

Public Library of Union County

Title	Gift Acceptance Policy
Date of Adoption	07/13/2020
Approved By	Public Library of Union County Board of Trustees
Last Reviewed/ Revised Date	Format revised, May 1, 2022

PURPOSE

Gifts and donations are essential to extending and enriching the services of the Public Library for Union County (“PLUC” or “Library”). Gifts which further the mission and priorities of the Library are encouraged from private individuals, families, companies/corporations and foundations to supplement library operating funds, endowments, support capital campaigns and other activities.

The availability or potential of a private gift or grant support will not determine organizational priorities. PLUC will not knowingly seek, nor accept, any gift regardless of size, designation or other condition which it believes is not consistent with the Library’s mission and priorities. PLUC will also not knowingly seek, nor accept, any gift regardless of size, designation or other condition which it believes is not in the potential donor’s best interest.

SCOPE

POLICY

I. Gift Processing

Donors may contribute to the Library directly. Generally, the Library’s policy is to convert non-cash gifts to cash as soon as possible. Once transferred or given all contributions become the property of PLUC and are nonrefundable.

All gifts will receive an acknowledgement letter or an appropriate receipt. Staff will prepare and issue acknowledgements within 5 days or as soon as practically possible. Current IRS regulations require that the receipt of gifts valued at \$250 or more be accompanied by a written statement from the Library confirming the donation and describing the benefits (goods or services), or lack thereof, received by the donor. Those regulations also require a written disclosure statement to donors of a quid pro quo contribution in excess of \$75.00; a quid pro quo contribution is a payment made by a donor partly as a contribution and partly for goods or services provided to the donor by the Library (for example, admission for attendance to an event).

Although representatives of the Public Library for Union County will provide all appropriate assistance, the ultimate responsibility regarding asset evaluations, tax deductibility, and/or similar federal, state and/or local legal compliance issues rests with the donor(s) and/or with such tax, accounting and financial advisors as the donor(s) shall secure. All donors need competent tax and financial advisors and accountants, and representatives of PLUC will always recommend potential donors obtain these types of professionals.

II. Types of Gifts

- A. Unrestricted Gifts:** The most useful gifts are those without restrictions. All unrestricted gifts will be used to support the Library's mission and priorities. The Library may, by a simple majority vote of the Board of Trustees, designate unrestricted gifts or portions of gifts for a specific purpose.
- B. Restricted Gifts:** The Library Director will work with donors interested in directing gifts of \$5,000 or more for specific purposes. Restricted gifts are encouraged that support selected departments or services and that are compatible with the overall mission and priorities of the Library. If a restricted gift of less than \$5,000 appears meritorious and is not administratively burdensome, the Board has the discretion to consider such gifts on a case-by-case basis.

Before accepting a restricted gift, it is necessary that the nature and extent of the restriction be clearly understood. For this reason, the terms of each restricted gift will be reviewed with utmost care to ensure that the restriction does not hamper the usefulness and desirability of the gift.

The Library will not accept restricted gifts that:

1. Impede the ability of the Library to acquire gifts from other sources;
2. Place undue burden upon the Library's financial or administrative resources;
3. Could subject the library to adverse publicity;
4. Are too difficult to administer; or
5. Are counter to the Library's mission, priorities or best interests.

The Board of Trustees must approve any restricted gift that encumbers the Library financially or administratively such as gifts of tangible personal property, in-kind gifts, gift annuities and charitable remainders or lead trusts or mortgaged property.

All restricted gifts accepted by the Library will be used solely for the purpose specified by the donor and agreed to by PLUC. It is important that the donor's intent and PLUC's agreement be set forth in a signed and dated Gift Agreement, Capital Campaign Pledge Form or other donor documentation.

III. Giving Options

- A. Outright Gifts of Cash or By Check.** All gifts of cash or by check may be accepted by any staff person, Trustee or authorized agent working on behalf of the Library, which could include a fundraising volunteer or banking/brokerage representative. Checks should be

made payable to: The Public Library of Union County. Cash gifts may also be made by credit card, debit card and electronic transfer.

