



GIFT ACCEPTANCE POLICY

PURPOSE

The purpose of this policy is to govern acceptance of gifts and to provide guidance to donors and their professional advisors in completing gifts. In the event of questions related to discharging fiduciary responsibility, protecting the board from third party liability and IRS sanctions, and protecting the Foundation from unanticipated costs and/or negative publicity, the Foundation will seek the advice of legal counsel when appropriate.

Legal counsel could be sought under the following circumstances, but not limited to:

- The review of certain gifts, such as closely held stock, or closely held stock subject to buy-sell agreements or other restrictions.
- The review of all transactions governed by contracts or legal documents. This would include bargain sales, trusts naming the nonprofit as trustee, or any document obligating the trustee to take action.
- The review of all transactions with potential conflicts of interest. This may include use of board members as sales agents in transactions, leases of gift property to staff or board, etc.
- Other circumstances in which the committee or board members believe that use of counsel is appropriate.

Should there be a potential conflict of interest or question of fiduciary responsibility, the Foundation will strongly urge and advise the donor to seek independent professional counsel prior to making a gift, at the donor's expense.

GIFT ACCEPTANCE

1. **Encouraging Gifts.** The Foundation encourages the private support of the Library through gifts of any amount in the form of cash, stock, real estate, personal property or other assets, including gifts through trusts, estates, or insurance policies.
2. **Declining Gifts.** The Foundation may decline any gift that in its judgment creates unacceptable challenges, undue expense, or a perception of impropriety, or conflicts with the organization's mission.
3. **Contributions with Donor Restrictions.** Any contribution may have a donor-imposed restriction and shall have such language expressly documented and witnessed by the donor and an authorized representative of the Foundation. Restrictions must be compliant with guidelines outlined in this policy and must not place undue hardship on the Foundation.
4. **Costs of Gifts.** The Foundation will not accept gifts that may result in expenses and or fees that will be incurred by the Foundation. However, the Foundation will clarify with a

donor under what circumstances, if any, the Foundation will pay for legal fees or professional fees with respect to completing a gift. The Foundation may also choose to pay for appraisals for its own purposes. If the Foundation pays for a gift cost that is the legal obligation of the donor, the value of the gift will be reduced by the cost to the Foundation for the services, or alternatively, the gift may be treated as a bargain sale with the cost to the Foundation as the compensation to the donor.

TYPES OF GIFTS

The Foundation will not be able to accept all types of gifts. The potential list of appropriate gifts can be found below, but the final determination of gift acceptance will be made by the Present, subject to approval of the full board.

1. **Cash.** Cash gifts are acceptable in any form, including by check, money order, credit card, or online.
2. **Marketable Securities.** Marketable securities may be transferred electronically to an account maintained at one or more brokerage firms or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached. In some cases, marketable securities may be restricted. Generally, marketable securities must be liquidated within five (5) days of title transfer.
3. **Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans.** Donors are encouraged to make bequests to the Foundation under their wills, and to name the Foundation as the beneficiary under trusts, life insurance policies, commercial annuities, and retirement plans.
4. **Charitable Remainder Trusts.** The Foundation will accept designation as a remainder beneficiary of charitable remainder trusts.
5. **Charitable Lead Trusts.** The Foundation will accept designation as an income beneficiary of charitable lead trusts.
6. **Tangible Personal Property.** The Foundation may accept gifts of tangible personal property after considering the marketability of such property, the costs of owning and maintaining the property, any restrictions on the use of the property and whether the property is directly related to the Foundation's mission. The Foundation's acceptance of tangible personal property does not guarantee its retention as Foundation property in perpetuity.
7. **Life Insurance.** The Foundation will accept gifts of life insurance where the Foundation is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy.
8. **Real Estate.** All gifts of real estate are subject to review. Normally, it will be the goal of the Foundation to sell any contributed real estate for its full fair market value as soon as possible after receipt. Therefore, each proposed gift of real estate will be reviewed by legal or outside counsel partly to determine the conditions under which it can be sold. Because of the time and resources involved in reviewing any gift of real estate, the Foundation requires that any proposed gift of real estate involve \$100,000 or more of equity. The following guidelines will be used in the review of gifts of real estate. The Foundation requests that:

