

Policy

Gift Acceptance Policy

Approved by Board of Trustees: July 20, 2004

Last Updated: August 16, 2016

Last Review: June 1, 2016

Introduction

This document sets forth the general policy and guidelines of the Dauphin County Library System (The Library) with respect to the acceptance of gifts, donations and contributions.

I. The Library Gift Philosophy

The Board of Trustees of The Library actively encourages gifts and contributions that will assist the library system in better serving the needs of the community. The Library values and recognizes gifts of many types both for the service assistance they provide and as a means of improving the library system's communication with and connection to those it serves.

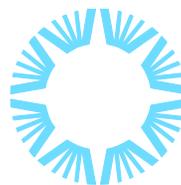
II. Donor Rights

The Library adheres to the "Donor Bill of Rights" developed by the American Association of Fund Raising Counsel (AAFRC), the Association for Healthcare Philanthropy (AHP), the Council for Advancement and Support of Education (CASE), and the Association of Fundraising Professionals (AFP):

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

- 1. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.*
- 2. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.*
- 3. To have access to the organization's most recent financial statements.*
- 4. To be assured their gifts will be used for the purposes for which they were given.*
- 5. To receive appropriate acknowledgment and recognition.*
- 6. To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.*
- 7. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.*
- 8. To be informed whether those seeking donations are volunteers of the organization or hired solicitors.*
- 9. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.*
- 10. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.*

III. Types of Gifts



The Library will accept gifts of various kinds, such as gifts of cash and non-cash property, including securities, life insurance, real property, tangible personal property, intangible personal property, business ownership interests and other non-cash property of value.

1. Monetary Gifts

All checks must be made payable to Dauphin County Library System and shall in no event be made payable to an employee, agent, or volunteer for the credit of The Library. Unrestricted gifts of \$500 or less may be accepted by the Branch Manager of any library or by the Community Relations Department. Unrestricted gifts of more than \$500 will be accepted by the Community Relations Department. All restricted monetary gifts will be referred to the Community Engagement Committee for review. See paragraph IX. Restricted Gifts below.

2. Gifts-in-Kind

Gifts-in-Kind that provide services or consumables to a specific branch may be accepted by the Branch Manager on condition of approval by the Community Relations Department or the Community Engagement Committee. Gifts of equipment, goods, or services that would constitute useful additions to the library are encouraged. Since proposed gifts-in-kind may place demands upon the library in terms of special requirements (e.g., electrical, space, humidity control, maintenance, etc.), it is essential that the Community Relations Department be notified in advance of all such potential donations. If it is determined that the library is able to accept the donation, all pertinent information (e.g. value, general description, and purposes for which it will be used) will be forwarded to the Community Engagement Committee for its acceptance. Obtaining valuation is the responsibility of the donor. Appraisal costs cannot be borne by the library.

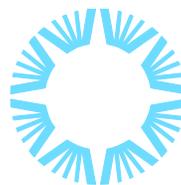
3. Library Materials

Gifts of library materials may be accepted by any The Library staff member and will be added to the library collection or Friends Group book sales in accordance with the The Library Collection Development Policy. The Library staff are not authorized to turn away donations of library materials. Disposal of unacceptable items will be at the discretion of the Collection Development Department and the Senior Management Team.

4. Gifts of Real Estate

Gifts of real estate may be accepted only by the Community Engagement Committee. No gift of real estate shall be accepted without first being appraised as to value and evaluated as to potential environmental problems, where appropriate, by a party chosen by The Library, who shall have no business or other relationship to the donor.

In general, real estate will be accepted only if it is likely to be readily marketable and is not likely to involve significant carrying charges or administrative burdens until it can be sold. Any real estate accepted by The Library will be sold as promptly as possible. The Community Engagement Committee may make exceptions to these real estate policies in particular cases.



The acceptance of real estate encumbered by a mortgage requires approval by the Community Engagement Committee.

