

Cumberland County Library System Foundation Gift Acceptance Policy - Adopted May 24, 2010

I. Introduction

This policy sets forth the general policy and guidelines of the Cumberland County Library System Foundation (CCLSF) with respect to the acceptance of gifts, donations and contributions.

II. CCLSF Gift Philosophy

The Cumberland County Library System Foundation Board encourages gifts and contributions that will assist the library system in better serving the needs of the community. CCLSF 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.

III. Donor Rights

CCLSF adheres to the "Donor Bill of Rights" developed by the Association of Fundraising Professionals (AFP), the Association for Healthcare Philanthropy (AHP), the Council for Advancement and Support of Education (CASE), and the Giving Institute: Leading Consultants to Non-Profits

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.*

IV. CCLSF Solicitation Activities

CCLSF's solicitation activities will support the Cumberland County Library System and its member libraries without hindering the ability of member libraries or the system office to seek funding from their own constituencies. To that end, the CCLSF affirms that it will:

A. Inform Member Libraries of CCLSF Solicitation Plans

The CCLSF shall inform the member library board's designee for foundation communications (e.g. library director, development coordinator, board president, etc.) of its solicitation plans such as requests, proposals, grant applications, etc.

B. Obtain Prior Approval for Local Solicitation

The CCLSF shall obtain member library (or libraries') board approval of any solicitation that is made to an individual or organization that:

- i. Has declared a member library as their primary library (as verified in the system's online registration files), or
- ii. Has a current giving history (within 3 years) with a member library, or
- iii. In the case of individuals, resides in a member library service area, or
- iv. In the case of organizations, has its headquarters or primary administrative center where giving decisions are made located in a member library service area.

C. Notify Member Libraries of Gifts by Local Individual Donors

The CCLSF shall notify the member library board's designee for foundation communications (e.g. library director, development coordinator, board president, etc.) of any unsolicited CCLSF gift made by an individual donor who:

- i. Has declared a member library as their primary library (as verified in the system's online registration files), or
- ii. Has a current giving history (within 3 years) with a member library,
- iii. Or, in the case of individuals, resides in a member library service area,
- iv. Or, in the case of organizations, has its headquarters or its primary administrative center where giving decisions are made located in a member library service area.

D. Inform Prospective Donor of Giving Options

When approached by a prospective donor who desires to make a gift and the prospective donor either resides in or its primary administrative center is located in the Cumberland County Library System service area, the CCLSF will inform the prospective donor of giving opportunities both at the local library and with the CCLSF. The CCLSF Executive Director or a CCLSF Board member shall:

- i. Determine if the prospective Cumberland County donor wishes the funds to be used at his/her primary library (or libraries).
- ii. Determine if the donor has a specific service area interest
- iii. Determine if there are any fund restrictions

E. Collaborate with Member Libraries to Enhance Fundraising

The CCLSF shall collaborate with member library directors, development coordinators, or member library boards on fundraising activities that will enhance and improve fundraising activities on a regional or countywide basis.

V. CCLSF Gift Use & Distribution Activities

CCLSF's purpose is to provide immediate and long-term financial support of the Cumberland County Library System and its member libraries' collections, programs, services and initiatives. It will seek to use, invest and distribute gifts in a fair and equitable and balanced manner. When considering how funds will be used, a variety of factors may be considered. These may include long range plans for the Cumberland County Library System and its member libraries, as well as immediate and long-term needs. When funds are distributed, distribution methods may include:

A. Donor Specification

When specified by the donor and as stipulated elsewhere in this policy, the wishes of the donor will be followed whenever legal and ethical in the use of gift funds.

B. CCLS Fund Allocation Policy

As a general measure of library service activities and needs at each library, the CCLSF Board may use the Cumberland County Library System’s current fund allocation policy for general countywide distribution of funds. The CCLSF board may also distribute an amount to be used at the system level for systemwide projects and initiatives.

