



P.O. BOX 250  
WILLIAMSPORT, MD 21795-0250

TELEPHONE  
301-582-1626

TOLL FREE  
1-800-559-CARE

FAX  
301-582-4896

[www.homewood.com](http://www.homewood.com)

## Gift Acceptance Policy

### **Homewood Retirement Centers of the United Church of Christ, Inc.**

The Homewood Foundation  
Homewood at Williamsport  
Homewood at Crumland Farms  
Homewood at Plum Creek  
Homewood at Martinsburg  
Homewood at Spring House Estates

The following Gift Acceptance Policy applies to the parent organization, the Foundation, and the operating subsidiaries:

The acceptance of any contribution, gift or grant is at the discretion of the Homewood Foundation through guidance by its management and board of directors. The Homewood Foundation will not accept any gift unless it can be used or expended consistently with the purpose and mission of the Homewood Retirement Centers, or the Homewood Foundation.

No irrevocable gift, whether outright or life-income in character, will be accepted if under any reasonable set of circumstances the gift would jeopardize the donor's financial security.

The Homewood Foundation will refrain from providing advice about the tax or other treatment of gifts and will encourage donors to seek guidance from their own professional advisors to assist them in the process of making their.

The Homewood Foundation will accept donations of cash or publicly traded securities. Gifts of in-kind services will be accepted at the discretion of the Homewood Foundation.

Certain other gifts, real property, personal property, in-kind gifts, non-liquid securities, and contributions whose sources are not transparent or whose use is restricted in some manner, must be reviewed prior to acceptance due to the special obligations raised or liabilities they may pose for the Homewood Foundation.

The Homewood Foundation will provide acknowledgments to donors meeting IRS substantiation requirements for property received by the charity as a gift. However, except for gifts of cash and publicly traded securities, no value shall be ascribed to any receipt or other form of substantiation of a gift received by Homewood Foundation.

The Homewood Foundation will respect the intent of the donor relating to gifts for restricted purposes and those relating to the desire to remain anonymous. With respect to anonymous gifts, the Homewood Foundation will restrict information about the donor to only those staff members with a need to know.

The Homewood Foundation will not compensate, whether through commissions, finders' fees, or other means, any third party for directing a gift or a donor to the Homewood Foundation.

Generally, Homewood solicits and accepts gifts for benevolent care of its residents, for capital projects to improve its properties, and for special projects. It accomplishes these goals through fund raising for major gifts, by direct mail, through special events, and by planned gifts (trusts, bequests, etc.). Gifts are received from individuals, corporations and foundations, organizations and associations.

The Homewood Foundation raises funds for a variety of very important reasons. These include:

- Benevolent care for Homewood residents who may need special assistance
- Capital campaigns for expansion and beautification projects
- Special projects and activities within the Homewood communities

Established in 1972, The Homewood Benevolent Fund receives financial gifts for benevolent care. These funds are distributed to assist the needs of residents who meet established financial criteria. Homewood's philosophy is to never discharge a resident for being unable to pay. An exception to this criteria is when a resident does not pay their required monthly amounts or if they have improperly divested monies inappropriately e.g. to qualify for Medicaid. Funds are raised annually through:

- Benevolent and Memorial gifts
- A Mother's Day Appeal in cooperation with UCC churches
- An Annual Appeal at year-end
- Site projects, and fundraising events
- Planned Giving, including Bequests and Charitable Gift Annuities

### **Current Gifts**

The following assets are acceptable either as outright gifts, as bequests or estate gifts, or when appropriate, as funding for a charitable remainder trust or lead trust. All gifts are subject to approval by the Homewood Foundation staff and outside legal counsel. The Foundation may decline a gift for any reason.

1. Cash - The Foundation accepts cash, check, and money orders. Checks should be made payable to Homewood Foundation.
2. Securities - The Foundation accepts gifts of publicly traded stocks and bonds. As a general rule, the policy is to sell all marketable securities upon receipt.
3. Securities in closely held corporations - To be accepted, such stocks must have a qualified appraisal performed by an independent professional appraiser. Prior to approval, these gifts are

reviewed by the Homewood Foundation staff and legal counsel in order to assess liquidity and liability potential. Any such interest may be accepted provided that the Foundation assumes no liability in receiving the interest.