5. Gifts of Securities

Gifts of marketable securities may be accepted only by the Community Engagement Committee. Such gifts will be sold as soon as practicable at the market rate and the net proceeds used to provide library service as agreed by the donor and the Community Engagement Committee.

Gifts of securities that are not readily marketable will be submitted to the Community Engagement Committee for an acceptance decision. The Library will consider acceptance of gifts subject to economic conditions, such as the assumption of donor indebtedness, joint tenancy arrangements with donors, provisions for life estates and other economic stipulations that may obligate The Library. Generally, The Library will agree to accept such gifts in cases where there is a reasonable expectation that periodic cash flow from the properties will exceed the debt service requirements and / or obligations. In no event will The Library enter into agreements that will place a material obligation or a lien upon library system assets or general budget revenues.

If the gift produces unrelated business income to The Library, for federal income tax purposes, the income tax obligation will be taken into consideration when assessing the periodic cash flow requirements.

6. Gifts of Tangible Property

The Library will not accept jewelry, artwork, collections, and other tangible personal property unless the employee, agent or volunteer reviewing the gift on behalf of The Library has reason to believe the property has a value in excess of \$100 or if the gift is being solicited for use in an auction or related purpose. Such property can only be accepted by the Community Engagement Committee, except for auction and related items, which may be accepted by staff charged with soliciting such gifts.

Unless approved by the Community Engagement Committee, The Library will not accept tangible personal property unless there is reason to believe the property can be sold quickly, nor will it accept personal property that the library system is obligated to own in perpetuity. The Library will not accept perishable property or property that requires special facilities or security to safeguard properly without prior approval of the Community Engagement Committee.

The Library may accept tangible personal property only after the Community Engagement Committee receives and reviews a qualified appraisal of the property.

Only the Community Engagement Committee may represent to a donor that property will or will not be held by The Library for a requisite period of time or for purposes related to its tax-exempt status. Donors should be notified at the time of receipt of a gift that The Library will, as

a matter of corporate policy, cooperate fully in all matters related to tax investigations of non-cash charitable gifts.

7. Deferred Gifts

A. Bequests

Bequests intended for the library should be made to the Dauphin County Library System.

In the event of inquiry by a prospective donor, representations as to the future acceptability of property proposed to be left to The Library in a will or by other deferred gifts shall be made only by the Executive Director or the Community Relations Director in consultation with the Chair of the Community Engagement Committee.

Gifts from the estates of deceased donors consisting of property The Library cannot accept shall be rejected only by action of the Community Engagement Committee. The legal counsel of The Library will expeditiously communicate the decision of the Community Engagement Committee to the legal representatives of the estate. Any dissatisfaction with the decision of the Community Engagement Committee indicated by any representative of the estate or any family member of the deceased shall be communicated to the Community Relations Director as quickly as possible.

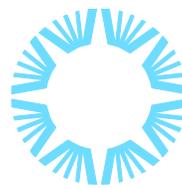
Where possible, intended bequests of property other than cash or marketable securities should be brought to the attention of The Library's Community Relations Director, who should make every attempt to encourage the donor to conform his or her plans to the gift acceptance policies of The Library.

Unrestricted bequests are intended for the general purposes of The Library and are of special benefit in allowing flexibility to meet The Library's greatest needs. If relatively modest, the bequest will either be accepted as an annual expendable gift or added to the general unrestricted funds functioning as endowment.

B. Named Endowment Funds

Restricted bequests and endowment gifts allow donors to support and promote special interests but may only be accepted if the gift meets the applicable minimum dollar requirement of \$25,000. The Library recommends that any specified purposes be described as broadly as possible and that detailed limitations and restrictions be avoided where possible. The Community Relations Director should be consulted before a proposal to establish a restricted bequest or gift is made. The right to refuse a gift, as defined in the Restricted Gifts paragraph is reserved.

