

Gift Acceptance Policy
Policy #01-06 v3 12.14.22
Appendix: 1. Gifts of Real Estate 2. Contributions of Stocks and Bonds v. 12.14.22
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**HOMER FOUNDATION GIFT ACCEPTANCE POLICY #01-06 v. 12.14.22  
PROCEDURES FOR REVIEW OF GIFTS**

**POLICY:**

1. All gifts should be considered in context of preserving the Foundation’s public support test and avoiding exposure to any significant monetary obligation or any legal or ethical problems.
2. The HF encourages donors to make gifts to the Foundation without material restrictions.
3. Acceptance by staff of gifts consistent with the purposes, bylaws and procedures of the Foundation shall not require review by the Gift Acceptance Committee if the gifts are in any of the following forms:
  - a. Marketable securities and bonds
  - b. Cash and cash equivalents
  - c. Gifts of usable furniture and equipment for the offices or programs of the Foundation
  - d. Gifts of precious metals, where the value is easily established.
  - e. Insurance Policies (where the donor pays any annual premium) and Individual Retirement Accounts that name the HF as the beneficiary.
4. Gifts requiring review and approval of the Acceptance Committee include gifts to Donor Advised Funds that would result in an “excess business holdings” violation under the Pension Protection Act of 2006. Gifts to Donor Advised Funds will be reviewed for any interest qualifying as “excess business holdings.” The holdings of a donor advised fund in a business enterprise, together with the holdings of persons who are disqualified persons with respect to that fund, may not exceed any of the following:
  - a. 20% of the voting stock of an incorporated business
  - b. 20% of the profits interest of a partnership or joint venture or the beneficial interest of a trust or similar entity.
  - c. Any interest in a sole proprietorship

If such a gift is approved the Finance Committee will monitor and divest the holdings that are above the permitted amount within the five year limit. The potential donor will be notified of this requirement prior to completing the gift.

## **PROCEDURES:**

1. The Gift Acceptance Committee currently consists of a committee of the whole. A committee member shall reveal any conflict of interest relating to a proposed gift.
2. In reviewing gifts to the Foundation, including unrestricted gifts, planned gifts, and gifts to establish funds, the Gift Acceptance Committee and/or staff will consider the following criteria:
  - a. The nature of the donor, charitable intent, and ultimate community benefit
  - b. The type of asset offered and the nature of any restrictions
  - c. The permanency of the gift; or in the case of a non-permanent fund, the amount of time the fund will remain with the Foundation
  - d. Projected costs of managing the gift asset

## **APPENDIX 1: REAL ESTATE GIFT ACCEPTANCE PROCEDURES**

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When a donor expresses the desire to donate a gift of real estate, the following guidelines will be followed:

1. The Foundation staff and the donor should meet to visually evaluate the property and develop appropriate gift arrangements with the donor, subject to proper approval. The approval process includes consulting with the Chair of the Foundation and the Foundation's Acceptance Committee.
2. An appraisal is to be performed by an independent appraiser according to IRS guidelines.
3. The Checklist for Real Estate Gifts needs to be followed, if applicable (see attachment 1).
4. A financial analysis must be performed prior to acceptance to determine whether the gift makes a financially sound investment for the Foundation, especially if commercial or income property is involved.
5. Gifts of real property should result in a minimum gift to the Foundation of \$20,000 if the property is in Alaska or \$100,000 if out of state.
6. Depending on the complexity and value of the property being donated, the staff should discuss an appropriate fee/gift arrangement with the donor to cover the overhead costs of accepting the gift. These may include realtor commissions, title work, closing costs, legal fees, property taxes, insurance and environmental assessments.
7. Before taking possession of any property, title insurance is required, and will be paid for by either the donor or the Homer Foundation.
8. The following agreements with the donor may be required: fund agreement, expense reimbursement and fee agreement, and deed execution.