4. Real Estate - All real estate gifts must be approved by the Foundation's Board of Directors and legal counsel.

Real Estate guidelines for acceptance:

- a. The donor will provide the Foundation with a qualified, independent appraisal of the property's fair market value.
- b. The donor must provide the Foundation with proof of a clear title to the property.
- c. All gifts of real estate shall be subject to review by the Board of Directors regarding environmental concerns, legality, mortgages, easements, or other restrictions on the property.
- d. Donors shall agree to pay for the costs of an environmental audit.
- e. The Foundation shall not accept gifts of real estate with restrictions upon the ultimate sale of the property.
- f. Property that is accepted by the Foundation is subject to immediate liquidation and / or sale.

5. Life Insurance - The following are methods by which a donor may make a contribution of life insurance to the Foundation.

- a. The donor irrevocably assigns a paid-up life insurance policy to the Foundation.
- b. The Foundation may be named as a percentage or contingent beneficiary of any life insurance policy.
- c. The donor may assign irrevocably a life insurance policy on which the premiums remain to be paid, if the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, Homewood Foundation may choose to:
  - Continue to pay the premiums
  - Convert the policy to paid up insurance
  - Surrender the policy for its current cash value

6. Gifts of Personal Property- Gifts of personal property are reviewed on a case-by-case basis. All gifts of personal property shall be liquidated by the Foundation as soon as possible after their receipt.

7. Bargain Sales - A "bargain sale" is the sale of real estate or other property to the Foundation for an amount less than the property's fair market value. All "bargain sales" must be approved by the Board of Directors. The property's fair market value must be supported by a qualified, independent appraisal, which shall be an expense incurred by the donor. The gift is usually the difference between the sale price and the market value.

8. Retirement plans – The Foundation may be named as the beneficiary of a retirement plan.

Gifts other than cash will be valued in an appropriate manner and consistent with sound accounting principles. Full responsibility rests on the donor for claiming any deductions including filing form 8283, and any appraisals or other documentation. Full responsibility also rests on the donor for the value given to tangible personal property or services, and donors will be expected to provide the Homewood Foundation with a copy of any qualified appraisal required.

## **Unrestricted Gifts**

Unrestricted gifts not clearly directed to benefit a particular fund at the Foundation shall be placed in Homewood Foundation's general Fund. This fund provides resources for the Foundation's operations, community outreach and community grant making. At any time, the Foundation's Board of Directors may allocate an unrestricted gift for current grant making or an unrestricted endowment.

## **Bequests**

The Foundation receives bequests from persons who have directed in their wills that certain assets be transferred to the Foundation. The Foundation's legal name is The Homewood Foundation, Inc.

Sample bequest and language for restricted and unrestricted gifts are available from the Foundation for individuals and their professional advisors. Donors are encouraged to notify the Foundation when it is included in their estate plans.

The following life income agreements are acceptable when in compliance with the Internal Revenue Code at the time the gift is established, and is subject to reformation as tax laws change.

## **Life-Income Gifts**

Life-income gifts are those that are structured in such a way to provide a stream of income for the donor or another for a term of years or for their lifetime. These gifts can be made during the donor's lifetime or through a testamentary vehicle. All life-income gifts will be approved by the Board of Directors for acceptance of the governing documents. The Homewood Foundation may accept gifts from both charitable remainder annuity trusts and charitable remainder unitrusts.

1. Charitable Remainder Annuity Trust - Under a Charitable Remainder Annuity Trust, the donor irrevocably transfers property to the Foundation. The donor, or one or more beneficiaries designated by the donor, is paid a fixed dollar amount annually for the term of the trust, which may be a term of years, or for the life of the beneficiary(ies), or a combination of both. Upon termination of the income beneficiary interest, the assets of the trust will be transferred to the Foundation. The Foundation encourages the use of a Trustee suitable to the donor including banks or other appropriate institutions.

