

FLINT PUBLIC LIBRARY GIFT ACCEPTANCE POLICY

The Flint Public Library ("Library") invites and appreciates donations of monetary and non-monetary items that support our mission. Since the Library is fortunate to be offered many kinds of gifts from donors who have a variety of wishes concerning those gifts, this Gift Acceptance Policy ("Policy") establishes guidelines for the Library to properly receive, steward and recognize donations and donors appropriately.

Gifts

For the purpose of this policy, gifts are defined as all known forms of contributions that may come to or be offered to the Library, with the exception of grants received where the terms are set by agreement between the Library and the grantor.

Gift Acceptance Committee

The Board of the Flint Public Library designates the Gift Acceptance Committee (GAC) to act on its behalf in administering this policy. The Gift Acceptance Committee shall be comprised of the Library's Director, the Library's Development Director and the Library's Director of Finance, HR and Facilities. The Library's Director is authorized to execute any documents necessary for acceptance of gifts as outlined in this policy on behalf of the Library Board of Trustees.

I. General Policy.

- A.** All gifts accepted by the Library should be compatible with the Library's long-range plans and mission.
- B.** All gifts must be in accordance with the moral spirit and ethical practices of the Library, including the Library's nondiscrimination policies and practices.
- C.** The Library reserves the right to decline any gift.
- D.** All gifts become the property of the Flint Public Library.
- E.** The Library has the right to retain or sell any gift, unless there are donor restrictions stating otherwise that have been accepted by the Library under this Policy.
- F.** Naming or other commemorative opportunities may be identified by the GAC as part of the Library's ongoing fundraising strategy or as part of a special campaign. The GAC will keep an inventory of such opportunities and notify the Board of Trustees of opportunities available and committed. The Library and the donor will execute an appropriate Gift Agreement for gifts that include naming or commemoration.
- G.** The full Library board must approve the acceptance of:
 - 1. Gifts of real property.
 - 2. Gifts of personal property subject to donor restrictions.

3. Gifts of any kind that obligate the Library's funds by requiring maintenance or other expenditures.

Once accepted by the Board, the Library and the donor will execute an appropriate Gift Agreement for these types of gifts.

- H. Although the Library's staff members may provide all appropriate assistance, the ultimate responsibility regarding appraisals, the tax deductibility, and/or similar local, state, and/or federal legal compliance issues regarding commitments rests with the donor and/or such counsel as the donor may wish to secure. The donor is advised to seek tax and legal counsel for making a substantial gift.

II. **Gifts of Books and Other Library Collection Materials**

- A. In general, gifts of books and other materials like those commonly held in the Library's collection will not be credited to a donor as a gift or pledge payment, nor will fair market value be determined.
- B. The Library, at its discretion, may add items to its collection or may cede ownership to Friends of the Flint Public Library for use in that organization's fundraising activities to benefit the Library.
- C. If requested by the donor, the Library will provide a receipt listing the approximate number of items received, to which the donor may assign a value.

III. **Gift Counting Policy**

The primary goal of the Library's Annual Campaign or a Named Campaign is to raise funds to meet the needs of the Library for operations or as listed in the case for support. A "Named Campaign" is defined as any campaign for purposes other than the Annual Fund Campaign (such as a capital or endowment campaign). These needs can most immediately be met through the receipt of cash or other liquid assets. It is recognized, however, that other forms of commitment will be offered and provisions for their inclusion in a Named Campaign can be made.

A. **General Policy**

All gifts received during the Annual Campaign period and not otherwise credited to a Named Campaign will be credited to the Library's Annual Campaign. For Named Campaigns, the pledge period generally will be no more than three years. Exceptions will be considered on request and may be granted by the GAC.

Commitments of outright, deferred, and in-kind gifts will be credited to the designated campaign separately, as follows:

1. **Outright Gifts**

Cash and securities will be credited at fair market value on the date that the gift was made. It will be the normal practice for gifts of securities to be sold upon receipt.

2. Deferred Gifts**a) Remainder Interest Gifts**

Gifts in the form of a charitable unitrust or annuity trust and gifts to a charitable gift annuity will be credited at fair market value of assets transferred on the date of the transfer.

b) Charitable Lead Trusts

Income received by the Flint Public Library from charitable lead trusts will be credited for the fiscal year (annual campaign) or Named Campaign to which the gift was initially committed.

