Gift Acceptance Policy



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**Contents**

[Gift Acceptance Policy 1](#_Toc150959556)

[Purpose 2](#_Toc150959557)

[Acceptable Gifts 2](#_Toc150959558)

[*Unrestricted Gifts* 2](#_Toc150959559)

[*Restricted Gifts or Endowments* 2](#_Toc150959560)

[*Securities* 2](#_Toc150959561)

[*Noncash Gifts* 3](#_Toc150959562)

[*Gifts of Art for Public Display* 3](#_Toc150959563)

[*Books and other collection donations* 3](#_Toc150959564)

[*Life Insurance* 3](#_Toc150959565)

[*Bequests & Planned Gifts* 3](#_Toc150959566)

[*Cryptocurrency (digital currency or virtual currency)* 4](#_Toc150959567)

[Unacceptable Gifts 4](#_Toc150959568)

[Naming of Facilities and Programs 4](#_Toc150959569)

[Ethics 5](#_Toc150959570)

[*Conflict of Interest* 5](#_Toc150959571)

[*Commissions for gifts* 5](#_Toc150959572)

# **Purpose**

The purpose of the Gift Acceptance Policy is to give guidance and counsel concerning the planning, promotion, solicitation, receipt, acceptance, management, reporting, use, and disposition of private sector gifts.

These policies must be viewed as flexible and realistic to accommodate unpredictable situations and donor expectations, as long as such situations and expectations are consistent with Sedona Public Library's (“the Library”) mission and policies.

Any exceptions to these Gift Acceptance Policies may be made only in exceptional circumstances and shall require the Board's approval.

In all cases, it is the donor’s responsibility to substantiate the value of a donated item with the IRS.

# **Acceptable Gifts**

## ***Unrestricted Gifts***

Unrestricted, outright gifts of cash, check, credit card, and online and publicly traded securities do not require board approval. Such routine gifts are accepted and administered through the Development Director, with final authority to accept routine gifts lying with the Library Director.

## ***Restricted Gifts or Endowments***

Donors may restrict their gifts to the Library if the proposed use is consistent with the Library's stated mission and objectives of the current strategic plan, and the restrictions do not violate the Library's ethical standards or require illegal discrimination. Designated gifts of any size may be made to library-approved programs, the collection, or related funds of the Library and may be pooled with other such gifts that have been designated for a like purpose.

## ***Securities***

Publicly traded securities will be counted at the average of the high and low market value on the postmark date if mailed or the date and time of transfer if electronically transferred to the Library's broker. Securities that are not readily marketable, such as closely held stock, limited partnerships, joint venture interests, etc., must be approved by the Board's finance committee and may be valued at the per-share cash purchase price of the most recent transaction or as established by a qualified appraisal. All securities may be held or sold immediately upon receipt into the Library’s account, at the recommendation of the Investment Committee and approval of the Board. The funds available after the sale will be invested following the Library's Board-approved Donation Flow Chart.

## ***Noncash Gifts***

Gifts of real and personal property, including art, antiques, book collections, and real estate, will be accepted on a case-by-case basis, subject to Board approval. The Board shall consider whether the gift is consistent with the Library's mission, can be used in the Library's operations, or if the gift can be converted into cash within a reasonable amount of time. Such gifts will be accepted only upon the donor's release of all title or other claims to the property. Donors who wish to claim tax credit on property valued over $5,000 (or the current IRS threshold) must provide an appraisal by an accredited, independent appraiser prior to Library’s acceptance. Property encumbered by a mortgage or other indebtedness cannot normally be accepted unless the donor agrees to assume all maintenance costs until the property is liquidated. The Library reserves the right to liquidate, relocate, remove, or dispose of any accepted gift at any time in the future.

## ***Gifts of Art for Public Display***

The Library may accept donations of art intended for public display rather than cash conversion when appropriate. Should this be a consideration for an artwork donation, the Buildings and Grounds Committee will review the artwork and determine if the artwork is suitable for consideration. Should the Buildings and Grounds Committee recommend the artwork, the proposal will be forwarded to the Board for approval. Should the committee not recommend the artwork, the piece will be considered under the prior section regarding noncash gifts.

