

HVERFORD TOWNSHIP FREE LIBRARY ASSOCIATION

Gift Acceptance Policy

I. Introduction

This document sets forth the general policy and guidelines of the Haverford Township Free Library Association ("Library") with respect to the acceptance of gifts, donations and contributions. The provisions of these policies shall apply to all gifts received by the Library. Except as noted, the Library Director speaks on behalf of the Library. The Library is a 501(c) 3 not-for-profit corporation organized under the laws of the Commonwealth of Pennsylvania.

II. Library Gift Philosophy

The Board of Trustees ("Board") of the Library actively encourages gifts and contributions that will assist the Library in better serving the needs of the community. Acceptance of any gift is at the discretion of the Library. The Library will not accept any gift unless it can be used or expended consistently with the purpose and mission of the Library.

III. Library Mission and Objectives

The mission and objectives of the Haverford Township Free Library Association are as follows:

- To own, equip, operate, maintain, improve, manage and establish a public library for the literary, informational, and educational advancement and benefit of all residents and taxpayers of those municipalities that constitute Haverford Township and general vicinity, irrespective of their race, creed, color, sexual orientation, or national origin;
- To service the Haverford Township communities as a general center of reliable information;
- To provide opportunity and encouragement for people of all ages to educate themselves continuously;
- To cooperate with schools, groups, and agencies within the communities in promoting the use of library materials and in stimulating educational activities;
- To participate in the State, Regional, and District Library systems.
- To eschew pecuniary gain or profit, incidental or otherwise, to its Board of Trustees
- To provide area resource center services to Delaware County residents and Delaware County Library System members.

IV. Purpose

The purpose of this gift acceptance policy is to govern the acceptance of gifts and to provide guidance to donors and their professional advisors in completing gifts.

V. 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):

VI. Types of Gifts

The Library will accept unrestricted gifts, and gifts for specified programs and purposes, provided that such gifts are consistent with its stated mission, objectives, and priorities. The Library will not accept gifts that are too restrictive in purpose. Gifts for purposes that are not consistent with the Library's objectives or consistent with its current or anticipated future programs cannot be accepted. Examples of gifts that are too restrictive are those that violate the terms of the Library Articles, Bylaws, gifts that are too difficult to administer, or gifts that are for purposes outside the objectives of the Library. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Library Director, after consulting with the President of the Board of Trustees who will determine whether board approval is desirable. In all cases gifts will be reported to the Board at its monthly meetings.

The Library accepts gifts of various kinds, such as gifts of cash and non-cash property, including marketable securities, life insurance, real property, tangible personal property, intangible personal property, business ownership interests and other non-cash property of value. No irrevocable gift, whether outright or life-income in character, will be accepted if under any reasonable set of circumstances the gift would jeopardize the donor's financial security.

A. Current Gifts

A current gift involves the donor's transfer of money or property to the Library, without the receipt of consideration or economic benefit. Although the donor may place restrictions on the use of the property, the donor must retain no control over the money or property transferred to the Library to qualify as a current gift. Gifts which may raise special obligations or liabilities of any kind must also be reviewed by the Library.

Examples of current gifts include cash, gifts-in-kind, library materials, real estate, publicly traded securities and tangible personal property.

1. Cash

All checks must be made payable to the Haverford Township Free Library Association and shall in no event be made payable to an employee, agent, or volunteer for the credit of the Library. Unrestricted gifts will be accepted by the Library. All restricted monetary gifts will be reviewed by the Library Director who will consult with the Board President who will determine whether it is desirable for the Board to approve. In all cases, the Board will be notified of such gifts at its monthly meetings. The Library in its discretion may accept cash donations via electronic means.

2. Gifts in Kind

Gifts-in-Kind that provide services or consumables to the Library may be accepted by the Library Director. Gifts of equipment, goods, or services that relate to the mission and objectives of the Library are encouraged. Since proposed gifts-in-kind may place demand upon the Library in terms of special requirements (e.g., electrical, space, security, humidity control, maintenance, etc.), it is essential that the Library 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 Board. Obtaining proper 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 Library staff member and may be added to the library collection in accordance with the Library Collection Development Policy. Disposal of unacceptable or outdated items will be at the discretion of the Library.

4. Gifts of Real Estate

Gifts of real estate may be accepted only by the Board. No gift of real estate shall be accepted without first being properly appraised as to value and evaluated as to potential environmental and other problems, where appropriate, by a party(s) chosen by Library - those selected by the Library shall have no business or other relationship to the donor.

The primary purpose of the initial environmental review of the property is 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.

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, potential or actual liability, or administrative burdens before it can be sold. Any real estate accepted by Library will be sold as promptly as possible. The Board may make exceptions to these real estate policies in particular cases.

The acceptance of real estate encumbered by mortgages, judgments, liens and other problems again requires written approval by the Board. When appropriate, a title binder shall be obtained by the Library prior to the acceptance of the real property gift.

5. Gifts of 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 publicly traded securities shall be sold upon receipt unless otherwise directed by the Board. In some cases, marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the restricted securities shall be made by the Board.

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 Library Director and the Board with the advice of legal counsel shall make the final determination on the acceptance of marketable securities when necessary.

6. Tangible Property

The Library will only accept gifts of tangible personal property that relate directly to its mission and objectives. The Library shall examine the potential gift of personal property for its financial value, its potential use by the Library or whether the item could be sold quickly and converted to cash.

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 \$500.00.

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 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 written approval of the Board. The Library may accept tangible personal property only after the Board receives and reviews a qualified appraisal of the property.

