

# Ridgefield Library

## Gift Acceptance Policy

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### Purpose

The purpose of this Gift Acceptance Policy (“this Policy”) is to give guidance and counsel to those individuals within the Ridgefield Library (“the Library”) concerned with the planning, promotion, solicitation, receipt, acceptance, management, reporting, use, and disposition of private sector gifts. This Policy as adopted by the Library Board of Directors (the "Board") on June 22, 2015, will replace in entirety any preexisting gift acceptance policies or precedence including the Campaign Gift Acceptance Policy adopted in 2012.

The Board, through the Development and Finance Committees and the Library Director, is responsible for this Policy. This Policy and authorizations shall be reviewed by the Development Committee and Finance Committee every 3 years, prior to the start of a major fundraising campaign or as circumstances warrant. Any changes to this Policy recommended by the committees will be brought before the Board for its approval. This Policy may be amended by the Board as deemed appropriate or upon recommendation from the Development or Finance Committee.

This Policy must be viewed as flexible and realistic in order to accommodate unpredictable situations as well as donor expectations, as long as such situations and expectations are consistent with the Library’s mission, goals and policies. Flexibility must be maintained since some gift situations will be complex, and proper decisions can be made only after careful consideration of all related factors. Any exceptions to or variance from this Policy shall be made on an individual basis, and shall require the approval of the Board.

All fundraising activities and their day-to-day implementation are designed and managed by the appropriate staff, are supervised by the Library Director and are subject to approval by the Board.

### I. Receipt of Gifts

#### A. General

The Library and its Board, staff and representatives shall take all reasonable steps to assist donors in accomplishing their philanthropic objectives in providing support for the Library.

#### B. Consistent with Mission, Goals and Priorities

The Board shall determine that gifts to the Library are evidence of philanthropic intent and that the donor’s philanthropy is in accord with the mission and goals of the Library. The Library reserves the right to refuse or return any gift that it deems to be potentially destructive to the reputation of the Library or disruptive or harmful to the operation of the Library or inconsistent with the programming and collection priorities of the Library. All such situations concerning any gift valued at \$5,000 or more will be brought before the Board for its vote to return or not accept the gift.

### **C. Unacceptable Gifts**

In addition to and without limiting the generality of the foregoing, the following gifts will not be accepted by the Library:

1. Gifts that violate any federal, state, or local statute or ordinance.
2. Gifts that are too restrictive in purpose, too difficult to administer, contain unreasonable conditions (e.g., a lien or other encumbrance) or gifts of a partial interest in property.
3. Gifts that are financially unsound.
4. Gifts that could expose the Library to liability or risk.

### **D. Restricted Gifts**

Any gifts with restrictions valued at \$5,000 or more will be brought to the Board for approval.

All gift arrangements other than a simple outright gift of cash or other property shall be memorialized in a written document describing the restrictions, if any, imposed on the gift by the donor and other obligations that may be undertaken by the Library with respect to the gift.

The Library will reserve the right, in the document that restricts the use of the gift, to broaden or alter the purpose of the gift should it be determined in the future that the original purpose of the gift no longer meets the needs or serves the mission of the Library. A donor or testator transferring property as a gift to Library may make, in the instrument of gift, such transfer subject to a restriction on (a) the time when and the charitable purpose for which the principal of the gift shall be distributed; and/or (b) the charitable purposes for which the income of the gift shall be used, for a definite or indefinite period. If the Board, in its sole discretion, determines that the circumstances have changed so much as to render compliance with the restrictions unwise, undesirable, unlawful, impractical, impossible to achieve or wasteful, the restriction shall cease to apply to such extent as the Board may determine. In any such case, the Board then shall determine, in its sole discretion, how best to use the principal and/or income of such gift to carry out the general charitable intent of the donor or testator consistent with the Library's mission and purpose.

The Library will make every reasonable attempt to communicate with a donor or their next of kin in these situations. However, except as otherwise provided by the policies of the Library or by applicable law, the Board shall have no duty to give advance notice to any person or organization of any proposed exercise of this variance power.