- B. Matching Gifts.** PLUC encourages matching gifts from organizations or businesses. The Library will comply with the process required by the organization's matching gift program for the Library's application, reporting, and management of such gifts. Unless the company specifies otherwise, matching gifts from corporations follow the restrictions, if any, of the donor whose gift is being matched.
- C. Marketable Securities and Other Investments.** Gifts of marketable securities and other investments are counted at their full fair market value on the date of the gift. The Library Director, Trustees or an authorized agent working on behalf of the Library, which could include a fundraising volunteer or banking/brokerage representative, may accept gifts of publicly traded securities and a report shall be made to the Board of Trustees.
 1. The gift is considered received when the securities are transferred to the Library. Unless special circumstances exist, the securities will be converted to cash as soon as reasonably possible.
 2. The value of publicly traded securities will be determined in accordance with current IRS rules and regulations.
 3. Gifts of another form of investment that may not fall into the marketable securities category are accepted solely at the discretion of the Board of Trustees.
- D. Life Insurance Policies.** Gifts of paid-up whole or universal life insurance policies may be made by making PLUC the irrevocable beneficiary and owner of 100% of the policy. When a policy that is not paid up is donated, the cash surrender value of the policy will be considered the value of the gift. In the event that the donor discontinues premium payments, the value of the policy as of that date will be credited to the donor.
- E. Beneficiary Designations.** Donors may choose to make PLUC the beneficiary of a 401(k), 403(b), and Individual retirement Account (IRA), a bank account, a donor advised fund, or other type of account which is passed on to heirs via a beneficiary designation. The official name of the Library is The Public Library for Union County and the EIN is: 23-2208061.

Giving through retirement plans may also be done directly as an outright gift of cash. Those aged 70½ and older with an IRA may make charitable distributions directly to qualified charities of up to \$100,000 per year on a tax-free basis. Transfers are not taxed and also count towards the Annual Minimum Distribution.

- F. Pledges to a Capital Campaign.** A pledge to a capital campaign is a signed and dated commitment to make a gift over a specific period of time payable according to terms set by the donor and accepted by PLUC for a specific capital campaign purpose. Pledges of \$5,000 or more may be payable in single, annual installments. The pledge may not exceed five (5) years in duration. All pledge donors must complete a written pledge form.
- G. Real Estate.** A proposed gift of real estate will be examined on its individual merits and acceptance must be approved by a majority vote of the Board of Trustees. A current

appraisal completed by a qualified appraiser must be provided by the donor. The value of the gift is the appraised value of the real estate.

1. The donor must provide copies of the real estate deed, real estate tax bills for the recent year, plot plan (if one), substantiation of zoning status, title insurance policy and title report.
2. PLUC requires an initial environmental review of the property to ensure that it is free of environmental damage. The cost of that and any subsequent inspections will be borne by the prospective donor.
3. When appropriate, a current title binder shall be obtained by PLUC prior to the acceptance of the real property gift. The cost of the binder will be borne by the prospective donor.

H. Gifts of Tangible Personal Property and Gifts-In-Kind. Gifts of tangible personal property and gifts-in-kind that are most beneficial to PLUC are those that have a use related to PLUC's tax exempt status or those that are relevant towards achieving a capital campaign goal. Typical examples of tangible personal property include, but are not limited to, old and rare books, artwork, artifacts, literary collections, photographs, antiques, jewelry, etc. Gifts-in-kind are non-cash donations of property or services other than real or personal property. Typical examples of gifts in-kind include, but are not limited to, computer software and hardware, office furniture, construction materials or services, etc.

Proposals for gifts of tangible personal property or gifts-in-kind shall be forwarded to the Library Director's Office for review with the Board of Directors. Acceptance of gifts of tangible personal property or gifts-in-kind will be contingent upon the approval of the PLUC Board of Trustees. Some non-cash donations may be difficult to convert to cash and/or may be deemed to have little relevance toward achieving fundraising or capital campaign goals. In determining the acceptance of non-cash gifts, the Board of Trustees will look for gifts that are marketable, that is gifts that can easily be converted to cash, gifts whose potential use supports the Library's stated purposes, and gifts that meet a capital campaign's objectives and are considered "project budget-relieving", that is, an in-kind gift that decreases the amount of cash needed to meet the ultimate capital campaign goal. See Unacceptable Gift Policy below.

Once a gift of personal property or an in-kind gift is accepted by the Library, it becomes the property of the Library, to be used or disposed of in accordance with these policies established by the Board of Trustees.

The valuation of gifts of tangible personal property and gifts-in-kind for the donor's tax purposes shall be the responsibility of the donor and not of PLUC. If the donor believes that the donated property is valued at \$5,000 or more, the donor must have an appraisal provided by a qualified and reputable source. The cost of the appraisal is to be borne by the prospective donor.

Gifts of books and other materials may be made directly to the Library. The Library will not accept materials which are not outright gifts, and reserves the right, as conditions change, to assign any of its materials wherever the need is the greatest. Acceptance and

use of all gifts of books and other materials will be in accordance with PLUC's Materials Selection Policy as relates to Gifts.

All gifts must be in usable physical condition. Because of limitations of space, money, and staff, the Library reserves the right to accept, use, sell or discard, at its discretion, any materials given to the Library. Because of wear, theft and mutilation, the permanence of gifts cannot be guaranteed. The Library makes every effort to sell or dispose of any gift materials it cannot use to its best advantage such as through sales or recycling.