3. Gifts of Real and Personal Property

In general, gifts of real estate or personal property (for example, collectible books, antiques, paintings, jewelry, stamps, coins, and so forth) will be credited and recognized at their appraised value at the time they are transferred.

4. In-kind Gifts

Gifts of in-kind services will be credited and recorded at their fair market value.

B. Matching Gift Policy

Gifts matched by the donor's employer will be soft-credited to the total gift of the donor. Matching gifts will be used for the same purpose as designated by the donor.

IV. Gift Allocation Policy

- A.** All unrestricted gifts for operations received by the Flint Public Library will be allocated to Annual Campaign purposes or the Flint Public Library's operating budget.
- B.** Restricted gifts for endowment, capital, programming and special projects received by the Flint Public will be allocated for the stated purpose upon receipt.

V. Gift Acceptance Policy**A. Outright Gifts****1. Cash**

- a** Gifts in the form of cash, credit card, or checks shall be accepted regardless of amount unless there is a question as to whether the donor has sufficient title to the assets or is mentally competent to legally transfer the funds as a gift to the Library.

- b All checks must be made payable to the Library and shall in no event be made payable to an employee, agent, or volunteer for the credit of the Library.

2. Publicly Traded Securities

The Library accepts readily marketable securities, such as those traded on a stock exchange. Gifted Securities are likely to be sold immediately by the Library and converted to cash.

3. Closely Held Securities

- a Non-publicly traded securities may only be accepted after approval of the Library Board.

- b Such securities may be subsequently disposed of only with the approval of the Library Board.

4. Real Property

- a The GAC must review and recommend any gift of real estate for the ultimate approval of the Library Board. A donor seeking a charitable tax deduction is responsible for obtaining an independent qualified appraisal of the property offered. The Library will pursue a thorough due diligence of the property, including but not limited to conservation values, liens, title search and real estate deed, real estate tax bill, plot plan, substantiation of zoning status, environmental site assessment for hazardous waste, and, where appropriate, a building inspection.

- b Special attention shall be given to the receipt of real estate encumbered by a mortgage, as the ownership of such property may give rise to unrelated business income for the Library, and disqualification of certain split interest gifts unless handled in a proper manner.

5. Tangible Personal Property

Gifts of tangible personal property to the Library should have a use related to the Library. However, the Library may accept gifts unrelated to the Library. Gifts of art, collections, automobiles, boats, building supplies, equipment, software, and other forms of “related” tangible personal property may be accepted, with approval from the Library Board. It is the responsibility of the donor to obtain and share with the Library an independent qualified appraisal.

6. Other Property

Other property of any description included mortgages, notes, copyrights, royalties, easements, whether real or personal, shall only be accepted by action of the Library Board or persons duly acting on its behalf.

B. Deferred Gifts:**1. Bequests**

- a** Gifts through wills (bequests) shall be actively encouraged by the Library.
- b** In the event of inquiry by a prospective testator, representations as to the future acceptability of property proposed to be left to the Library in a will or other deferred gift shall only be made in accordance with the terms and provisions of the General Policies.
- c** Gifts from the estates of deceased donors consisting of property which is not acceptable shall be rejected only by action of the Library Board. The legal counsel of the Library shall expeditiously communicate the decision of the Library Board to the legal representative of the estate. If there is any indication that the representatives of the estate or any family member of the deceased is dissatisfied with the decision of the Library Board, this fact shall be communicated to the Library Board or to the appropriate member of the development staff as quickly as possible.
- d** Attempts shall be made to discover bequest expectancies wherever possible in order to reveal situations which might lead to unpleasant donor relations in the future. Where possible, intended bequests of property other than cash or marketable securities should be brought to the attention of the Library Board and every attempt be made to encourage the donor involved to conform his or her plans to the Library policy.

2. Retirement Accounts

The Library accepts gifts transferred from a 401(k), 403(b), IRA or another retirement accounts. Alternatively, a donor may name the Library the beneficiary of all or a portion of such assets.

3. Charitable Remainder Trusts

- a** In general, the Library will not serve as sole trustee of a charitable remainder trust for the benefit of the institution. This policy may only be waived by a written resolution of the Library Board. The Library retains complete discretion to establish requirements governing charitable remainder trusts from time to time, including the minimum age of income beneficiaries and number of permissible income beneficiaries.
- b** The Library Board of the Library will identify a number of corporate fiduciaries in which it has confidence. Only with the

approval of the Library Board may any corporate fiduciary be recommended to a donor.

