

## SOUTHERN LEHIGH PUBLIC LIBRARY

### GIFT ACCEPTANCE POLICY

The Southern Lehigh Public Library (SLPL) will solicit and accept gifts for purposes that will help the organization further and fulfill its mission. Donations and other forms of support will generally be accepted from individuals, partnerships, corporations, foundations, government agencies and other entities. The SLPL urges all prospective donors to seek the advice of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences.

Under the Pennsylvania Library Code, Article 416, a Library Board of Trustees may accept donations of books, money, personal property or real estate for the benefit of a library. The Library Director or designee (Director) shall be the agent and administrator for all donations, deeds, gifts, devices or bequests accepted by the SLPL, and may request the advice of the SLPL Board of Trustees (Board) or legal counsel as necessary to determine acceptability.

When considering whether to solicit or accept gifts, the SLPL will consider the following factors:

- Values – Will the acceptance of the gift compromise any of the SLPL's core values or its mission?
- Compatibility – Is there compatibility between the intent of the donor and the SLPL's use of the gift?
- Public Relationship – Will acceptance of the gift damage the SLPL's reputation?
- Primary Benefit – Is primary benefit of the donation to the SLPL, versus the donor?
- Form of Gift – Is the gift offered in a form that the SLPL can use it without incurring substantial expense or difficulty?
- Effect on Future Giving – Will the gift encourage or discourage future gifts to the SLPL?

If advice of legal counsel is required to determine acceptability of a gift, the SLPL may request that the donor cover any legal costs. If the donor declines, the SLPL reserves the right to reject the gift. Review by counsel is recommended for:

- Gifts of securities that are subject to restrictions or buy-sell agreements
- Documents naming the SLPL as trustee or requiring the SLPL to any fiduciary capacity
- Gifts requiring the SLPL to assume financial or other obligations
- Transactions with potential conflicts of interest
- Gifts of property which may be subject to environmental or other regulatory restrictions

#### Restrictions on Gifts

The SLPL will not accept gifts that:

- Would result in the SLPL violating its Gift Acceptance Policy
- Would result in the SLPL losing its status as an IRS 501(c)(3) not-for-profit organization
- Are too difficult or too expensive to administer in relation to their value
- Would result in any unacceptable consequences for the SLPL
- Are anonymous with financial obligations incurred by the SLPL
- Are outside the SLPL's mission

Any restricted use gifts, outside of those to campaigns set up specifically for restricted uses by the SLPL, shall be approved by the Director and the Board prior to acceptance.

#### Gifts Generally Accepted Without Review

- **Cash.** Cash gifts are generally acceptable in any form, including by check, money order, credit card, wire transfer or any SLPL online donation platforms.
- **Marketable Securities.** Marketable securities are generally acceptable and may be transferred electronically to an account maintained at one or more brokerage firms or delivered physically with the transferor's endorsement or signed stock power (with all appropriate signature guarantees) attached. Unless otherwise directed by the SLPL's Finance committee, all marketable securities will be sold promptly upon receipt. If marketable securities are restricted by applicable securities laws or their sale may have undesirable tax consequences, the gift shall be reviewed by the Finance committee prior to acceptance.
- **Books and Other Media.** Such donations will be generally accepted. Depending on the content, the age and/or the condition of the item, the item may enter the SLPL's collection, be sold in the Friends of the Southern Lehigh Public Library Book Sale Room, used as a prize in SLPL's programming, or recycled, at the discretion of the SLPL. The SLPL's purchase criteria will also be used to determine acceptability.

#### Gifts Accepted Subject to Prior Review

Examples of gifts subject to prior professional review include, but are not limited to:

- **Bequests and Beneficiary Designations under Revocable Trusts, Commercial Annuities, Life Insurance and Retirement Plans.** The SLPL encourages donors to make bequests to the SLPL under their wills, and to name the SLPL as a beneficiary under trusts, commercial annuities, life insurance and retirement plans.
- **Life Insurance.** The SLPL will accept gifts of life insurance where the SLPL is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy.
- **Tangible Personal Property.** The Director, in coordination with the Finance committee, shall review and determine whether to accept any gifts of tangible personal property, including works of art, in light of the following considerations:
  - Does the property further the organization's mission?
  - Is the property readily marketable?
  - Are there any unacceptable restrictions imposed on the use, sale, or display of the property?
  - Are there any carrying costs for the property for which the organization may be responsible?
  - Is the title/provenance of the property clear?
- **Real Estate.** All gifts of real estate are subject to review by the Finance Committee. Prior to acceptance of any gift of real estate, the SLPL may require an initial environmental review by a qualified environmental firm. If this review reveals a potential problem, the SLPL may request that a qualified environmental firm to conduct a full environmental audit. The SLPL will request that the donor covers all these potential costs, as well as any transfer costs, including title

insurance; if the donor declines, the SLPL has the right to reject the gift. Acceptance criteria for the gift of real estate include:

- Is the property useful to the organization's mission?
- Is the property readily marketable?
- Are there any covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property?
- Are there carrying costs (including insurance, taxes, mortgages, notes, etc.) or maintenance expenses associated with the property?
- Does the environmental review or audit reflect the property is damaged or otherwise requires remediation?

This policy was approved by the library's Board of Directors at its monthly Board meeting on January 17, 2023.