



Bangor Public Library

Gift Acceptance Policies and Guidelines

The Bangor Public Library, a not for profit corporation organized under the laws of the State of Maine (hereafter "Library"), encourages the solicitation and acceptance of gifts for purposes that will help the Library to fulfill its mission. The following policies and guidelines govern acceptance of all gifts made to the Library or for the benefit of any of its programs.

This policy should promote financial support of the Library without encumbering it with gifts that may generate more cost than benefit; are restricted in a manner that is not in keeping with Library goals, and/or by virtue of their acceptance might create a perception of the Library that is not in keeping with its mission.

I. Purpose

The Library may solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and mission of the Library. These policies and guidelines shall govern the acceptance of gifts by the Library and may provide guidance to prospective donors and their advisors. The provisions of these policies shall apply to all gifts received by or being offered to the Library for any of its programs or services.

II. Conflicts of Interest

The Library will advise each prospective donor to seek the assistance of personal legal and financial counsel in matters relating to their gift. The Library will not accept any gift with the potential for an actual or perceived conflict of interest.

III. Use of Legal Counsel

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

- Gifts of closely held stock;
- Gifts involving a contract;
- Gifts requiring the Library to assume an obligation;
- Gifts with potential for an actual or perceived conflict of interest;
- Any other gift in which the use of counsel is deemed appropriate.

IV. Authority to Accept Gifts

Only the Board of Trustees (hereafter "Board") has authority to accept gifts on behalf of the Library. The Board may, by majority vote, authorize the Board President, Library Director, or other individuals to accept gifts considered routine in nature as described below. Any such authorization shall be documented in the minutes of the next scheduled Board meeting.

Routine Gifts: Gifts shall be considered “routine” if neither the asset nor the method of transfer will:

- Result in any cost or expense to the Library
- Place any obligation or restriction on the Library
- Create an actual or perceived conflict of interest
- Be inconsistent with the mission of the Library

Examples of routine gifts include outright gifts of cash, investment securities, books, documents, collectables, furnishings, etc. that the Library may readily converted to cash.

Non-Routine Gifts: Any gift that does not meet the definition of routine as described above shall be considered “non-routine” and may only be accepted by majority vote of the Board.

V. Restricted Gifts

The Library may accept restricted gifts in support of specific programs and purposes in accordance with this Policy and provided such gifts are not inconsistent with the Library’s mission, purpose and priorities. The Library will not accept gifts that are deemed too restrictive in nature, too difficult to administer, or gifts that are for purposes outside the mission of the Library. Annual distributions from donor restricted funds shall be in accordance with applicable donor restrictions.

Donor Named Funds: Subject to prior Board approval, any gift of \$5,000 or more, may, at the request of the donor, be established in the Library Endowment Fund as a Donor Named Fund, to be carried permanently as a discrete fund bearing the identification designated by the donor. The income from a Donor Named Fund may be restricted by the donor as to a specific purpose. In the absence of such restriction the income shall be appropriated and expended as the Board may designate.

VI. Unrestricted Gifts

All gifts that are not restricted by a donor shall be considered Board Designated Funds to be utilized at the discretion of the Board. Board Designated Funds intended for long term investment shall be placed with an investment manager and managed in accordance with the Library’s Investment Policy.

The Board has approved an annual distribution amount from the Board Designated Funds. This amount shall increase annually by the annual rate of inflation. Additional information can be found in the Library’s Investment Policy.

VII. Types of Assets Accepted

Examples of assets the Library may accept include, but are not limited to:

- Cash
- Tangible Personal Property
- Marketable Investment Securities
- Closely Held Securities
- Real Property (Real Estate)

- Oil, Gas, and Mineral Interests
- Life Insurance Policies
- Other Assets

The following considerations should guide the acceptance of each type of asset:

Tangible Personal Property: All gifts of tangible personal property shall be considered in light of the following criteria:

- Is the property marketable?
- Will the property be retained or sold?
- Does the property fulfill the mission of the Library?
- Are there any undue restrictions on the use, display, or sale of the property?
- Will the Library bear any carrying costs for the property?

Routine gifts of tangible personal property may be accepted by the Board or a duly authorized individual. Non-routine gifts of tangible personal property may only be accepted by the Board.

Materials intended for retention and/or display shall only be accepted with prior Board approval and in accordance with the scope and collection development policies of the Library. Such gifts are subject to the following conditions:

1. Gifts are accepted without conditions attached. Special housing or shelving cannot be promised, nor can the Library agree to keep intact a group of donated items.
2. Decisions to add gift materials to the collection are subject to the same criteria as decisions to acquire materials by purchase. The Library reserves the right to decide where accepted gifts will be housed, and whether they will be cataloged or bound.
3. Materials outside the scope of the Library's collection, by subject or format, may not be added. The Library reserves the right to dispose of gift materials as it sees fit.
4. The Bangor Public Library does not appraise gifts. If the donor needs an appraisal for income tax purposes, it is the donor's responsibility to have the appraisal made.

Cash: Gifts of cash are generally acceptable; however, gifts of currency should be discouraged. Cash gifts may include:

- Physical checks made payable to the Library;
- Electronic transfers from a donor account to the appropriate Library account;
- Wire transfers from a donor account to the appropriate Library account;

Marketable Investment Securities: Marketable investment securities may include stocks, bonds, mutual fund shares, exchange traded funds, limited partnership interests, etc. Such securities may be delivered electronically or in physical form to an appropriate account maintained by the Library. As a general rule, all marketable securities shall be sold upon receipt. The proceeds shall be reinvested or transferred to another Library account as directed by the Library.