- c The fees for management of a charitable remainder trust will only be paid by the Library upon approval of the Library Board.
- d The Library Board and other employees and volunteers acting on behalf of the Library should become familiar with the types of property generally accepted by corporate fiduciary as suitable contributions to charitable remainder trusts and employees or others acting on behalf of the Library shall not encourage donors to make gifts of any property to charitable remainder trusts which are not in keeping with such guidelines.
- e No representations shall be made by any employee or other persons acting on behalf of the Library as to the manner in which charitable remainder trust assets will be managed or invested by a corporate fiduciary who may be recommended by the Library without the prior approval of such representation by the fiduciary.
- f Charitable remainder trusts and all other deferred gifts shall be encouraged as a method of making gifts to the Library while retaining income which may be needed by the donor for any number of personal purposes.

4. Charitable Gift Annuities

The Library will not accept a charitable gift annuity unless approved by the Library Board. The Board shall consider the age of the income beneficiary, minimum contribution amount, and projected payments over the life of the annuity.

5. Life Estate Gifts

- a When appropriate, donors shall be encouraged to make gifts of real property to the Library under which they maintain a life interest in the property.
- b Such gifts may be accepted by approval of the Library Board in situations where the committee is satisfied that there has been full disclosure to the donor of the possible future ramifications of the transaction. The Board shall also consider all other factors relevant in connection with a gift of real estate.

6. Gift of Life Insurance

- a The Library will encourage donors to name the Library to receive all or a portion of the benefits of life insurance policies that they have purchased on their lives.

- b The Library will not, however, as a matter of course agree to accept gifts from donors for the purpose of purchasing life insurance on the donor's life. Exceptions to this policy will be made only after researching relevant state/provincial laws to assure that the Library has an insurable interest under applicable state/province law.
- c No insurance products may be endorsed for use in funding gifts to the Library without board approval.
- d In no event shall lists of the Library donors be furnished to anyone for the purpose of marketing life insurance for the benefit of donors and/or the Library. This policy is based on the fact that this practice represents a potential conflict of interest, may cause donor relations problems, and may subject the Library to state/province insurance regulation should the activity be construed as involvement in the marketing of life insurance.

VI. Payment of Fees Related to Gifts to the Library

A. Finder's Fees or Commissions

The Library will pay no fee to any person as consideration for directing a gift to the Library. Such fees may or may not be legal and that in the case of irrevocable deferred gifts which involve management of assets, the payment of such fee may subject the Library and its management and board of directors to federal and state/province security regulation.

B. Legal and Professional Fees

1. All prospective donors will be encouraged to consult with, employ and pay for their own legal and financial counsel in matters related to all planned gifts and bequests involving the Library, but especially in the cases of: (a) gifts of closely held stock, whether or not governed by restrictions or buy/sell agreements; and (b) transaction with potential conflict of interests that may not meet the requirements of applicable federal tax laws and regulations.
2. The Library generally also may consult with its outside legal counsel, the Library of which may be charged to any resulting gift.
3. All agreements shall, if possible, follow the format of specific agreements approved by the Library and outside legal counsel.

VII. Gift Acknowledgments and Recognitions

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- Gift acknowledgments and receipts will be issued in recognition of any and all documented contributions accepted by the Flint Public Library as soon as

practical after receipt of the gift.

- B.** All gifts to the Library will be recognized unless otherwise notified by the donor that her/his gift should remain anonymous.
- C.** The Flint Public Library will work with donors to arrange appropriate recognition for gifts to Named Campaigns. Depending upon the scale and purpose of the gift, this recognition may include naming opportunities, stories in campaign publications, press releases for the public media, and special events.
- D.** Other gifts that fall outside the purview of these guidelines can and will be expected. The Gift Acceptance Committee will oversee these requests when such gifts become known and make recommendations to the Library Board regarding these gifts.
- E.** It is understood that all guidelines adopted by the Flint Public Library must fall within the parameters of the rules established for fundraising campaigns by the Governmental Accounting Standards Board, Michigan law, and other prudent and traditional accounting standards.

Adopted by Flint Public Library Board of Trustees [date]