neglect or default.

Section 10.2 Acts of Other Directors. No director shall be liable to anyone for any act of neglect or default on the part of any one or more of the other directors in the absence of specific knowledge on the part of such director of such neglect or default.

Section 10.3 Indemnification of Directors, Officers and Others. The Organization shall indemnify any member of the Board of Directors or officer or former member of the Board of Directors or former officer, or any person who is serving or who has served at the request of the Organization as a director or officer of another entity, whether such other entity be for profit or not for profit, in which the Organization owns shares of capital stock or of which it is a creditor, against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense of any action, suit or proceeding, civil or criminal, in which he or she is made a party by reason of his or her being or having been such director or officer, except in relation to matters as to which he or she shall have been adjudged in such action, suit or proceeding to be liable for [negligence or misconduct] in the performance of his duty with respect to the matter in which indemnity is sought. By order of the Board of Directors, the Organization may, under comparable terms and limitations, indemnify employees and agents of the Organization with respect to activities within the scope of their services.

Section 10.4 Insurance. Nothing herein provided shall limit or otherwise affect the power of the Organization to purchase and maintain insurance on behalf of any person who is or was a director, trustee, officer, employee or agent of the Organization or is or was serving at the request of the Organization in any of such capacities with respect to another entity, against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his status as such, whether or not the Organization would have the power or would be required to indemnify him or her against such liability under the provisions of these Bylaws or any applicable law. To the extent such insurance operates to protect any person against liability, the Organization's obligation to indemnify shall be deemed satisfied.

ARTICLE 11. **AMENDMENT OF BYLAWS**

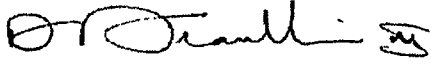
These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by vote of a majority of all of the directors, but no amendment may be made so as to avoid any limitations imposed by the articles of incorporation of the Organization as they may at any time exist.

ARTICLE 12.
DISSOLUTION

In the event of the dissolution of the Organization or other termination of its activities, funds in the treasury, after all bills have been paid, and all assets shall be paid over or transferred to any exempt organization or organizations, described as such in 501 (c) (3) of the Internal Revenue Code of 1986, as amended.

HISTORY OF BYLAWS

Adopted – July 9, 2003.



Denson Franklin III, President

Board of Directors Ronald McDonald House Charities of Alabama, Inc.

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

Note: Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)

Note: Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only
All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Type or print	Name of Exempt Organization RONALD MCDONALD HOUSE CHARITIES OF ALABAMA, INC.	Employer identification number 63-0753358
File by the due date for filing your return See instructions	Number, street, and room or suite no. If a P.O. box, see instructions. 920 17TH STREET SOUTH	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. BIRMINGHAM, AL 35205	

Check type of return to be filed (file a separate application for each return):

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- If the organization does **not** have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the **whole** group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-month, for **990-T corporation**) extension of time until **AUGUST 16, 2004** to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ calendar year **2003** or
▶ tax year beginning _____, and ending _____

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ _____

c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ N/A

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ *Henry S. ...* Title ▶ *...* Date ▶ *...*

LHA For Paperwork Reduction Act Notice, see instruction

Form **8868** (12-2000)

If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II and check this box

Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time - Must file Original and One Copy.

Name of Exempt Organization: RONALD MCDONALD HOUSE CHARITIES OF ALABAMA, INC. Employer identification number: 63-0753358. Address: 920 17TH STREET SOUTH, BIRMINGHAM, AL 35205.

Check type of return to be filed (File a separate application for each return):

- Form 990 (checked), Form 990-EZ, Form 990-T (sec. 401(a) or 408(a) trust), Form 1041-A, Form 5227, Form 8870, Form 990-BL, Form 990-PF, Form 990-T (trust other than above), Form 4720, Form 6069.

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- If the organization does not have an office or place of business in the United States, check this box. If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN).

4 I request an additional 3-month extension of time until NOVEMBER 15, 2004. 5 For calendar year 2003, or other tax year beginning and ending. 6 If this tax year is for less than 12 months, check reason: Initial return, Final return, Change in accounting period.

7 State in detail why you need the extension: THE ORGANIZATION REQUEST ADDITIONAL TIME WITHIN WHICH TO ASSIMILATE THE INFORMATION REQUIRED TO FILE A COMPLETE AND ACCURATE FORM 990 RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. 8b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. 8c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature: Henry J. Barclay, CPA Date: 8/12/04

Notice to Applicant - To Be Completed by the IRS

- We have approved this application. Please attach this form to the organization's return. We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return. We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting the 10-day grace period. We cannot consider this application because it was filed after the due date of the return for which an extension was requested. Other

Director By: Date

Alternate Mailing Address - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Name: LEHMANN, ULLMAN AND BARCLAY LLP. Address: 2908 CLAIRMONT AVENUE, BIRMINGHAM, AL 35205. EXTENSION APPROVED AUG 27 2004