### ***Considerations for Accepting Real Estate Gifts:***

1. The Foundation will take into account the depreciation of real estate in considering gift proposals. If the donor has taken accelerated depreciation in excess of straight-line prior to making the gift, the donor will be responsible for making any recapture payments to the Internal Revenue Service.
2. The Foundation will consider encumbered property for acceptance only upon advice by legal counsel, and if the evaluation convincingly demonstrates that the property can be sold at a price that substantially exceeds the aggregate amount of the encumbrances and any costs associated with satisfying them.
3. The Foundation must weigh carefully whether or not it has the desire and ability to manage the property for whatever length of time is necessary to consummate the sale. If the property produces income, the Foundation must consider the amount of income it receives against the ongoing cost of the encumbrances.

4. The Foundation will not pay for appraisals, finder's fees, or the drafting of legal documents without approval of the Acceptance Committee.

***Disposition of Property:***

In most cases, the Foundation will sell property as quickly as possible after the gift is completed.

1. The Foundation should consider its investment objectives before selling.
2. The Foundation should avoid selling property at a distressed price. A quick distress sale may jeopardize the donor's charitable contribution deduction and might negatively impact the market values in the area.

***Environmental/Pollution Concerns:***

In some cases, a Phase One Inquiry will be required prior to acceptance of proposed real estate gifts. The inquiry should include site observations, building observations, interviews with the current owners, and adjacent site reconnaissance.

If concerns are raised by the Phase I Inquiry, Phase One Screening and, dependent upon the level of environmental concern at the site, Phase One Assessment may be required.

***PHASE ONE SCREENING SHOULD INCLUDE THE FOLLOWING:***

Review of Regulatory Agency Records: EPA/NPL Site List, EPA-CERCLIS Site List, EPA-RCRA Generator Site List, State DEP Hazardous Waste List, State DEP Land Fill List, State EEP Leaking UST List, and an interview with the local fire department.

Review of Occupant History: Review of fire insurance maps.

***The Phase One Assessment should include:***

Review of Regulatory Agency Records: EPA-RCRA-TSD Site List, EOA-ERNS List and State DEP Registered UST List.

Review of Physical Setting: USGS Topographical Map, USDA Soil Survey, State or USGS Groundwater Map, USDI Wetlands Map, Aerial Photographs, and Building or Site Plans.

Review of Owner History: Tax Assessors records, chain of title review and interview with previous owner(s).

Review of Occupant History: Historical City Directories, Building Department Records and interviews with previous occupants.

Optional Testing Includes: Asbestos-containing materials, radon gas, lead-based paint and lead in drinking water.

***Final Documents for Gift Acceptance Should Include:***

A seller/donor agreement containing environmental/pollution disclosure and liability.

Known and unknown liabilities from transfer documents should not be excluded from the agreements.

**Gifts Related to Real Estate:**

The Foundation may accept trust deed notes and mortgages as gifts. In most cases, a qualified appraisal would determine the value, taking into account the unpaid principal balance, the interest rate payable under the loan, and the current interest rates.

**Bargain Sale of Real Estate and Personal Property:**

Gifts in the form of a bargain sale need to be appraised by an independent appraiser with the fee to be paid by the donor.

In addition, the asset will be readily marketable (maximum estimated selling period of one year) or a reasonable current use to the Foundation. The minimum gift valuation should be \$20,000, net of the Foundation's investment.

**Homer Foundation  
Checklist for Real Estate Gifts**

**General Information**

Donor's Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: (Home) \_\_\_\_\_ (Business) \_\_\_\_\_

Location of Property: \_\_\_\_\_

Type of Property: \_\_\_\_\_

Owners of Record: \_\_\_\_\_

Ownership: Circle One:            1) Sole          2) Joint          3) General Partnership  
   4) Limited Partnership    5) Community Property

Does the Ownership Include Mineral Rights, Water Rights, Any Restrictive Easements, Covenants or Rights or Way, etc.? \_\_\_\_\_

Legal Description (from owner's documents): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Any Impending Litigation With Regard to the Property? \_\_\_\_\_

Valuation and Date of Most Recent Appraisal: \_\_\_\_\_

Annual Property Taxes: \_\_\_\_\_

Fees (association fees, sewer, water or other operating costs): \_\_\_\_\_

Are There Any Liens, Encumbrances, Mortgages, etc.? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Status This Year's Taxes and Holding Costs (including delinquent fees): \_\_\_\_\_

