

PERRY PUBLIC LIBRARY

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Make It Part of Your Day

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Gift Acceptance Policies and Guidelines

The following policies govern acceptance of gifts and donations made to the Library or for the benefit of any library programs. These provisions shall apply to all gifts received by the library for any of its programs or services.

1. Use of Legal Council

The Perry Public Library shall seek the advice of counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- a. Closely held stock transfers that are subject to restrictions or buy-sell agreements.
- b. Documents naming the Perry Public Library as Trustee
- c. Gifts involving contracts, such as bargain sales or other documents requiring the Library to assume obligation.
- d. Transactions with potential conflict of interest that may invoke IRS sanctions
- e. Other instances where use of counsel is deemed appropriate by the board of trustees.

2. Conflict of Interest

The Library will comply with the Model Standard of Practice for the Charitable Gift Planner promulgated by the National Committee on Planned Giving.

3. Restrictions on Gifts

The Library will select unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes and priorities. The Library will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the charter, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of the Library. All decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Library Director. The board may overturn those decisions by a majority vote.

4. Review Procedure

The Library Director shall be responsible for the initial review of all gifts made to the Library, properly screening and accepting those gifts, and making recommendations to the board on gift acceptance issues as appropriate. The library director will report on gifts accepted or declined at the monthly board meetings, where the board will have the opportunity to overturn the director's decision in a vote.

5. Types of Gifts

A.) The following are acceptable types of gifts:

- a. Cash
- b. Securities
- c. Real Estate
- d. Remainder Interests in Property
- e. Oil, Gas and Mineral Interests
- f. Charitable Gift Annuities
- g. Charitable Remainder Trusts
- h. Charitable Lead Trusts
- i. Retirement Plan Beneficiary Designations
- j. Life Insurance Beneficiary Designations
- k. Bequests (subject to limitations of the Tangible Property appendix)
- l. Tangible Personal Property (subject to the limitations of the Tangible Property appendix)
- m. Memorials

B.) The following criteria govern the acceptance of each gift form:

- a. Cash: Cash is acceptable in any form. Checks shall be made payable to "Perry Public Library" and shall be delivered to the Director of the Library or their designee.
- b. Securities: The Library can accept both publicly traded securities and closely held securities.

Publicly Traded Securities: Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the Library Director or Board. In some cases, marketable securities may be restricted by applicable securities laws; in such instances the final determination on the acceptance of the restricted securities shall be made by the board.

Closely Held Securities: Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in LLPs and LLCs or other ownership forms, can be accepted subject to the approval of the Library Director. Gifts must be reviewed prior to acceptance to determine that:

- There are no restrictions on the security that would prevent the Library from ultimately converting those assets to cash
- The security is still marketable
- The security will not generate any undesirable tax consequences for the Library.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The initial determination on the acceptance of closely held securities shall be made by the Library Director, subject to overturning by a majority vote of the board. Every effort will be made to sell non-marketable securities as quickly as possible.

- c. Real Estate: Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, the Library shall require an initial environmental review of the property to ensure that the property has no environmental damage. In the event that the initial inspection reveals a potential problem, the Library shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor. When appropriate, a title binder shall be obtained by the Library prior to the acceptance of the real property gift. The cost of the title binder shall generally be an expense of the donor. Prior to the acceptance of real estate, the gift shall be approved by a board vote, and by the legal counsel of the library.
- d. Remainder Interests in Property: The Library will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of section c above. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the donor, the Library may use the property or reduce it to cash. Where the Library receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and property indebtedness are to be paid by the donor or primary beneficiary.
- e. Oil, Gas, Mineral Interests: The Library may accept oil and gas property interests, when appropriate. Prior to acceptance of an oil and gas interest,

the gift shall be approved by the Library Director, and if necessary by the Library's legal counsel. The Library Board of Trustees can overturn the Director's approval at the next regular board meeting by a majority vote.

Criteria for acceptance of the property shall include:

- Gifts of surface rights should have a value of \$20,000 or greater.
- Gifts of oil, gas and mineral interests should generate at least \$3000 per year in royalties or other income.
- The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
- A working interest is rarely accepted. A working interest may only be accepted where/when there is a plan to minimize potential liability and tax consequences.
- The property should undergo an environmental review to ensure that the Library has no current or potential exposure to environmental liability.

- f. Charitable Gift Annuities: The Library may offer charitable gift annuities. The minimum gift for funding is \$5000. The President of the Board of Trustees may make exceptions to this minimum. The minimum age for life income beneficiaries of a gift annuity shall be 55. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be 45. No more than two life income beneficiaries will be permitted for any gift annuity. Annuity payments may be made on a quarterly, semi-annual, or annual schedule. The President of the board of Trustees may approve exceptions to this payment schedule.
- g. Charitable Remainder Trusts: The Library may accept a designation as remainder beneficiary of a charitable remainder trust with the approval of the Library Director. The Library will not accept appointment as Trustee of a charitable remainder trust.
- h. Charitable Lead Trusts: The Library may accept a designation as income beneficiary of a charitable lead trust. The Trustees of the Perry Public Library will not accept an appointment as Trustee of a charitable lead trust.
- i. Retirement Plan Beneficiary Designations: Such designations will not be recorded as gifts to the Library until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.
- j. Life Insurance Beneficiary Designations: Such designations will not be recorded as gifts to the Library until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

- k. Bequests: Donors and supporters of the Library will be encouraged to make bequests to the Library under their wills and trusts. Such bequests will not be recorded as gifts to the Library until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a further date, the present value of the gift may be recorded at the time the gift becomes irrevocable. Bequests of physical property are subject to the following tangible personal property limitations.
- l. Tangible Personal Property: Acceptable personal property shall fall into three categories, with the attendant restrictions.
 - i. Local Historical Paraphernalia – The Library Director shall only accept historical donations that are:
 - 1. Of Local Interest
 - 2. Proven to be genuine
 - 3. Books, Pamphlets, Documents, Journals and Diaries, Photographs, Maps or Paintings by Lemuel Wiles (the library will not accept other historical paraphernalia, including crockery, flags or paintings by artists other than Lemuel Wiles)
 - ii. Books: The Library will accept book donations as long as the books are in good condition. The Library shall evaluate the books individually, those books found to not be suitable for circulation shall in turn be donated. Dictionaries, magazines or other resource volumes shall not be accepted.
 - iii. Other circulating materials: Other materials, such as DVDs and audiobooks shall be accepted only on approval of the Library Director.

Other items of historical interest may be accepted by the Board of Trustees on a majority vote.
- m. Memorials: Directed donations can be made to the library in honor of people or groups. The library assistant and director are in charge of selection, payment and notification for these memorial donations. The library will not accept physical items for memorials, only monetary funds that the library will use to purchase materials. These items are subject to the Collection Development Policy as any items are.

VI. Miscellaneous Provisions

- A. Securing appraisals and legal fees for gifts to the Library: It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to the Library.
- B. Valuation of gifts for development purposes: The Library will record a gift received by the Library at its valuation for the gift purposes on the date of the gift.
- C. Responsibility for IRS filings upon sale of gift items: The Library Director is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within 2 years of receipt by the Library when the charitable deduction value of the item is more than \$5000. The Library must file this form within 125 days of the date of the sale or disposition of the asset.
- D. Acknowledgement of all gifts made to the Library and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the Library Director.

VII. Changes to Gift and Acceptance Policies

These policies and guidelines have been reviewed and accepted by the Trustees of the Perry Public Library. The Trustees of the Library must approve any changes to or deviations from these policies as outlined in the By-Laws of the Perry Public Library.