## ***Books and other collection donations***

The Collection Development librarian manages books and other materials donated to the collection. Guidelines for the review of donations and de-selection (weeding) may be found in the Collection Development policies.

## ***Life Insurance***

All gifts of life insurance must comply with applicable state insurance regulations, including insurable interest clauses.

## ***Bequests & Planned Gifts***

The Library accepts gifts from annuities, bequests, charitable remainder trusts, and charitable lead trusts, but does not serve as an administrator or guarantor for such gifts.

Upon request, the Library may provide to the donor sample bequest language for restricted and unrestricted gifts to ensure that a bequest is properly designated. The Library may also provide, upon request, IRS-approved prototype trust agreements for review and consideration by the donor and their advisors. The sample nature of such language or agreements shall be clearly stated on all documents given to donors, and donors shall be advised that consultation with their legal advisors is essential before using such standard language or specimen agreements.

While the Library is pleased to aid attorneys and other professional advisors by providing language for charitable giving instruments, it cannot pay any attorney's or advisor's fees associated with this work.

The Library shall encourage donors to seek counsel in their bequests, life income gifts, tax planning, and estate planning.

## ***Cryptocurrency (digital currency or virtual currency)***

The Library may accept gifts of cryptocurrency and other digital assets after due diligence is performed to determine that the asset can be transferred and liquidated. Gifts of cryptocurrencies will be treated as securities and sold upon receipt.

# **Unacceptable Gifts**

The Library reserves the right to refuse any gift inconsistent with its mission and goals. In addition to and without limiting the generality of the guidance provided above, the Library will not accept the following gifts:

1. Gifts that violate any federal, state, or local statute or ordinance

2. Gifts that contain unreasonable conditions (e.g., a lien or other encumbrance) or gifts of partial interest and property

3. Gifts that are financially unsound

4. Gifts that could expose the Library to liability

# **Naming of Facilities and Programs**

Naming opportunities allow the Library to recognize exceptional contributions to the Library and the community. Unless otherwise stated by the Board of Trustees, the naming of facilities or any portions of a facility for individuals, families, or organizations shall be determined by mutual agreement between the Library and the donor. When authorized by the Board of Trustees, the naming of facilities or a portion of a facility for corporate benefactors shall have a set number of years to the naming, to be determined on a case-by-case basis and noted in the signed Naming Agreement. If a name is associated with a program, it will be designated for a specified period. Naming associated with a particular facility or space shall not preclude further naming of a subdivision within the facility or space. A plan for continued recognition is required in the signed Naming Agreement.

If a building or facility is completely replaced with new construction or is significantly remodeled, the Board of Trustees reserves the right to add to or alter the naming opportunities of the new or renovated facility. In such a case, the original naming recognition shall be suitably commemorated in the new facility, e.g., by a plaque placed in a prominent location. When a facility or portion of a facility is proposed for renaming, the Library shall make all reasonable efforts to inform in advance the original donors or honorees and their immediate family members.

If at any time following the approval of a naming, circumstances change substantially so that the continued use of the name may compromise the public trust, such as actions by the donor or activities which are inconsistent with the Library's mission or ethical standards, or if the Donor fails to meet the financial obligations of the Naming Agreement, the Board of Trustees reserves the right to remove a name from any named facilities, programs, or named funds, and offer the return of any unspent funds remaining in the account.

# **Ethics**

The Board shall assure itself that all philanthropic promotions and solicitation are ethical and that no Board members or Library personnel benefit personally through commissions or other devices related to gifts received.

## ***Conflict of Interest***

The Board will assure itself that Trustees and Library personnel are circumspect in all dealings with donors to avoid even the appearance of any act of self-dealing. Those individuals who normally engage in the solicitation of gifts on behalf of the Library shall not personally benefit by commission, contract fees, or other benefits from any donor in performing their duties on behalf of the Library. The definition of individuals includes all employees of the Library, its trustees, and members of their immediate families. Individuals are further defined as associations, partnerships, corporations, or other enterprises in which a staff member holds a principal ownership interest.

## ***Commissions for gifts***

The Library will not pay commissions or finder's fees as consideration for directing a gift to the Library. This includes and is not limited to working with fundraising consultants, financial advisors, and real estate agents.