## **II. Gift Categories**

### **A. Solicited Unrestricted Gifts**

Gifts that have been solicited by the Library for a specific purpose or appeal will be counted toward and used in accordance with such solicitation. Any gifts that are invested will be done so in accordance with the Library's Investment Policy Statement. Unrestricted, outright gifts of cash, whether in currency or by check, credit card or direct debit and publicly traded securities do not require approval of the Board. Such gifts are accepted and administered by the development staff, with final authority to accept routine gifts lying with the Library Director.

**B. Unsolicited Unrestricted Gifts**

Unsolicited, unrestricted gifts of \$15,000 or less, the purpose of which is not specified by the donor, will be counted toward the annual operating fund for the year in which the gift was received. Unsolicited, unrestricted gifts above that amount, the purpose for which is not specified by the donor, are directed to the Library's endowment fund unless otherwise approved by the Board.

**C. Restricted Gifts**

Gifts that have a restricted purpose as expressed by the donor will be accepted based on the criteria in Section I D. The Library will strive to honor all donor wishes and adhere to any conditions of the expenditure and accounting of such gifts as is outlined in written communication between the donor and the Library.

**D. Securities**

Publicly traded securities will be counted at the average of the high and low market value on the day the Library receives the asset. Securities that are not readily marketable (closely held stock, limited partnerships, joint venture interests, etc.) must be approved by the Board and may be valued at the per-share cash purchase price of the most recent transaction, or as established by a qualified appraisal. All securities will be sold immediately upon receipt into the appropriate account.

The Library will not accept interests in partnerships or other investment entities exposing the Library to liability or risk, including the obligation to provide capital contributions or other funding for the investment, without adequate indemnity from the donor to fulfill those obligations.

**E. Gifts of Real and Personal Property**

Gifts of real and personal property (other than cash and securities as discussed above) will be accepted only when the gift is consistent with the Library's mission and the Library can utilize the gift in its operations or when it is reasonably expected the gift can be converted into cash within a reasonable period of time. Generally, nine months shall be considered reasonable for conversion to cash. All such gifts to the Library will be sold at the discretion of the Library, whose express policy will be to convert the gift to cash at the earliest opportunity, keeping in mind current market conditions and the potential use of the gift in the accomplishment of the Library's mission. Associated expenses of such gifts made to the Library are to be borne by the donor. All real property donations and any gift valued at \$5,000 or more must be approved by the Board or designated committee of the Board prior to acceptance.

Gifts of real and personal property valued at \$5,000 or more, except for gifts of publicly traded stock, require an appraisal by an independent third-party appraiser in accordance with current tax law requirements. Gifts of art, furniture, books, stamps, coins, and other collections must have values assessed by properly accredited independent appraisers retained by potential donors for appropriate gift tax credit. Donors are responsible for obtaining their own appraisals for tax purposes of real property or tangible or intangible personal property being given to the Library and for any fees or other expenses related to such appraisals. The Library retains the right to obtain, at its own expense, its own qualified appraisals of real property or tangible or intangible personal property being offered as a gift.

Gifts of books and other materials for possible addition to the Library's collections will be considered by staff using the same selection criteria established for the purchase of new materials (including perceived community interest, suitability, timeliness and other factors) and may be declined at the discretion of the

Library Director. All such donations become the property of the Library, to be used or disposed of as appropriate. Donated items cannot be accepted with any conditions unless they are consistent with the institutional needs of the Library.

Any gifts encumbered by a mortgage or other indebtedness cannot normally be accepted as a gift unless the donor agrees to assume all carrying costs until the gift is liquidated. The Library will acknowledge receipt of gifts of tangible personal or real property in accordance with the federal tax law and will sign any IRS form or other documents necessary for the donor to obtain a tax deduction for such gifts, so long as such acknowledgment does not entail valuing the gift.

