

3.1 GIFT ACCEPTANCE POLICY

Purpose

The purpose of the Gift Acceptance Policy is to give guidance and counsel to those individuals within the North Branford Library Department (“the Library”) concerning the planning, promotion, solicitation, receipt, acceptance, management, reporting, use, and disposition of private sector gifts.

The 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 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. This policy may, therefore, require that the merits of a particular gift be considered by the appropriate staff and/or committee of the Library Board (“the Board”) along with legal counsel, if necessary.

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

The Board, through the Library Director, is responsible for the Gift Acceptance Policy. The policy and authorization shall be reviewed on an annual basis or as circumstances warrant.

Any exceptions to the Gift Acceptance Policy may be made only in exceptional circumstances, on an individual basis, and shall require the approval of the Board.

The Gift Acceptance Policy may be amended by the Board as deemed appropriate.

Policy Statements

I. Receipt of Gifts

It is the responsibility of the Board to determine that gifts are evidence of philanthropic intent and that the donor’s philanthropy is in accord with the stated mission and goals of the Library.

Routine Gifts

Unrestricted, outright gifts of cash, check, credit card, and online and publicly traded securities, do not require Board approval. Such routine gifts are accepted and administered by the Library Director. Unrestricted gifts above \$10,000 are directed to wherever is approved by the Board.

Memorial Gifts

The Library accepts gifts designated in memory of or in honor of a loved one. If a donor wishes to designate the funds for something specific, donors must communicate with the Library beforehand to ensure that such designation is consistent with the Library’s mission and strategic plan and is acceptable to the Library Board.

Securities

Publicly traded securities will be counted at the average of the high and low market value on postmark date, if mailed, or the date and time of transfer if electronically transferred to the Town's broker. All securities may be held or sold immediately upon receipt into an account by the Finance Department for the benefit of the Library.

Noncash Gifts

Noncash gifts will be accepted only when it is reasonably expected they can be converted into cash within a reasonable period of time or when the Library can utilize the property in its operations and the gift is consistent with its mission and goals. Generally, nine months shall be considered reasonable for conversion to cash. All noncash gifts to the Library will be sold at the discretion of the Board whose express policy will be to convert the property to cash at the earliest opportunity, keeping in mind current market conditions and the potential use of the property in the accomplishment of the mission of the Library.

Property 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 property is liquidated.

Exceptions to this policy can be made when the value of the property exceeds the anticipated exposure, or will produce income, or will be used by the Library in its programs.

Associated expenses of a noncash gift made to the Library are to be borne by the donor.

Gifts of Property

Any gifts of property valued at \$5,000 or more must be approved by the Board.

Donors of property gifts of over \$5,000, except for gifts of publicly traded stock, must obtain an appraisal by an independent third-party appraiser in accordance with current tax law requirements. 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 or any fees or other expenses related to such appraisals.

The Library retains the right, at its own expense, to obtain its own qualified appraisals of real property or tangible or intangible personal property being offered as a gift.

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.

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. The Library shall acknowledge receipt of such properties but must not verify values.

To avoid conflicts of interest, the unauthorized practice of law, the rendering of investment advice, or the dissemination of income or estate advice, all donors of noncash gifts must acknowledge that the Library is not acting as a professional advisor, rendering opinions on the gift. All information concerning gift planning from the Library is to be for illustrative purposes only and is not to be relied upon in individual circumstances. 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.

Life Insurance

All gifts of life insurance must comply with applicable state insurance regulations, including insurable interest clauses.

Bequests and Planned Gifts

The Library accepts gifts from annuities, charitable remainder trusts and charitable lead trusts but does not serve as an administrator or guarantor for such gifts.

All receipts above \$10,000 from unrestricted bequests, annuities, charitable remainder trusts, or charitable lead trusts shall become a part of a Library gift fund upon approval of the Town's Finance Department.

The Library shall encourage donors to seek their own counsel in matters relating to their bequests, life income gifts, tax planning, and estate planning.

II. Unacceptable Gifts

The Library reserves the right to refuse any gift that is not consistent with its mission and goals. In addition to and without limiting the generality of, 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 contain unreasonable conditions (e.g., a lien or other encumbrance) or gifts of partial interest and property
3. Gifts that are financially unsound
4. Gifts that could expose the Library to liability
5. Gifts for the Library collection that do not meet the same standards and selection criteria as purchased materials outlined in the Library Materials policy. The Library Director has the authority to make all necessary decisions as to the retention, location and other considerations related to the use and disposition of any gift.

III. Ethics

The Board shall assure itself that all philanthropic promotions and solicitation are ethical and that no board members or Library personnel benefit personally by way of commissions or other devices related to gifts received.

Conflicts of Interest

The Board will assure itself that Library personnel are circumspect in all dealings with donors in order to avoid even the appearance of any act of self-dealing. Those individuals who normally engage in the solicitation of gifts on behalf of the Library shall not personally benefit by way of commission, contract fees, salary, or other benefits from any donor in the performance of their duties on behalf of the Library. (The definition of individuals includes each of the categories of employees of the Library, including its Board members, as well as members of their immediate family. Individuals are further defined to include associations, partnerships, corporations, or other enterprises in which a member of the staff holds a principal ownership interest.)

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 fundraising consultants, financial advisors and real estate agents.

IV. Professional Counsel

Legal Counsel

On occasion the Board may use the services of the Town's legal counsel to review legal documents, contracts, and other donor agreements. All agreements shall follow the formats of the specimen agreements to be approved by legal counsel unless counsel has agreed in writing to a change for a specific agreement.

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

V. Stewardship

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

1. Upon acceptance of any gift, the Library will endeavor to uphold all donor intentions expressed in writing at the time of the donation.
2. All gifts will be acknowledged within the required, or otherwise reasonable, period of time.
3. All gift acknowledgment letters/receipts will be prepared by the Library Director or designee.
4. Files, records and mailing lists regarding all donors and donor prospects are maintained and controlled by the Library. Maximum use will be made of information and contacts that members of the Board, various volunteer groups, or the staff have with potential donors. Written reports of interviews and solicitations will be maintained in the donor prospect file and/or computer.
5. This information is confidential and is strictly for the use of the Library Board and staff. Use of this information shall be restricted to organization purposes only. Donor has the right to review his or her donor fund file(s).
6. Gifts to the Library and accompanying correspondence will be considered confidential information, with the exception of the publication of donor recognition activities. All donor requests for confidentiality will be honored.
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.

VI. Conformity to Federal and State Regulations

Adherence to the Law

The Library Board will assure itself that fundraising activities comply with local, state and

federal laws.

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 two 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).

Approved by the Library Board October 9, 2019