The Library Director may represent to a donor on behalf of the Board 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 policy, cooperate fully in all matters related to tax investigations of non-cash charitable gifts.

B. Split Interest Gifts

A split-interest gift involves the donor's irrevocable transfer of an interest in an asset to the Library, but the donor generally retains either an income stream or the remainder interest. The planned giving program may include the following types of split-interest gifts - Charitable Remainder Trusts; Charitable Gift Annuities; Deferred Payment Charitable Gift Annuities. All split-interest gifts are subject to the approval of the Board.

1. 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.

The Library 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 Board.

The Board 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.

2. Charitable Gift Annuities and Deferred Payment Charitable Gift Annuities

Charitable gift annuities and deferred payment charitable gift annuities must be approved by the Board 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 \$10,000.00 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.

3. Pooled Income Funds

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 funds.

C. Charitable Bequests.

A charitable bequest involves the donor's transfer of money or property to the charity *at the donor's death*, either through the donor's will or trust. The donor uses or controls the asset during his or her entire lifetime.

1. Gifts of Life Insurance

The Library will encourage donors to name the Library as a total or partial beneficiary of insurance policies they have purchased on their lives. The Library must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the Library may:

- continue to pay premiums
- convert the policy to paid-up insurance, or
- surrender the policy for its current cash value.

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 Board. 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.

2. Bequests

Bequests intended for the Library should be made to the Haverford Township Free Library Association.

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 by the Board.

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

Where possible, intended bequests of property other than cash or marketable securities should be brought to the attention of the Board.

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 future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

3. Unrestricted Bequests

Unrestricted bequests for the general purposes of the Library are preferred. Should the donor specify that the principal be used to create a new endowment fund, the request will be directed to the Board for special handling. The Board shall use its discretion in determining the acceptability of creating a requested endowment.

Restricted bequests intend to allow donors to support and promote special interests and may be accepted upon approval of the Board. The Library recommends that any specified purposes be described as broadly as possible and that detailed limitations and restrictions be avoided where possible. The Board should be consulted before a proposal to establish a restricted bequest is made. The right to refuse a gift, as defined in the Restricted Gifts paragraph (XII) is reserved.

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

VII. Legal and Financial Counsel

All donors should seek his or her own legal or financial counsel and other professional advisors before making a gift. Similarly, all donors should obtain their own advisors in matters related to their gifts and resulting tax and estate planning consequences. The Library cannot advise donors in legal or tax matters nor endorse particular legal representatives to represent donors for the purpose of making gifts to the Library.

There could be circumstances in which the Library will engage its own legal counsel to assist the Library with a gift. Counsel may be especially needed when a proposed gift is governed by contract or legal documents; where there are potential conflicts of interest, and gifts that are closely held stock subject to buy-sell agreements or other restrictions.

VIII. Payment of Fees Related to Gifts

A. Finder's Fees or Commissions

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

B. 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 Board, 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.

IX. Fund Raisers

The Library Director must first approve fundraising efforts by unrelated groups that utilize the Library name and Library logo. The Library may assist groups with fund raising by providing some key support services and public relations assistance.

Proposals for fund raising activities by other organizations to benefit the Library should be submitted to the Library Director. The Library Director will make the decision based in part upon the compatibility of the organization and its proposed activity with the Library's mission, and timing of the proposed activity in the context of other Library fund raising activities. The Library Director will also consider questions of perceived library endorsement of the organization's product, service or message in making its decision. Once the proposal is approved for submission the Library Director will notify the President of the Board who will determine whether it is desirable for the Board to grant final approval. In all cases, the Board will be notified at its monthly meetings.

The Library may also work jointly with certain organizations for fund raising events. In that event, the other group cannot speak for and is not an agent of the Library; nor can the other organization legally bind the Library.

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 and/or the relationship of its mission to the Library's. All such requests must be submitted to the Library Director for approval.

X. Valuation of Non-Monetary Gifts

Neither the Library staff 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. The Library may provide, on request, a letter of acknowledgment to a donor describing the gift and its apparent condition.

XI. Recognition and Reporting of Gifts

The Library will acknowledge in writing all gifts that have been finally accepted. All gifts will be recognized as required by law and in an appropriate manner as determined by the Library. In addition, the Library Director on behalf of the Board will be responsible for timely communication to the prospective donor when a gift is not accepted.

With respect to anonymous gifts, the Library will restrict information about the donor to only those staff and members with a need to know. However, while the Library will strive to honor a request for anonymity, such anonymity cannot be guaranteed.

XII. Restricted Gifts

The Library will make a reasonable attempt to honor the donor's wishes in the use of gifts accepted by the Library. 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's overall programs or, in the case of property gifts, the donor restrictions will be stated in writing and retained on file at the Library.

However, the Library Director and the Board reserves the right to refuse any gift the conditions or source of which are not compatible with the Library's mission or which compromise the Library's collection development or other policies.

XIII. Unrestricted Gifts

Unrestricted monetary gifts may be placed in the Library's general operating fund and used as part of the general budget process.

XIV. Limitations

Notwithstanding the above, if future circumstances change, or the donor fails to fulfill his pledge obligation, or the purpose for which the donation was originally intended becomes illegal, impractical, or no longer meets the needs of the Library, the Board

may, at its discretion, designate an alternative use in the spirit of the donor's original intent for the gift to further the objectives of the Library.

The Library strives to meet all of its tax and legal obligations - including those described in IRS Publication 1771 (Rev. 3-2016). Should any provision in this Gift Acceptance Policy conflict with those IRS provisions or any other legal requirements, the policy will be subservient to such other proper authorities.