C. Project Specific Specification

Fund distribution methods that are related to specific projects, service levels or activities may be adopted by the CCLSF board from time to time. For example, summer reading program registration statistics may be used to distribute funds related to summer reading program support. Or, funds may be used at the system level for countywide technology initiatives.

D. Endowment

The CCLSF board may, from time to time, use funds to establish or fund an endowment fund.

E. Administrative Costs

Unless otherwise prohibited, funds may be used by the CCLSF for its own administrative and support activities.

VI. Types of Gifts

CCLSF may 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 and other non-cash property of value.

A. Monetary Gifts

All checks must be made payable to Cumberland County Library System Foundation and shall in no event be made payable to an employee, agent, or volunteer for the credit of CCLSF. Unrestricted gifts may be accepted at any time. Restricted monetary gifts may only be accepted by the CCLSF Development and Distribution Committee. (See Section XI. Restricted Gifts)

B. Library Materials

Gifts or donations of materials to the CCLSF can be in the form of money or actual materials. These items are added to the collection solely at the discretion of the library system staff. Gifts and donations are evaluated by staff in accordance with the Cumberland County Library System's Materials Selection policy.

If a gift of materials is accepted, the item(s) becomes the property of the library system, to be used or disposed of as determined by the library system. The donor may receive a written acknowledgement of the gift upon request. If the donor wishes to receive such an acknowledgement, he/she should leave name and address and number of items donated. Library system staff will not appraise the books or indicate a value in the acknowledgment letter.

i. Tribute Gifts of Materials

Financial contributions in the form of tribute gifts are accepted by the Cumberland County Library System and its member libraries. Books or other materials are added to the collection, usually in memory or honor of an individual or group. While the donor's suggestions for purchase are welcomed by the library system for its consideration, selections for memorials shall be the sole responsibility of the library system. A memorial may be placed in the library system collection, either for reference or circulating use. A memorial or honor book plate will be placed in each item, and records of the gift will be maintained by the library system until the item is no longer in use.

C. Gifts of Real Estate

Gifts of real estate to the CCLSF may be accepted only by the CCLSF Development and Distribution 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 CCLSF, 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 CCLSF will be sold as promptly as possible. The CCLSF Development and Distribution 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 CCLSF Development and Distribution Committee.

D. Gifts of Securities

Gifts of marketable securities may be accepted only by the CCLSF Investment 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 CCLSF Investment Committee.

Gifts of securities that are not readily marketable will be submitted to the CCLSF Investment Committee for an acceptance decision. CCLSF 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 CCLSF. Generally, CCLSF 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 CCLSF 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 CCLSF, for federal income tax purposes, the income tax obligation will be taken into consideration when assessing the periodic cash flow requirements.

E. Gifts of Tangible Property

CCLSF will not accept jewelry, artwork, collections, coin and stamp collections, livestock, cars, boats, clothes or other tangible personal property unless the employee, agent or volunteer reviewing the gift on behalf of CCLSF has reason to believe the property has a value in excess of \$1000. Such property will then be reviewed for acceptance by the CCLSF Development and Distribution Committee.

Tangible property will not be accepted 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. CCLSF will not accept perishable property or property that requires special facilities or security to safeguard properly without prior approval of the CCLSF Development and Distribution Committee.

CCLSF may accept tangible personal property only after the CCLSF Development and Distribution Committee receives and reviews a qualified appraisal of the property.

Only the CCLSF Development and Distribution Committee may represent to a donor that property will or will not be held by CCLSF 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 CCLSF will, as a

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

F. Other Gifts-in-Kind of Use to the Library System

Other gifts of services, equipment, or goods that would constitute items or services of use to the library system may be accepted by the CCLSF Executive Director or the CCLSF Development and Distribution Committee. Since proposed gifts-in-kind may place demands upon the library system in terms of special requirements (e.g., electrical, space, humidity control, maintenance, etc.), these gifts are evaluated carefully. The donor is responsible for obtaining valuation. Appraisal costs are not borne by the CCLSF.