Closely Held Securities: Closely held securities shall be considered non-routine and must be reviewed by the Board prior to acceptance to confirm there are no restrictions that would

prevent its conversion to cash or that accepting the security will not generate any undesirable tax consequences.

If problems arise on initial review of the security, further review and counsel by an outside professional may be sought before making a final decision on acceptance of the gift.

Closely held securities may be delivered electronically or in physical form to an account maintained by the Library. As a general rule, closely held securities shall be sold upon receipt unless otherwise directed by the Library.

Real Property (Real Estate): Gifts involving real estate shall be considered non-routine and may only be accepted by the Board. Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. An initial environmental review of the property shall be conducted prior to consideration of any real estate gift to ensure the property has no environmental issues.

If the initial inspection reveals a potential problem, the Library shall request that the donor engage 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 prior to the acceptance of the property. The cost of this title binder shall generally be an expense of the donor.

Oil, Gas, and Mineral Interests: Gifts involving oil, gas, and mineral interests shall be considered non-routine and may only be accepted by the Board. Considerations for accepting such gifts may include:

- What is the current and expected future value of the property?
- Will the property generate annual income?
- Are there environmental or other liabilities?

Life Insurance Policies: Gifts involving the Library's ownership of a life insurance policy shall be considered non-routine and may only be accepted by the Board. A donor may transfer ownership of an existing life insurance policy, or the Library may agree to use funds contributed by a donor to purchase a new life insurance policy. If accepted, the value of the gift shall be determined by the Board.

If the donor will not contribute future payments to the Library, the Library may continue to pay annual premiums; convert the policy to paid-up insurance; surrender the policy for its current cash value or other appropriate options.

If the donor will contribute future payments to the Library, such payments may be applied to the annual insurance premium at the discretion of the Library.

Other Assets: The Library may accept any other type of asset as a gift subject to prior review and approval of the Board.

VIII. Types of Gift Arrangements Accepted

Outright Gifts: Outright gifts provide the Library with an immediate and unrestricted interest in the gifted asset. The Board or a duly authorized individual may accept an outright gift of any

asset considered routine in nature as described above. Outright gifts of assets considered non-routine shall only be accepted by the Board.

Bequests & Beneficiary Designations: A bequest is any gift made at the death of a donor under a will, trust or beneficiary designation in a retirement account, a life insurance policy or an annuity contract. In general, these gifts provide the Library with an immediate and unrestricted interest in the gifted asset.

The Library may accept a bequest of any asset considered routine in nature. A bequest involving a non-routine asset shall only be accepted with Board approval.

Remainder Interest in Real Property (Retained Life Estate): The Library may accept a remainder interest in real property (personal residence, farm, or vacation property). The donor or other occupants may continue to occupy the 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. In general, expenses for maintenance, property tax, mortgage debt, insurance, etc. shall not be paid by the Library.

Gifts involving a remainder interest in real property shall be considered non-routine and may only be accepted by the Board.

Bargain Sales: The Library may enter into bargain sale arrangements. All bargain sales shall be considered non-routine and shall only be accepted with Board approval. Considerations in determining the appropriateness of such gifts include:

- Will the property be retained or sold?
- What is the current and expected future value of the property?
- Are there environmental or other liabilities?
- Is there mortgage debt on the property?

Charitable Remainder Trusts: A donor may or may not inform the Library of its designation as a remainder beneficiary of a charitable remainder trust. When the Library is informed of such designation the Library may request a copy of the trust document. Prior to accepting any distribution from such a trust the Library shall review the type of assets to be received in accordance with this policy. Assets considered routine may be accepted by the Board or a duly authorized individual. Assets considered non-routine shall only be accepted by the Board.

The Library shall not serve as trustee or co-trustee of a charitable remainder trust.

Charitable Lead Trusts: The Library may accept a designation as income beneficiary of a charitable lead trust. The Library shall not serve as trustee or co-trustee of a charitable lead trust.

Charitable Gift Annuities: As of the date this Policy is adopted the Library shall not offer charitable gift annuities to its donors. If a donor expresses interest in such a gift the Library will coordinate with the University of Maine Foundation and/or the Maine Community Foundation to assist the donor.

IX. Miscellaneous Provisions

- Securing appraisals and legal fees: It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts.
- Valuation of gifts for development purposes: The Library shall record a gift received at its valuation for gift purposes on the date of gift.
- Responsibility for IRS Filings upon sale of gift items: The Board shall be responsible for filing all required tax forms upon the sale or disposition of any asset sold within two years of receipt by the Library when the charitable deduction value of the item is more than \$5,000. The Library shall file all forms in accordance with applicable IRS filing requirements.
- Acknowledgement of gifts and compliance with the IRS requirements: The Board shall be responsible for determining the value of gifts and acknowledging gifts in accordance with IRS requirements. (IRS Publication 561, Determining the Value of Donated Property and IRS Publication 526, Charitable Contributions, etc.)

X. Donor Privacy

All information collected by the Library about donors, prospective donors, gifts or prospective gifts shall be kept confidential. The Library shall use such information only for Library purposes and shall not disclose such information to third parties. To prevent unauthorized access, maintain data accuracy and to ensure the appropriate use of such information the Library shall maintain appropriate physical, electronic and managerial procedures. If a donor informs the Library that they do not wish to have further contact the Library shall respect this wish.

XI. Corporate Donor & Sponsor Recognition

The Library welcomes gifts to support its work and may, upon request, publicly recognize corporate donors/sponsors. The Library will attempt to recognize corporate donors/sponsors in the manner they request, but the Library will make the final determination of the manner in which such recognition is made.

XII Changes to Gift Acceptance Policies

The Board may amend this Policy at any time. It should be reviewed annually by the Development Committee and referred to the Board for approval.