Donor's Basis/Cost of Property and Length of Time Owned: \_\_\_\_\_

Estimated Time Required to Sell the Asset: \_\_\_\_\_

Zoning Uses (residential, commercial, etc.): \_\_\_\_\_

Has the Property Been the Subject of Any Regulatory Designations (such as wetland or right-of-way easement)? If So, List Type of Designation and Regulatory Agency:

\_\_\_\_\_  
\_\_\_\_\_

Proposed Delivery Date of Deed: \_\_\_\_\_

Date of Physical Inspection of Property: \_\_\_\_\_

**Documents to Obtain**

Title Opinion    Date Received \_\_\_\_\_

*Donor should be asked to supply*

**Appraisal:**

*Must be ordered, paid for and submitted within 60 days of deed delivery.* \_\_\_\_\_

**Deed:**

*Shows how title is vested and is used to prepare the title transfer.* \_\_\_\_\_

**Property Tax Bill:**

*Shows assessed value of land, improvements, actual tax and any assessments* \_\_\_\_\_

**Income/Expense Pro Forma For Three-Year Period:**

*If commercial income-producing property.* \_\_\_\_\_

**Association Agreement:**

*Ownership rights and responsibilities of some properties, primarily residential or condominiums, are governed by an owners association. The agreement should include fees or assessments, together with a statement showing the condition of any reserve fund for deferred maintenance.* \_\_\_\_\_

**Conditions, Covenants and Restrictions:**

*Conditions, covenants and restrictions are required of most subdivisions. A copy of these will show how the property may be used and what restrictions may apply.* \_\_\_\_\_

**Lease or Rental Agreements:**

*If the property is leased or rented to others, a copy of each rental agreement should be obtained showing the terms of the agreement term of rental, deposits, etc.* \_\_\_\_\_

**Notes and Trust Deeds or Mortgages:**

*Copies of any notes, trust deeds, mortgages, or other liens shall Be obtained along with any associated assignments.* \_\_\_\_\_

**Current Mortgage Statement:**

*Will show the current status of a loan and will be helpful in identifying and discussing the loan with the lender.* \_\_\_\_\_

**Insurance Policy:**

*Will verify cost of Insurance and provide information for the Foundation to transfer insurance, if desired, after gift is made.* \_\_\_\_\_

**Plot Map/Property Line:**

*This indicates location of property and is an important step in acquiring much of the information for gift analysis.* \_\_\_\_\_

**Inspection Reports:**

*Inspection reports, structural assessment reports by an engineer, or well/water/septic inspections.*

\_\_\_\_\_

**Fund Agreement:**

*Outline of donor's charitable interest.*

\_\_\_\_\_

**Donor/Donee Transfer Agreement:**

*Must use Foundation approved agreement form (if appropriate depending on the type of gift). The agreement should be drafted with legal counsel to help to meet the needs of each gift.*

\_\_\_\_\_



## **APPENDIX 2: INSTRUCTIONS FOR CONTRIBUTIONS OF STOCKS AND BONDS**

This information is provided to assist the donor when gifting stocks or bonds to the Homer Foundation. The Foundation gratefully accepts gifts of publicly traded securities, which may be transferred electronically or delivered in certificate form. The Homer Foundation Investment Committee makes the determination as to whether to hold or sell the securities upon receipt.

To receive prompt credit for your gift to the Homer Foundation, please contact us (information listed below), with the following information:

- Your intent to make a gift to the Homer Foundation
- The estimated transfer date
- The name and contact information for your securities firm
- The intended destination and purpose of your gift

Remember to allow plenty of time for a year-end gift, the transfer must be complete (received in our account) for the gift to be considered complete by December 31<sup>st</sup>.

**Electronic Transfer.** The easiest way to transfer stocks or bonds to the community foundation is to transfer the asset to our Vanguard account via electronic transfer, or “DTC.” To transfer stocks or bonds this way, simply send your bank or brokerage firm signed instructions to transfer the asset to the Homer Foundation’s Vanguard brokerage account [15179209 via DTC 0062](#). Sample instructions to a broker for electronic transfers are attached.

**Certificate Transfer.** If you are giving stock or bond certificates registered in your name(s), we need a notarized “gifting letter” detailing your gift. This notarized letter and a “stock power form” must be signed by all owners listed on the certificates, exactly as they are registered. A sample “gifting letter” and “stock power form” are attached.