G. Deferred Gifts

i. Bequests

Bequests intended for the library system should be made to the Cumberland County Library System Foundation.

In the event of inquiry by a prospective donor, representations as to the future acceptability of property proposed to be left to CCLSF in a will or by other deferred gifts shall be made only by the CCLSF Executive Director in consultation with the Chair of the CCLSF Development and Distribution Committee.

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

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

Unrestricted bequests are intended for the general purposes of the library system and are of special benefit in allowing flexibility to meet the library system's greatest needs. If less than \$25,000, the

bequest will either be accepted as an annual expendable gift or added to a CCLSF endowment fund. Should the donor specify that the principal be used to create a new endowment fund, the minimum dollar requirement of \$25,000 must be met.

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

ii. **Charitable Remainder Trusts**

In general, CCLSF 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 CCLSF Board following recommendation of the CCLSF Development and Distribution Committee.

The CCLSF Development and Distribution Committee will identify a number of corporate fiduciaries in which it has confidence. However, CCLSF will not recommend a particular fiduciary to a donor.

CCLSF will pay the fees for management of a charitable remainder trust only upon approval of the CCLSF Development and Distribution Committee.

The CCLSF Development and Distribution Committee and other employees and volunteers who act on behalf of CCLSF should be 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 CCLSF 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 CCLSF 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.

iii. **Charitable Gift Annuities and Deferred Payment Charitable Gift Annuities**

Charitable gift annuities and deferred payment charitable gift annuities must be approved by the CCLSF Development and Distribution 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.

iv. **Pooled Income Funds**

CCLSF may in the future establish a pooled income fund.

In the event that CCLSF 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.

v. **Life Estate Gifts**

Donors generally shall not be encouraged to make gifts to CCLSF 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 CCLSF 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.

CCLSF may accept life estate gifts by approval of the CCLSF Development and Distribution 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.

vi. **Gifts of Life Insurance**

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

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

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

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

vii. **Legal Counsel**

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

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

viii. **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 Cumberland County Library System's community, the CCLSF 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. Payment of Fees Related to Gifts

A. Finder's Fees or Commissions

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

B. Professional Fees

CCLSF 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 CCLSF. In such cases, it shall be understood that such professional advisors are representing CCLSF.

In particular cases, with the prior approval of the Development Committee, CCLSF 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.

VIII. Fund Raisers

Proposals for fund raising activities by organizations to benefit the library system must be submitted to the CCLSF Executive Director, who will recommend proposals for submission to the CCLSF Development and Distribution Committee

for final approval. The CCLSF Development and Distribution 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 CCLSF 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, CCLSF 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 mission. All such requests must be submitted to the CCLSF Executive Director for approval.

IX. Valuation of Non-Monetary Gifts

Neither the library staff, the CCLSF Development and Distribution 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 recognition as provided for above only, the CCLSF Development and Distribution Committee will exercise its discretion in establishing a gift's value. The CCLSF Executive Director, may provide, on request, a letter of acknowledgment to a donor describing the gift and its apparent condition.

X. Recognition and Reporting of Gifts

CCLSF will acknowledge in writing all gifts that have been finally accepted by the CCLSF Development and Distribution Committee or an authorized staff member. All gifts will be recognized in an appropriate manner, in accordance with the "Gift Recognition Procedures" produced by the Executive Director of the CCLSF.

The CCLSF Development and Distribution Committee will review these procedures annually and make any recommendations for changes.

XI. Restricted Gifts

CCLSF 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 CCLSF office.

However, the CCLSF Development and Distribution Committee and the CCLSF Board 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.

XII. Unrestricted Gifts

Unrestricted monetary gifts may be placed in the CCLSF general operating fund and used as part of the general CCLSF budget.

XIII. Amendments

Any changes to this Gift Acceptance Policy will be effective 45 days after notice thereof to each member library board.