

## 1. Policy and Purposes

This Policy represents the policy of Home Sweet Home Ministries governing the solicitation and acceptance of gifts by Home Sweet Home Ministries. The Board of Directors of Home Sweet Home Ministries and its staff solicit current and deferred gifts from individuals, corporations, foundations and others for purposes that will further and fulfill Home Sweet Home Ministries' mission. The mission of Home Sweet Home Ministries is to demonstrate Christ's love through innovative approaches that instill hope, restore lives, and build community.

Purposes of this Policy include:

- a. guidance for the Board of Directors, officers, staff and other constituencies with respect to their responsibilities concerning gifts to Home Sweet Home Ministries; and
- b. guidance to prospective donors and their professional advisors when making gifts to Home Sweet Home Ministries.

The provisions of this Policy shall apply to all gifts received by Home Sweet Home Ministries. Notwithstanding the foregoing, Home Sweet Home Ministries reserves the right to revise or revoke this Policy at any time, and to make exceptions to the Policy.

## 2. Use of Legal Counsel

- A. Home Sweet Home Ministries shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by legal counsel is recommended for:
  - Closely held stock transfers that are subject to restrictions or buy-sell agreements;
  - Documents naming Home Sweet Home Ministries as trustee;
  - Gifts involving contracts such as bargain sales, partnership agreements, or other documents requiring Home Sweet Home Ministries to assume an obligation;
  - Transactions with a potential conflict of interest;
  - Gifts of real estate;
  - Pledge agreements with unique terms;
  - Gifts with donor restrictions with unique or unusual terms; and
  - Gifts of agriculture products including grain and livestock.
- B. For non-standard gifts, in order to avoid potential conflicts of interest, Home Sweet Home Ministries encourages prospective donors to seek the assistance of their own legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

## 3. General Policy

Home Sweet Home Ministries shall not accept gifts that:

- Violate the terms of Home Sweet Home Ministries' organizational documents;
- Would jeopardize Home Sweet Home Ministries' status as an exempt organization under federal or state law;
- Are too difficult or expensive to administer;
- Are for purposes that do not further Home Sweet Home Ministries' objectives; or
- Could damage the reputation of Home Sweet Home Ministries.

Subject to Section 4 below, the Chief Executive Officer shall make all final decisions on the acceptance or refusal of a gift.

## 4. Policy Regarding Specific Types of Gifts

- A. Gifts Generally Accepted Without Review. Gifts of cash without donor restrictions will be accepted by Home Sweet Home Ministries without prior review by the Chief Executive Officer (CEO). Gifts of cash without donor restrictions are acceptable in any form. Checks shall be made payable to Home Sweet Home Ministries. We also accept the following gifts without review:
  - i. Donor Advised Funds
  - ii. Qualified Charitable Distributions (IRA's)
- B. Gifts Subject to the CEO's Review Prior to Acceptance. The CEO must review all gifts, other than gifts of cash without donor restrictions, prior to acceptance. The following guidelines also apply:
  - i. Tangible Personal Property: The CEO shall review and decide whether to accept gifts of tangible personal property by considering the following factors:
    - 1. Whether the property furthers the mission of Home Sweet Home Ministries;
    - 2. The marketability of the property;
    - 3. The restrictions on the use, display, or sale of the property; and
    - 4. Carrying costs and possible liability for the property.
  - ii. Marketable Securities
    - 1. Marketable securities that are not restricted by applicable securities laws may be transferred to an account maintained by Home Sweet Home Ministries at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. All marketable securities shall normally be sold as soon as practical following receipt.
    - 2. If the marketable securities are restricted by applicable securities laws, the CEO shall make the final determination on the acceptance of the restricted securities.
  - iii. Closely-Held Securities: Closely-held securities, including debt and equity positions in non-publicly traded companies, interests in LLPs and LLCs, or other ownership forms, can be accepted subject to the approval of the CEO of Home Sweet Home Ministries. The CEO shall review and decide whether to accept closely held securities based on the following factors:
    - 1. Restrictions on the security that would prevent Home Sweet Home Ministries from ultimately converting the securities to cash;
    - 2. The marketability of the securities; and
    - 3. Any undesirable consequences for Home Sweet Home Ministries from accepting the securities.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The final determination on the acceptance of closely held securities shall be made by the CEO of Home Sweet Home Ministries with advice of legal counsel when deemed necessary. Non-marketable securities shall be sold as quickly as possible.
  - iv. Bequests: Donors may make bequests to Home Sweet Home Ministries under their wills and trusts. A bequest will not be recorded as a gift until the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the gift will be recorded in accordance with GAAP.