- I. **Planned Gifts.** In seeking planned giving arrangements, PLUC and its representatives shall, to the best of their ability, work with the donor and the donor's advisors to achieve a result that is in the donor's interest. The Director, Trustees and specifically designated staff members are the only PLUC representatives authorized to negotiate planned giving agreements on behalf of the Library. Final approval of any such agreements, and authorization for the Board President and Director to sign the same, shall require the approval of a majority of the Board of Trustees.

Prospective donors shall be encouraged in correspondence, printed brochures, and conversations to seek their own legal counsel and advice from their own tax, accounting and financial advisors. The donor shall also be informed that all legal interpretations, advice, and tax deductions shall be based on information obtained from the donor's own counsel and advisors.

- J. **Trusts and Wills.** Notification of naming PLUC as a beneficiary in a will or in a trust shall be directed to the Library Director, who shall then report to the Board of Trustees. Donors who seek to include PLUC in their wills or trusts should be sure to provide their advisers with the official name, The Public Library for Union County, and EIN: 23-2208061. The Library has a Legacy Society form that can be used for a legacy gift and will provide sample bequest language to the donor.

Gifts from wills or trusts may be accepted, based upon the gift's marketability and/or their potential use to support the Library's mission and priorities. The same policies for cash, securities, real estate, and tangible personal property as described in the previous categories will be applied to bequests.

In the case of a non-cash gift from an estate or trust, whenever possible, the personal representative of the estate or the trustee of the trust will be asked to sell the property and remit the proceeds to PLUC, instead of distributing the non-cash gift to the Library. However, when it is economically advantageous for the Library to accept a non-cash gift from an estate or trust, the Library reserves the right to accept such gifts. The Library Board of Trustees reserves the right to make these decisions as to how to accept the bequest.

- K. **Other Planned Giving Vehicles.** Planned Giving arrangements including charitable gift annuities, remainder trusts, and charitable lead trusts shall be examined on an individual basis by the Board of Trustees.

- L. **Other Gifts.** Gifts not described above or gifts that place unusual responsibilities or risks on PLUC will be reviewed with the Board of Trustees before any commitment to acceptance of the gift is made. The Board is vested with the sole discretion to accept or reject a gift to the Library.

IV. Unacceptable Gift Policy

The PLUC Board of Trustees makes the final decision about acceptance of gifts that may be deemed to fall outside of these established guidelines. The Board of Trustees of PLUC reserves the right to decline any gift which it considers inappropriate, contrary to its mission and priorities, administratively or financially burdensome or contrary to its stated purpose and By-Laws.

PLUC is not required to accept any charitable gifts or contributions, particularly those which:

1. Are designated with restrictions that fall significantly outside the Library's mission and program priorities;
2. May cost the Library money or burden its administrative resources, provide a liability or potential penalty of any kind, or are too difficult to administer;
3. Have conditions that are not in the best interest of the Library, or
4. Are not able to be liquidated into cash in a reasonable amount of time.

The Board of Trustees must approve any gift that encumbers the library financially or administratively such as gifts of tangible personal property, gift annuities and charitable remainders or lead trusts or mortgaged property.

V. Library Responsibility

Unless special circumstances exist, PLUC will use its best efforts to sell a non-cash gift as soon as possible and at the highest value available. The Library adheres to all IRS regulations and requirements related to valuing, disposing of gifts of tangible personal property and filing appropriate forms. The Library must inform donors that if a non-cash gift for which the donor was required to file IRS Form 8283 is sold within three years of the date of the gift, PLUC, as required by law, will complete and submit IRS Form 8282 to the IRS, reporting the amount for which the asset was sold.

VI. Donor Rights, Recognition and Communications

PLUC holds all communications with donors and information concerning donors and prospective donors in strictest confidence, subject to legally authorized and enforceable requests for information by government agencies and courts. All other requests for or releases of information concerning a donor or prospective donor will be granted only if permission is first obtained from the donor.

Biographical and financial records stored in any computer data base should be treated as confidential information. This information should not be released or accessed without approval of the Library Director.

All gifts will be recorded and the donor will be recognized and acknowledged in an appropriate manner. A complete record of every individual donor's gift will be maintained.

Recognition and benefits may include, but not be limited to, thank you letters, bookplates, recognition in PLUC publications, special plaques, assignment of named gift opportunities, and recognition at PLUC events. Requests by donors for anonymity will be honored.

PLUC abides by the Donor Bill of Rights, please see Appendix A.

DEFINITIONS

RELATED POLICIES AND OTHER REFERENCES

Donor Bill of Rights

WEBSITE ADDRESS

HISTORY OF UPDATES