A donor may name a subfund within an existing endowment fund at The Library if the minimum requirement of \$5,000 is met. These funds will bear the commemorative name but the principal and income will not be tracked or reported separately from the parent fund.



C. Endowment Fund Contingency Clause

Donors are asked to recognize that over time, the needs, policies, and circumstances at the library system may change in unforeseen ways. To serve the best interests of The Library's service population, the Board of Trustees should be given the ability to make use of funds while continuing to memorialize or honor the person for whom the endowment is named.

D. Charitable Remainder Trusts

In general, The Library will not serve as trustee of a charitable remainder trust for the benefit of the institution. This policy may be waived only by approval of the Board of Trustees following recommendation of the Community Engagement Committee.

The Community Engagement Committee will identify a number of corporate fiduciaries in which it has confidence. However, The Library will not recommend a particular fiduciary to a donor.

The Library will pay the fees for management of a charitable remainder trust only upon approval of the Community Engagement Committee.

The Community Engagement Committee and other employees and volunteers who act on behalf of The Library should become familiar with the types of property generally accepted by corporate fiduciaries as suitable contributions to charitable remainder trusts.

Employees and other persons acting on behalf of The Library shall not make representations as to the manner in which charitable remainder trust assets will be managed or invested by a corporate fiduciary.

Charitable remainder trusts and all other deferred gifts shall be encouraged as a method the donor may use to make gifts to The Library while retaining income he or she may need for any number of personal purposes. Such trusts shall not be recommended as tax avoidance devices or as investment vehicles.

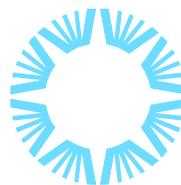
E. Charitable Gift Annuities and Deferred Payment Charitable Gift Annuities

Charitable gift annuities and deferred payment charitable gift annuities must be approved by the Community Engagement Committee prior to acceptance.

Donor transfers are part charitable gift and part purchase of an annuity depending on the age of the annuitant(s). A minimum of \$10,000 is required.

Gift annuity rates of return shall be those most recently approved by the American Council on Gift Annuities (ACGA) at the time of the gift.

F. Pooled Income Funds



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The Library may in the future establish a pooled income fund.

In the event that The Library establishes a pooled income fund, these gift acceptance policies will be amended to include policies regarding the acceptance of contributions to the fund and the administration and management of the fund.

G. Life Estate Gifts

Donors generally shall not be encouraged to make gifts to The Library of real property under which they maintain a life interest in the property. Such transfers often are not in the best interest of the donor, and the potential for negative publicity for The Library exists in the case that the donor would need to sell the property to generate funds and find that a relatively small portion of the proceeds would be available to the donor as owner of the life estate.

The Library may accept life estate gifts by approval of the Community Engagement Committee in situations where the involved asset appears to be a minor portion of the donor's wealth and the committee is satisfied that full disclosure of the possible future ramifications of the transaction has been made to the donor.

H. Gifts of Life Insurance

The Library will encourage donors to name The Library as total or partial beneficiary of insurance policies they have purchased on their lives.

The Library will not agree to accept gifts from donors for the purpose of purchasing life insurance on their lives without prior approval of the Community Engagement Committee. In no event shall insurance be purchased unless The Library has demonstrated an insurable interest under applicable state law.

The Library may not endorse particular insurance companies or products for use in funding gifts to The Library.

In no event shall a representative of The Library furnish lists of donors to anyone for the purpose of marketing life insurance for the benefit of donors or The Library.

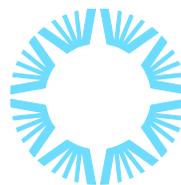
IV. Legal Counsel

All bequest and planned gift donors are advised to seek legal counsel prior to finalizing wills and other plans for deferred gifts.

The Library may not endorse particular legal representatives to represent donors for the purpose of making gifts to The Library.

V. Payment of Fees Related to Gifts

1. Finder's Fees or Commissions



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The Library will pay no fee or commission of any kind to any party as consideration for directing a gift to The Library.