Transactions wherein the Library pays less than full value for an asset and issues a gift receipt for the difference ("bargain sales") may only be accepted upon prior written approval of the Board. Since bargain sale transactions may require the outlay of funds by the Library, these transactions should be approved only in very limited circumstances and typically where the assets will be liquidated in a fairly short time period.

To avoid conflicts of interest, the unauthorized practice of law, the rendering of investment advice, or the dissemination of income or estate tax advice, all donors of noncash gifts must acknowledge that the Library is not acting as a professional advisor, rendering opinions on the gift. The Library may require a letter of understanding from a donor of a property gift, along with proof of outside advice being rendered, before such a gift will be accepted.

#### **F. In-kind Gifts**

Gifts to the Library of in-kind goods and services will be accepted at the discretion of the Library Director and in consultation with the Finance and Development Committees as the Director deems necessary. Gifts will be acknowledged to the donor through a letter including a description of the gift but will not assign a value to such gifts. The Library understands that it is the responsibility of the donor to determine the value of their contribution.

#### **G. Matching Gifts**

The Library will accept and process all matching gifts in accordance with this Policy. The Library will seek to abide in all situations with the intentions, limitations or restrictions of the matching gift program as stated by its administrator or funder.

#### **H. Life Insurance**

The Library will accept a gift of a (paid up) life insurance policy, provided that the policy has a positive cash surrender value and the Library has been named both beneficiary and irrevocable owner of the policy. The Library will also record gifts of cash by the donor to be used by Library to pay premiums on a life insurance policy that it owns, if applicable. All gifts of life insurance must comply with applicable state insurance regulations, including insurable interest clauses.

#### **I. Bequests & Planned Gifts**

The Library does not accept any gifts requiring annuity payments that will be guaranteed by the Library.

All receipts from unrestricted bequests, annuities, charitable remainder trusts, or charitable lead trusts of \$15,000 and above shall become a part of the general Board designated endowment, unless the Board upon the recommendation of the Finance Committee determines a particular unrestricted gift of the type enumerated in this paragraph should be deposited in a different account. All such gifts of less than \$15,000 may be deposited into operating funds at the discretion of the Library Director.

Upon request, the Library may provide to the donor sample bequest language for restricted and unrestricted gifts to ensure that a bequest is properly designated. The Library may also provide, upon request, IRS-approved prototype trust agreements for review and consideration by the donor and his or her advisors. The sample nature of such language or agreements shall be clearly stated on all such documents given to donors, and donors shall be advised that consultation with their own legal advisors is essential prior to use of such standard language or specimen agreements.

The Library cannot act as a professional advisor, rendering opinions on planned giving and shall encourage donors to seek their own counsel in matters relating to their bequests, life income gifts, tax planning, and estate planning. The Library may provide donors with gift illustrations, gift agreements or model language, such as sample bequest language; donors shall be strongly encouraged to have the documents reviewed by their own legal counsel or other professional advisors. The Library is not liable for any attorneys or other professional advisors fees incurred by the donor.

#### **J. Tribute Gifts**

Gifts received in honor or memory of a person or other entity will be treated consistent with details outlined in this Policy. When the aggregate of such gifts designated to one person or entity totals \$10,000 or more, it will be treated as one singular gift of same amount.

#### **K. Pledges**

The Library will encourage donors wishing to make their gifts in installments over time to document their commitment to the Library in a written pledge agreement that will create a binding legal obligation on the donor, as well as a claim against the donor's estate if the commitment remains unpaid at his or her death. For donors wishing to retain more flexibility by making their commitment nonbinding, documentation shall be referred to as a "letter of intent" in order to avoid confusion with binding commitments documented as pledge agreements. Nonbinding letters of intent shall not be counted as gifts for donor recognition purposes.

Unless a longer period is approved by the Library Director, the pledge agreement will specify the installments in which the gift is to be paid over a period not to exceed five years. The Library's development staff is responsible for recording, acknowledging, billing and monitoring the status of all pledges and payments.