2. Charitable Remainder Unitrust – The charitable Unitrust is similar to the annuity trust except that the donor receives a fixed percentage of the net fair market value of the trust’s assets each year. There are several legally acceptable forms of the charitable remainder unitrust:

1)- “straight” unitrust, 2)- “net income” unitrust 3) Net income with make-up provisions, and 4) Flip trust.

3. Charitable Lead Trust - The charitable lead trust is one in which the Foundation receives the income from the fund for a period of at least five years. The remainder is returned to the donor or another named non-charitable beneficiary. The Foundation may receive an annuity payment or unitrust payment as outlined in the trust instrument.

The Foundation encourages donors to consult their own legal counsel and tax advisors to create a charitable remainder trust. When desirable, the Foundation will provide sample documents and calculations for the donor and his or her advisors to review.

### **Charitable Gift Annuities**

#### **Age Constraints/Minimum Gift Amount**

One of the most popular and beneficial types of planned giving is the Charitable Gift annuity. As a general policy, an income beneficiary must be sixty (60) years old in order to be issued an immediate charitable gift annuity. Deferred payment gift annuities will be issued to donors younger than sixty or those over sixty wishing to defer payments to a later date. The minimum amount for a charitable gift annuity is \$5,000.

Donors receive guaranteed fixed income that is partially tax-free, with the benefit of current and future savings on income taxes, plus fixed, stable payments. The upfront charitable gift (\$5,000 or larger) is partly a tax deduction, as well.

The American Council on Gift Annuities, established in 1927, sets all annuity payment interest rates. The Homewood Foundation abides by these rates. The rates are set periodically as necessary. Because a charitable deduction is involved, since the annuity is construed as a gift, it is different than purchasing a commercial annuity. The Homewood Foundation generally retains the services of an attorney who writes all the annuity contracts and maintains a file of all Homewood annuitants. Copies of all annuities are maintained by The Homewood Foundation and by the controller of the Homewood Retirement Centers, Inc. The Homewood Foundation urges interested parties to seek the advice of an attorney or tax professional before entering into a gift annuity contract.

- There shall be no more than two beneficiaries on the charitable gift annuity

#### **Types of Property Accepted**

Typically cash and marketable securities will be accepted to fund a charitable gift annuity. In some cases, the Foundation will accept gifts of real property in exchange for a gift annuity. In

those cases, the Foundation undertakes a thorough study of the property to determine marketability and condition, and has a Phase I Environmental Study done (sometimes waived if the gift is residential property). If a gift annuity is issued, the annuity rate offered is discounted at the discretion of the Foundation in order to cover the costs associated with marketing and selling the property, and offsetting real-estate market risk. The donor is responsible for obtaining an independent, qualified appraisal for the property.

Gifts that are generally accepted without review are *cash* (check, money order, credit card, or online); *marketable securities* (transmitted electronically or physically delivered); *bequests*; and *trusts*.

Gifts that should be reviewed before acceptance are *tangible personal property* (does the gift fit the mission, is the property marketable, are there restrictions, is it given free and clear of encumbrances); *life insurance* (Homewood should be both the beneficiary and the irrevocable owner of any policies given); *real estate* (all gifts of real estate need to be reviewed by the Board of Trustees).

Homewood urges all donors to seek the advice and counsel of their legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences. Counsel is recommended for: gifts of securities that have any peculiarity attached to them; documents that name Homewood as a fiduciary agent; gifts requiring the assumption of financial or other obligations; gifts that pose potential conflicts of interest; gifts of property that may be subject to environmental or restrictive regulations.

Homewood will not accept gifts that would result in us violating our corporate charter; would result in jeopardizing or losing our non-profit status; are too difficult or too expensive to administer relative to their value; would result in any unacceptable consequences; or, are for purposes outside our mission. Gifts that are in any way questionable should be discussed with the Executive Committee before acceptance.

### **The Homewood Foundation**

**Legal Name:**

Homewood Foundation, Inc.

**Tax ID Number:**

52-1892689