



**Heirs of Mountain Home**  
An Alabama Non-profit Corporation

**GIFT ACCEPTANCE POLICY**

It is important for Heirs of Mountain Home directors, officers, committee members, advisory board members, and staff (if the Corporation ever grows to the point of having staff) to have a structured policy regarding gifts acceptance by the Corporation. To that end, this policy is being implemented prior to the Corporation actively seeking current or future gifts that can contribute to the mission of current, ongoing, and long-term care of Mountain Home.

The purpose of the gift acceptance policy is to protect the corporation's reputation, tax-exempt status, charitable purposes, and to avoid excessive financial burdens or expenditures on the part of the Corporation to accept a gift offered by a donor.

The policy is intended to supplement but not replace any applicable state and federal laws governing acceptance of gifts applicable to nonprofit and charitable Corporations.

Any changes to this policy or exceptions to this policy shall require a Unanimous Written Consent of the then serving Board of Directors (Governing Body), whether in conjunction with recommendations of any authorized committee working on behalf of the Corporation.

ARTICLE I  
**POLICY AND PURPOSES**

This Policy represents the policy of the Heirs of Mountain Home (the "Corporation") governing the solicitation and acceptance of gifts by the Corporation. The board of directors or authorized committee ("Governing Body") of the Corporation solicit current and deferred gifts from individuals, corporations, foundations, and others for purposes that will further and fulfill the Corporation's mission. Purposes of this Policy include:

- (a) guidance for the Governing Body, officers, authorized committees, and other constituencies with respect to their responsibilities concerning gifts to the Corporation; and,
- (b) guidance to prospective donors and their professional advisors when making gifts to the Corporation.

The provisions of this Policy shall apply to all gifts received by the Corporation. Notwithstanding the foregoing, the Corporation reserves the right to revise or revoke this Policy at any time, and to make exceptions to the Policy on a case-by-case basis. Any revision, revocation, or exceptions shall be via Unanimous Written Consent of the Governing Body.

The mission of the Corporation is: To inspire and empower a community to action in similar fashion to that used by the founding generations to build this community by, sharing their love of God, Family, Country, and Community. The mission of the Heirs of Mountain Home is to implement programs that engage members of the community, build stronger bonds of brotherly love in the community, secure the necessary financial resources to restore, repair, and maintain the grounds, structures, and grave markers while preparing for the long-term future care of this special place.

To accomplish this mission, we have implemented a Veteran's program to honor and remember those who have served in the Armed Forces of the United States of America, and will implement a Christian Fellowship to build upon the connectedness of those who live in the community or have family ties to the community, a history program that will help current and future generations to know more about their past and about their ancestors, many of which were part of the founding generations that forged the community in the 1800's. We will also implement a program to undertake the work of restoration, repair, and maintenance of the grounds, structures, and grave markers, and to enlist the older generations with such skills knowledge to share and teach the younger generations.

## ARTICLE II USE OF LEGAL COUNSEL

- A. The Corporation.** The Corporation 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 the Corporation as trustee;
  - Gifts involving contracts such as bargain sales, partnership agreements, or other documents requiring the Corporation to assume an obligation;
  - Transactions with a potential conflict of interest;
  - Gifts of real estate;
  - Pledge agreements;
  - Any gift with restrictions; and
  - Any other potential gift that falls outside the policies clearly stated herein.
- B. Donor.** For non-standard gifts, in order to avoid potential of any conflicts or potential conflicts of interest, the Corporation should encourage 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.

ARTICLE III  
**GENERAL POLICY**

The Corporation shall **not** accept gifts that:

- (1) Violate the terms of the Corporation's Organizational documents;
- (2) Would jeopardize the Corporation's status as an exempt corporation under federal or state law;
- (3) Are too difficult or expensive to administer;
- (4) Are for purposes that do not further the Corporation's mission and objectives;
- (5) Are or appear to be in conflict with the Corporation's Articles of Faith included in the Bylaws, or,
- (6) Could damage the reputation of the Corporation.

Subject to **Article IV** below, all final decisions on the acceptance or refusal of a gift, shall be made by the Governing Body.

ARTICLE IV  
**POLICY REGARDING SPECIFIC TYPES OF GIFTS**

**A. Gifts Generally Accepted Without Review (Unrestricted Gifts of Cash).** The Corporation will accept unrestricted gifts of cash without prior review by the Governing Body, provided that, for donations of \$10,000.00 or more, the identity of the donor has been vetted with respect to any reputational or policy issues. Unrestricted gifts of cash are acceptable in any form. Checks shall be made payable to the Corporation.

**B. Gifts Subject to Governing Body Review Prior to Acceptance.** All gifts, other than unrestricted gifts of cash, must be reviewed by the Governing Body prior to acceptance, unless the Governing Body authorizes certain de minimis gifts or categories of gifts to be accepted without its review. The following guidelines also apply:

(1) **Tangible Personal Property:** The Governing Body shall review and decide whether to accept gifts of tangible personal property by considering the following factors:

- Whether the property furthers the mission of the Corporation;
- The marketability of the property;
- The restrictions on the use, display, or sale of the property; and
- Carrying costs and possible liability for the property.

(2) **Marketable Securities:**

- Unrestricted marketable securities may be transferred to an account maintained by the Corporation 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, unless otherwise directed by the Corporation's Governing Body.

- If the marketable securities are restricted by applicable securities laws, the Governing Body shall make the final determination on the acceptance of the restricted securities.