2. Professional Fees

The Library may from time to time retain and pay the reasonable fees and expenses of attorneys, accountants, appraisers, and other professional advisors in connection with gifts to The Library. In such cases, it shall be understood that such professional advisors are representing The Library.

In particular cases, with the prior approval of the Community Engagement Committee, The Library may agree to pay the fees and expenses of professional advisors retained by the donor. In such cases, it shall be understood that such advisors are representing the donor. The donor shall be informed that payment of such fees may result in taxable income to the donor.

VI. Fund Raisers

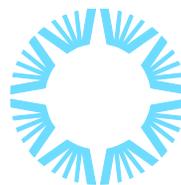
The Library-recognized and approved Friends of the Library groups and The Library are the only organizations authorized to raise funds in the library system's name. The Library will assist Friends of the Library groups with fund raising by providing some key support services, such as mailing lists from the library database, and public relations assistance.

Proposals for fund raising activities by other organizations to benefit the library system should be submitted to the Executive Director and Community Relations Director, who will approve the proposals for submission to the Community Engagement Committee for final approval. The Community Engagement Committee will make its decision based in part upon the compatibility of the organization and its proposed activity with the library system's mission, and timing of the proposed activity in the context of other The Library fund raising activities. It will also consider questions of perceived library endorsement of the organization's product, service or message in making its decision.

In general, The Library will not serve as a collection point or agent for fund raising activities that benefit other institutions or programs. Some exceptions may be made based on the requesting organization's relationship with the library system and/or the relationship of its mission to the library's. All such requests must be submitted to the Community Relations Department for approval.

VII. Valuation of Non-Monetary Gifts

Neither The Library staff, the Community Engagement Committee nor the Board will issue a written or verbal statement of monetary value to the donor of non-monetary gifts, though the deemed value of the gift may be a factor in accepting the donation. Where recognition is dependent upon the value of a gift—whether a gift in kind, a book or collection of books or other type of non-monetary gift—an independent, qualified appraisal may be initiated by the prospective donor and at the donor's expense. As a courtesy, The Library staff may offer donors, at the latter's request, pricing source materials or provide a list of appraisers. In the absence of an appraisal, and for purposes of donor



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recognition as provided for above only, the Community Engagement Committee will exercise its discretion in establishing a gift's value. The Community Relations Director, or a staff member designated by the Community Relations Director, may provide, on request, a letter of acknowledgment to a donor describing the gift and its apparent condition.

VIII. Recognition and Reporting of Gifts

The Library will acknowledge in writing all gifts that have been finally accepted by the The Library Community Engagement Committee or an authorized staff member. All gifts will be recognized in an appropriate manner, in accordance with the "Gift Recognition Policy" and procedures produced by the Community Relations Department. The Community Engagement Committee will review these procedures biannually and make any recommendations for changes. The Library donors will be listed in the online annual report prepared by the Community Relations Department each year. In addition, the Community Engagement Committee will be responsible for timely communication to the prospective donor when a gift is not accepted.

IX. Restricted Gifts

The Library will make every attempt to honor the donor's wishes in the use of gifts made to the library system. Gifts made to specialized funds or earmarked for specific building or other projects will be tracked separately and expended accordingly. The Library may accept gifts restricted by donors, provided the nature of the restriction is consistent with the library system's overall programs or, in the case of property gifts, the donor restrictions will be stated in writing and retained on file in Community Relations Office.

However, the Community Engagement Committee and the Board of Trustees reserve the right to refuse any gift the conditions of which are not compatible with The Library's mission or which compromise the library system's collection development or other policies.

X. Unrestricted Gifts

Unrestricted monetary gifts may be placed in the The Library general operating fund and used as part of the general budget process. Unrestricted gifts of \$5,000 or more will be presented to the Community Engagement Committee, with a recommendation from the Senior Management Team on disposition of the funds. The Community Engagement Committee will make the final determination of how the funds will be used.