### **III. Ethics**

#### **A. Commitment to Ethical Standards**

The Board and Library Director shall assure themselves that all philanthropic promotions and solicitations are ethical and that no member of the Board, Library personnel or outside consultants retained by the Library benefit personally by way of commissions or other devices related to gifts received. The Board

and Library Director will assure themselves that members of the Board and Library personnel are circumspect in all dealings with donors in order to avoid even the appearance of any act of self-dealing.

**B. Commissions for Gifts**

The Library will not pay commissions or finder's fees as consideration for directing a gift to the Library. This includes and is not limited to work with staff, fundraising consultants, financial advisors and real estate agents.

**C. Donor Bill of Rights**

The Library will adhere to and uphold the standards for donor relationships as outlined in the Association of Fundraising Professional's Donor Bill of Rights.

**D. Conflict of Interest & Confidentiality Policies**

A conflict of interest policy and confidentiality policy will be signed annually by all Board members and Library staff directly involved in fundraising for the Library.

All personal information concerning a donor, transactions between a donor and the Library and any other information, documents, notes, etc. regarding such donor shall be held by the Library in strict confidence and may not be publicly disclosed without the express written consent of the donor. The Library reserves the right to recognize a donor by name and gift amount unless otherwise specified by the donor. The Library also reserves the right to disclose any information to comply with any law, regulation, decree, judgment, order, subpoena or any other governmental order without any obligation to contest or verify accuracy of such order.

**E. Legal Considerations**

The Library will not agree to serve as executor of a decedent's will or as trustee of a living trust or other agreement intended to serve as a donor's primary estate planning document. The Library may serve as trustee of trusts to maintain its gift annuity reserve accounts, as required by relevant state insurance law, in connection with a Library gift annuity program, when and if in the future the Library offers such an investment vehicle to donors.

The Library may accept a designation as income beneficiary of a charitable trust, but may not serve as a trustee or co-trustee of charitable remainder or lead trusts.

The Library shall not prepare legal documents for execution by donors.

## **IV. Stewardship**

The Library will be responsible for good stewardship toward its donors by following these guidelines:

1. All gifts will be acknowledged within the required, or otherwise reasonable, period of time.
2. All gift acknowledgment letters/receipts will be prepared by the Library Director or his or her designee.

3. Files, records, and mailing lists regarding all donors and donor prospects are maintained and controlled by the Library. Written reports of interviews and solicitations will be maintained in the donor file. Donor has the right to review his or her donor file(s).
4. Donor and prospect information is confidential and is strictly for the use of The Board and designated Library staff. Use of this information shall be restricted to organization purposes only.
5. Gifts to the Library and accompanying correspondence will be considered confidential information, with the exception of the publication of donor recognition activities.
6. All donor requests for anonymity will be honored and the Library will take reasonable steps to safeguard those donors' identities in accordance with Section III D.
7. Names of donors will not be provided by the Library to other organizations, nor will any lists be sold or given to other organizations.

## **V. Professional Counsel**

### **A. Legal Counsel**

On occasion the Board may retain legal counsel to review legal documents, contracts, and other donor agreements. The Library reserves the right to have any proposed agreement reviewed by legal counsel.

Prospective donors shall be responsible for their own legal, accounting, appraisal, transportation, and other fees related to the Library.

### **B. Fundraising and Other Related Counsel**

On occasion the Board may retain the services of a professional fundraising, marketing or similar consultant. The Board will not retain such services under a commission based agreement. The Board will not hire such consultant as a paid solicitor but only as fundraising counsel.

## **VI. Conformity to Federal and State Regulations**

### **A. Adherence to the Law**

The Board will assure itself that fundraising activities comply with local, state and federal laws.

### **B. Required Reporting of Gifts to the Internal Revenue Service**

Should the Library sell, exchange, or otherwise dispose of any gift (other than checks, cash, or publicly traded stocks or bonds), within three years after the date of the gift, the Library will furnish the Internal Revenue Service and the donor with a completed Form 8282 (Donee Information Return), as required by the IRS.