(3) **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 Governing Body of the Corporation. The Governing Body shall review and decide whether to accept closely held securities based on the following factors:

- Restrictions on the security that would prevent the Corporation from ultimately converting the securities to cash;
- The marketability of the securities; and
- Any undesirable consequences for the Corporation 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 Governing Body of the Corporation with advice of legal counsel when deemed necessary. Non-marketable securities shall be sold as quickly as possible.

(4) **Bequests:** Donors may make bequests to the Corporation 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 Generally Accepted Accounting Principles (GAAP).

(5) **Charitable Lead Trusts:** The Corporation may accept designations as income beneficiary of a charitable lead trust. The Corporation may accept an appointment as trustee of a charitable lead trust.

(6) **Retirement Plan Beneficiary Designations:** The Corporation 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.

(7) **Life Insurance:** The Corporation may accept designations as beneficiary and owner of a life insurance policy. The life insurance policy will be recorded as a gift once the Corporation is named as both beneficiary and irrevocable owner of a life insurance policy. The gift shall be valued in accordance with GAAP rules. If the donor contributes future premium payments, the Corporation 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, the Corporation may:

- Continue to pay the premiums;
- Convert the policy to paid up insurance, or
- Surrender the policy for its current cash value.

Donors may name the Corporation 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.

- (8) **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, the Corporation 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, the Corporation shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall be an expense of the donor.

*Title Binder.* A title binder shall be obtained by the Corporation 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 Governing Body and legal counsel shall review and decide whether to accept real property based on the following factors:

- Whether the property is useful for the purposes of the Corporation;
- The marketability of the property;
- Any encumbrances, leases, restrictions, reservations, easements, or other limitations associated with the property;
- Any carrying costs associated with the property, including insurance, property taxes, mortgages, notes or other costs;
- Any concerns which the environmental audit revealed.

- (9) **Remainder Interests in Property:** The Corporation will accept a remainder interest in a personal residence, farm, commercial property, or vacation property subject to the provisions above of **Article IV**. 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), the Corporation 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.

- (10) **Restricted Gifts:** A gift with restrictions will be accepted only if and when the restrictions are approved by the Governing Body.

- (11) **Named Funds:** A donor, or group of donors, may contribute and name a fund and restrict the use of the income or principal of the fund. Named funds require a minimum contribution of \$100,000.00 and are subject to Governing Body approval like any other restricted gift.

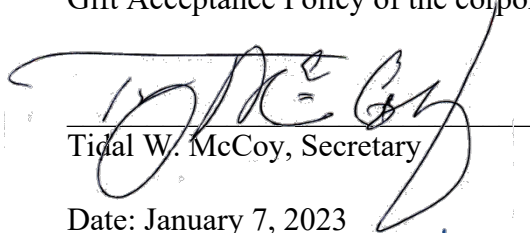
ARTICLE V  
**ADDITIONAL PROVISIONS**

- A. Gift Agreements.** Where appropriate, the Corporation shall enter into a written gift agreement with the donor, specifying the terms of any restricted gift, which may include provisions regarding donor recognition.
- B. Pledge Agreements.** Acceptance by the Corporation of pledges by donors of future support of the Corporation (including by way of matching gift commitments) shall be contingent upon the execution and fulfillment of a written charitable pledge agreement specifying the terms of the pledge, which may include provisions regarding donor recognition.
- C. Fees.** The Corporation 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 the Corporation.
- D. Valuation of Gifts.** The Corporation shall record gifts received at their valuation on the date of gift, except that, when a gift is irrevocable, but is not due until a future date, the gift may be recorded at the time the gift becomes irrevocable in accordance with GAAP.
- E. IRS Filings upon Sale of Gifts.** To the extent applicable, the Governing Body shall file IRS Form 8282 upon the sale or disposition of any charitable deduction property sold within three (3) years of receipt by the Corporation. “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 donee Corporations (e.g., the property listed in Section B on Form 8283). The Corporation shall file this form within 125 days of the date of sale or disposition of the asset. NOTE: This section of the policy shall be reviewed annually and updated as required based on changes in the requirements for filings from the IRS.
- F. Written Acknowledgement.** The Governing Body of the Corporation shall provide written acknowledgement of all gifts made to the Corporation and comply with the current IRS requirements in acknowledgement of the gifts.
- G. Changes to or Deviations from the Policy.** This Policy has been reviewed and accepted by the Corporation's Governing Body, which has the sole power to change this Policy. In addition, the Governing Body must approve in writing through Unanimous Written Consent, any deviations from this Policy.
- H. Donor Recognition.** If requested by the donor, the Corporation will publicly acknowledge them as a donor on the Corporation website. The Corporation will not endorse or sell products as part of a corporate donation.

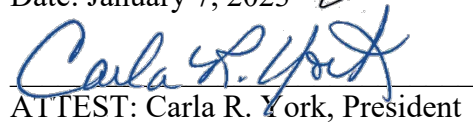
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**CERTIFICATE OF ADOPTION OF GIFT ACCEPTANCE POLICY**

I do hereby certify that the above stated Gift Acceptance Policy for Heirs of Mountain Home were approved and adopted by the board of directors on January 7, 2023, and constitute a complete copy of the Gift Acceptance Policy of the corporation.

  
Tidal W. McCoy, Secretary

Date: January 7, 2023

  
ATTEST: Carla R. York, President