# Gift Acceptance Policy

- v. Charitable Remainder Trusts: Home Sweet Home Ministries may accept designations as remainder beneficiary of a charitable remainder trust. Home Sweet Home Ministries may accept appointment as trustee of a charitable remainder trust.
  - vi. Charitable Lead Trusts: Home Sweet Home Ministries may accept designations as income beneficiary of a charitable lead trust. Home Sweet Home Ministries may accept an appointment as trustee of a charitable lead trust.
  - vii. Retirement Plan Beneficiary Designations: Home Sweet Home Ministries may accept designations as beneficiary of donors' retirement plans. Designations will not be recorded as gifts until the gift is irrevocable. When the gift is irrevocable, the gift will be recorded in accordance with GAAP.
  - viii. Life Insurance: Home Sweet Home Ministries may accept designations as beneficiary and owner of a life insurance policy. The life insurance policy will be recorded as a gift once Home Sweet Home Ministries is named as both beneficiary and irrevocable owner of a life insurance policy. The gift shall be valued in accordance with GAAP. If the donor contributes future premium payments, Home Sweet Home Ministries will include the entire amount of the additional premium payment as a gift in the year that it is made. If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, Home Sweet Home Ministries may:
    - 1. Continue to pay the premiums;
    - 2. Convert the policy to paid up insurance, or
    - 3. Surrender the policy for its current cash value.Donors may name Home Sweet Home Ministries as beneficiary or contingent beneficiary of their life insurance policies. Designations will not be recorded as gifts until the gift is irrevocable. Where the gift is irrevocable, the gift shall be recorded in accordance with GAAP.
  - ix. Remainder Interests in Property: Home Sweet Home Ministries will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of this Paragraph 4. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the life tenant(s), Home Sweet Home Ministries may use the property or reduce it to cash. Expenses for maintenance, real estate taxes, and any property indebtedness shall be paid by the donor or primary beneficiary.
  - x. Restricted Gifts: A gift with donor-imposed restrictions will be accepted only if and when such restrictions are approved by the CEO.
- C. Gifts Subject to the Board of Directors Review Prior to Acceptance. The Board of Directors must review all gifts of real estate prior to acceptance. The following guidelines also apply:
- i. Real Estate: Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest.  
*Environmental Review.* Prior to acceptance of real estate, Home Sweet Home Ministries shall require an initial environmental review of the property to ensure that the property has no environmental problem. If the initial inspection reveals a potential problem, Home Sweet Home Ministries shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall be an expense of the donor.

# Gift Acceptance Policy

*Title Binder.* A title binder shall be obtained by Home Sweet Home Ministries prior to the acceptance of the real property gift when appropriate. The cost of this title binder shall be an expense of the donor.

*Factors for Acceptance.* The Board of Directors and legal counsel shall review and decide whether to accept real property based on the following factors:

1. Whether the property is useful for the purposes of Home Sweet Home Ministries;
2. The marketability of the property;
3. Any encumbrances, leases, restrictions, reservations, easements, or other limitations associated with the property;
4. Any carrying costs associated with the property, including insurance, property taxes, mortgages, notes or other costs;
5. Any concerns which the environmental audit revealed.

## 5. Additional Provisions

- a. **Gift Agreements.** Where appropriate, Home Sweet Home Ministries shall enter into a written gift agreement with the donor, specifying the terms of any donor-restricted gift, which may include provisions regarding donor recognition and use of earnings derived from the gift.
- b. **Fees.** Home Sweet Home Ministries will not accept a gift unless the donor is responsible for (1) the fees of independent legal counsel retained by donor for completing the gift; (2) appraisal fees; (3) environmental audits and title binders (in the case of real property); and (4) all other third-party fees associated with the transfer of the gift to Home Sweet Home Ministries.
- c. **IRS Filings upon Sale of Gifts.** To the extent applicable, Home Sweet Home Ministries shall file IRS Form 8282 upon the sale or disposition of any charitable deduction property sold within three (3) years of receipt by Home Sweet Home Ministries. “Charitable deduction property” means any donated property (other than money and publicly traded securities) if the value claimed by the donor exceeds \$5,000 per item or group of similar items donated by the donor to one or more organizations (e.g., the property listed in Section B on Form 8283). Home Sweet Home Ministries shall file this form within 125 days of the date of sale or disposition of the asset.
- d. **Donor Recognition.** Home Sweet Home Ministries shall acknowledge all gifts and donations in a manner that respects and honors the donor.