**Restricted Stock.** The Homer Foundation will consider acceptance of restricted stock on a case-by-case basis. Contact the Homer Foundation for more information.

**Mutual Funds.** The contribution of mutual fund shares often requires more steps and more time than a straight contribution of stocks or bonds—an important consideration at the end of the calendar year. The first step is to contact your mutual fund company and request instructions for charitable contributions of mutual fund shares. Each mutual fund has a different process—most require a letter from you indicating your desire to “re-register” your shares to the community foundation. Policies vary—some mutual fund companies allow the electronic transfer of shares to our brokerage account while others require us to open an account to handle the transfer.

Homer Foundation  
P.O. Box 2600 Homer, Alaska 99603  
907-235-0541  
[info@homerfoundation.org](mailto:info@homerfoundation.org)  
[www.homerfoundation.org](http://www.homerfoundation.org)

**SAMPLE LETTER TO BROKER FOR ELECTRONIC TRANSFER OF STOCKS AND BONDS**

**Date**

**Broker Name**  
**Firm**  
**Address**  
**City/State/Zip**

**RE: Gift of Stock to the Homer Foundation**

Dear Broker:

This letter constitutes my direction to you to transfer the following shares of stock from my account number \_\_\_\_\_ to the Homer Foundation's Vanguard brokerage account number [15179209](#) via DTC number 0062. : \_\_\_\_\_

**Number of shares:** \_\_\_\_\_ **Company:** \_\_\_\_\_

I intend this transfer to be a gift to the Homer Foundation, EIN # 92-0139183. Please expedite this transfer and advise me when it is complete.

Very truly yours,

*(donor signature)*

**SAMPLE GIFTING LETTER FOR STOCK CERTIFICATES**

Date

Name and Address of your Stock Brokerage Firm

**RE: Gift of Stock to the Homer Foundation**

To Whom It May Concern:

This letter constitutes my direction to you to transfer the following shares of stock from my account to the Homer Foundation’s Vanguard brokerage account number 15179209 via DTC number 0062.-\_\_\_\_\_

**Number of Shares:** \_\_\_\_\_ **Company:** \_\_\_\_\_

**Certificate Number:** \_\_\_\_\_

I intend this transfer to be a gift to the Homer Foundation, EIN # 92-0139183. I hereby relinquish all right, title and interest in these securities and I do hereby finally and irrevocably release and discharge you of any claims by me or my legal representatives with reference thereto, including the proceeds of the sale and disposition thereof.

Please expedite this transfer and advise me when it is complete.

Very truly yours,

\_\_\_\_\_  
*Signature of Donor*

\_\_\_\_\_  
*Signature of Second Donor – if joint account*

State of \_\_\_\_\_

County of \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, before me personally came to me known, and known to me to be the individual described in and who executed the foregoing instrument and who acknowledged that s/he executed the same.

**IRREVOCABLE STOCK OR BOND POWER**

**For Value Received**, the undersigned does (do) hereby sell, assign and transfer to:

Homer Foundation  
P.O. Box 2600  
Homer, AK 99603

Taxpayer I.D. Number 92-0139183

**IF STOCK COMPLETE THIS PORTION**

\_\_\_\_\_ Shares of \_\_\_\_\_ Stock of \_\_\_\_\_

Represented by certificate(s) number(s) \_\_\_\_\_ inclusive, standing in the name of the undersigned on the books of said Company.

**IF BONDS COMPLETE HIS SECTION**

\_\_\_\_\_ Bonds of \_\_\_\_\_

In the principal amount of \$ \_\_\_\_\_ Number(s) \_\_\_\_\_ inclusive, standing in the name of the undersigned on the books of said Company.

Attorney to transfer the said stock or bond(s), as the case may be, on the Books of said Company, with full power of substitution in the premises.

**IMPORTANT:** The signature(s) to this power must correspond with the name(s) as written upon the fact of the certificates (s) or bond(s) in every particular without alteration.

\_\_\_\_\_  
\_\_\_\_\_

**PERSON(S) EXECUTING THIS POWER SIGN(S) HERE**

Account No. \_\_\_\_\_

Dated: \_\_\_\_\_