

## KENNEBUNK FREE LIBRARY GIFT ACCEPTANCE POLICY AND GUIDELINES

The Kennebunk Free Library welcomes gifts of library materials, money real property, or other assets as described herein. These gifts help enrich and improve public library resources. Gifts and donations may be made to the Library in a number of ways: through the Annual Fund appeals; to the Gifts and Memorials Fund; to the Investment Fund; or, through the gift of tangible objects. The Kennebunk Free Library is a tax-exempt organization under Section 501(c)(3) of the U.S. Tax Code. Donations to the Library are generally tax deductible. Donors are responsible for determining the tax deductibility of their contributions and should consult their own legal, financial, or tax advisor. The Library does not provide appraisals or tax advice.

### **Purpose**

The purpose of these Gift Acceptance Guidelines is to provide guidance to:

- KFL Staff, Trustees and other representatives of the Kennebunk Free Library who may be involved in the acceptance of gifts;
- Advisors to donors or potential donors who may assist in the gift planning process; and
- Prospective donors who may wish to make gifts to the Library.

These guidelines are intended to be used as a guide and allow for some flexibility on a case-by-case basis.

### **Gift Review Committee**

Any questions that may arise in the review and acceptance of gifts to the Library will be referred to the Executive Committee who, together with the Executive Director and Development Director, shall comprise the Gift Review Committee. Ad hoc members who are knowledgeable about the asset at issue may be added by the Executive Committee and/or Executive Director for review of a specific gift. The Library may seek qualified professional counsel for review of complex assets such as real property, restricted gifts, or planned gift agreements.

### **Cash and Checks**

Gifts are acceptable in the form of currency, money orders, checks or electronic transfer (either through a wire transfer to the Library's bank account or by a verified credit card transaction.) Gifts over ~~\$9,000~~ \$10,000 (cash threshold subject to IRS reporting requirements) will be subject to review by the Library's accountant prior to acceptance.

Checks should be made payable to Kennebunk Free Library.

### **Publicly Traded Securities**

Readily marketable securities, such as those traded on a public stock exchange, can be accepted by the Library. It is preferred that donors electronically transfer marketable securities directly to the Library's Investment Account. The Library will provide information for the transfer.

For gift crediting and accounting purposes, the value of the gift is considered the closing price on the day the gift is accepted in accordance with current IRS regulations (Publication 561).

A gift of securities normally would be liquidated immediately. However, the Finance Committee will decide whether to sell or hold the securities.

### **Closely Held Securities**

Non-publicly traded securities may be accepted after consultation with the Gift Review Committee. Prior to acceptance, the Gift Review Committee shall attain from the donor:

- Information relating to the methods and timing of liquidation of the securities through redemption or sale;
- An estimate of fair market value;
- Any restrictions on transfer; and
- Whether and when an initial public offering might be anticipated.

No commitment for repurchase of closely held securities shall be made prior to completion of the gift of securities. A receipt will be provided without identifying the value of the gift.

### **Life Insurance**

A gift of a life insurance policy must first be referred to the Board of Trustees.

The Board of Trustees will accept a life insurance policy as a gift if the Kennebunk Free Library is named as a beneficiary of the policy. The Library may also accept ownership of a life insurance policy if all future premium obligations are either paid in full or the donor agrees to continue paying premiums. The Library reserves the right to surrender a policy if premium payments are not maintained.

### **Tangible Personal Property**

Books or non-book materials, specialized collections, paintings, prints, maps, and art may be given to the Library provided the stipulations about such gifts follow the Gift Acceptance Guidelines.

Individual donations to the collection are accepted with the understanding that the library applies the same criteria for evaluating gift material as it applies to purchased material. Gifts will be withdrawn in the same manner as purchased material. The Library does not return donated items and is not obligated to notify donors of withdrawal, replacement, or disposal of gifts.

The Executive Director will review all gifts prior to their receipt to determine their usefulness and suitability. Any expenses that might be incurred by accepting the donation will also be noted.

The Executive Director shall have the discretion to accept or decline a gift of tangible personal property. Gift terms such as a request to display or keep an item, or group of items in perpetuity are substantial commitments that will rarely be made. Such decisions will be made by the Library Board with the recommendation of the Executive Director.

The donor is advised to seek professional financial counsel on the tax consequences of the donation. If IRS rules require an appraisal, it will be at the donor's expense.

Items not added to the collection may be sold or otherwise disposed of at the Library's discretion.

### **Real Property**

Gifts of real estate, including land or buildings, must be reviewed by the Gift Review Committee and legal counsel prior to acceptance. Requirements include, but are not limited to a, clear title, appraisal at donor's expense, environmental assessment, and evaluation of ongoing costs such as maintenance, insurance, or taxes. The Library reserves the right to decline real estate gifts that pose financial, legal, or environmental risks, burdens, or challenges at its sole discretion.

### **Deferred Gifts**

The Library encourages deferred gifts in its favor through any of a variety of vehicles including, but not limited to:

- Charitable gift annuity (or deferred gift annuity)
- Pooled income fund
- Charitable remainder trust
- Bequest
- Retained life estate

The Library (or its agent) shall not act as an executor (personal representative) for a donor's estate. The Director or a designated person does so in a personal capacity and not as an agent of the Library.

The Library (or its agent) shall not act as trustee of a charitable remainder trust.

When donors are provided planned gift illustrations or form documents, these will be provided free of charge. For any planned gift related documents, materials, illustrations, letters or other correspondence, the following disclaimer should be included:

***We strongly urge that donors consult with an attorney, financial and/or tax advisor to review and approve this information provided you without charge or obligation. This information in no way constitutes advice. We will gladly work with your independent advisors to assist in any way.***

### **Pledges**

Pledges shall be documented in writing and fulfilled within three (3) years unless otherwise agreed. Unfulfilled pledges may be reviewed by the Board.

### **Corporate Sponsorship**

Sponsorship of programs and special events is available to corporate and foundation donors.

The Library shall work with potential sponsors to achieve the maximum benefit for both the Library and the sponsor regarding issues such as marketing and public relations, and attaining the best fit for the sponsor taking into consideration all events planned for the year.

Sponsorship agreements will not conflict with the Library's mission, values, or reputation.

### **Confidential Information**

All information obtained from or about donors and prospective donors shall be held in the strictest confidence by the Kennebunk Free Library, its staff and volunteers.

Neither the name, the amount, nor the conditions of the gift shall be published without the express written or oral approval of the donor and/or beneficiary.

### **Naming and Recognition**

Naming opportunities for buildings, spaces, collections, or programs must be approved by the Board of Trustees. The Library will maintain a Naming Rights Policy to guide eligibility, duration, and conditions for such recognition. The Library may also recognize donors through acknowledgments in reports, plaques, or events, consistent with donor wishes and Library practice.

### **Declination of Gifts**

The Board of Directors reserves the sole and exclusive discretion to decline any gift that does not further the mission of the Library. Also, any gifts that would create an administrative burden or cause the Library to incur excessive expenses may be declined. Gifts that pose legal liability, reputational risk, or conflict with Library values may also be declined.