- a. The donor will provide the location, or a plot map, of the property so that a visual inspection of the site can be made.
 - b. The donor will provide copies of all leases, mortgages and other contracts affecting the property.
 - c. The donor will contract and pay for a Phase I Environmental Assessment of the property so that the Foundation can be assured that the property is free of contamination and environmental hazards. If the Phase I Environmental Assessment indicates that environmental problems exist, an additional assessment or remediation may be required.
 - d. The tax law requires that the donor obtain a “qualified appraisal” of the property. The donor will need this appraisal in order to claim a charitable income tax deduction on the donor's tax return for the year of the gift. The specific requirements for a qualified appraisal can be found in the IRS regulations, or in IRS Publication 561, Determining the Value of Donated Property. The donor, the Foundation, and the appraiser all must sign the IRS Form 8283, which must be filed with the donor’s tax return.
 - e. The donor will provide evidence of clear title to the property through a title insurance policy.
 - f. The donor will sign an Indemnity Agreement to provide protection for the Foundation’s other assets. The need for this agreement arises from the fact that there may be expenses that will require a cash outlay on the part of the Foundation between the time the property is contributed and eventually sold, and a donor’s fund might not have enough liquid assets to allow the Foundation to cover these expenses. These expenses could include such items as taxes, insurance, maintenance, condominium charges, etc. In some instances, the Foundation may agree to use the proceeds from the sale of the property to cover the Foundation’s expenses with respect to the property.
 - g. The donor will sign a recordable General Warranty Deed conveying the property to the Foundation.
9. The Foundation will not accept any of the following gifts:
- a. Gifts made with intent to discriminate that restrict use based upon age, race, color, religion, creed, nationality, political affiliation, gender, or sexual orientation.
 - b. Gifts with restrictions regarding the employment of any person.
 - c. Gifts which restrict use of the gift to programs or collections that are not part of the Foundation's mission, without prior approval of the Foundation’s Board of Directors.
 - d. Gifts that provide financial benefits to any individual or organization besides the Foundation.
 - e. Gifts in which the Foundation assumes indebtedness in connection with the gift. Exceptions to the contrary must be approved by the Foundation’s Board of Directors.
 - f. Gifts in which the Foundation would be exposed to material or personal liabilities as owners of the property.
 - g. Gifts in which the Foundation or the Library would be exposed to any adverse publicity.

- h. Gifts which require the Foundation to name any facility or to procure the naming of a Library facility or portion of a Library facility, without prior approval of the Library Board of Trustees.
10. **Disposition of Gifts.** The Foundation's Board of Directors, in its sole discretion, will determine if the best interests of the Foundation are served by the immediate liquidation of a gift into cash, or if a gift be held by the Foundation for such a period as the Board of Directors determines.

STEWARDSHIP OF GIFTS

1. **Ethical Stewardship.** The Foundation will practice ethical stewardship of donated funds, goods and services and honor donor requests for special consideration and restriction of funds within the guidelines of these policies. If the Board of Directors is unable to honor a donor's request, the gift will be declined.
2. **Responsibility for IRS Filings upon Sale of Gift Items.** The Treasurer of the Foundation or his or her designee is responsible for filing IRS Form 8282 (or any successor or additional forms required by the Internal Revenue Code of 1986, as amended) upon the sale or disposition of any asset sold within two years of receipt by the Foundation (or other time specified by law) when the charitable deduction value of the item is more than \$5,000. The Foundation or its designee must file this form within 125 days of the date of sale or disposition of the asset (or other time specified by law).
3. **Responsibility to Donors.** The Foundation will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters related to their gifts and the resulting tax and estate planning consequences. The Foundation will exercise the following responsibilities to donors:
 - a. The Foundation will not knowingly accept a gift that is not in the best interest of the donor.
 - b. The Foundation will not accept a gift that does not aid in the advancement of the Library's and the Foundation's mission.
 - c. The Foundation will not under any circumstances provide property appraisals or valuations to donors for tax purposes.
 - d. The Foundation shall encourage donors to seek independent professional counsel prior to making a gift.
 - e. The Foundation shall encourage donors to provide a Letter of Intent that sets forth the instructions of the donor regarding future administration of the donor's gift. The Letter of Intent can be modified and revised at any time at the request and instruction of the donor. Upon receipt of the gift, the Foundation will exercise due diligence to carry out the instructions and intent of the donor. In the event that this is not feasible or practical and an alternative purpose is not set forth in the Letter of Intent, the Foundation will exercise its variance power and seek to administer the gift in a manner similar to the donor's instruction.
 - f. The Foundation will keep confidential all information obtained about prospective donors and specific gift arrangements regardless of whether or not a gift is made. The Foundation may use selected information for purposes of referral, testimonial or example if a donor grants permission.

- g. The Foundation will thank and recognize all donors unless anonymity is requested.
- h. Public announcements of gifts and/or intent to give may be made only with the prior permission of the donors.
- i. The Foundation will provide donors with the substantiation necessary for the donor to claim a charitable income, gift, or estate tax deduction.

Adopted 7/2023