

## Bridgton Public Library

### **GIFT ACCEPTANCE POLICY**

1. **Scope.** The Bridgton Public Library (BPL) from time to time may receive current and/or deferred gifts that contribute to maintaining the economic viability of the BPL. This policy applies to all gifts received for the benefit of any of the BPL programs, services, or facilities, but does not apply to restricted grants.

The Board of Trustees of Bridgton Public Library (hereafter called the Board) is responsible for approving exceptions to these policies and any other matters that relate to acceptance of gifts. In the event a prompt decision is required; the BPL Executive Committee is authorized to take the appropriate action in accordance with the provisions of this policy.

2. **Legal Counsel.** It is the responsibility of prospective donors to understand the tax and estate planning consequences of their donations or bequests and to seek the assistance of personal legal and/or financial advisors in matters relating to their gifts.

3. **Confidentiality.** All information obtained from donors or prospective donors about specific gift arrangements will be kept confidential whether a gift is offered and/or accepted.

4. **Restrictions on Gifts.** The BPL encourages all prospective donors to make their gifts without restrictions. The donor, however, has the right to designate a gift for specific purposes, and he or she is advised to discuss the feasibility and practicality of intended restrictions with the Library Director or Board President.

BPL may accept gifts for specific programs and purposes, provided that such gifts are consistent with the Library's mission and priorities. The Board will determine whether or not a gift is accepted.

5. **Planned Giving Review.** Since a planned gift may not mature for many years, it is important that the donor and BPL discuss, and document, the donor's intentions for future implementation. The Board is responsible for reviewing all "planned giving" gifts offered to BPL and for determining when legal counsel or independent appraisal is required.

6. **Types of Gifts.** In general, donations of non-tangible gifts (cash or cash equivalents) to BPL are assumed to be intended for the Library's "annual fund" unless specifically designated for the Library's "endowment fund," "capital reserve fund," or other board designated unrestricted fund.

a. Cash is acceptable in the form of currency or checks. Checks should be made payable to Bridgton Public Library.

b. Tangible Personal Property (e.g., property that can be readily relocated such as furniture, clothing, jewelry, art, writings, or household goods) will be examined in light of the following criteria:

- (1) Does the property help fulfill the mission of the BPL?
- (2) Is the property marketable?
- (3) Are there any restrictions on the use, display, or sale of the property?

(4) Are there any carrying costs or maintenance costs for the property?

The Board will make the final decision regarding the acceptance of tangible personal property.

c. Securities. Marketable securities may be transferred to an account maintained with BPL's brokerage firm, or delivered physically with the transferor's signature or stock power attached. Marketable securities donated to the Library will be sold as prescribed by the Library's Investment Policy (normally within two weeks of receipt). The acceptance of closely held securities, which include not only debt and equity positions in non-publicly traded companies, but also interests in LLPs and LLCs or other ownership forms, must be approved by the Board.

In the case of donation of traded securities, it is the donor's responsibility to place a value on the donation of traded securities for tax purposes. Following the sale of the donated securities the donor is credited in Library records with the amount realized from the sale (net amount after fees). The "thank-you" letter to the donor lists the name of the stock (i.e. IBM, Microsoft, etc.), the number of shares and the date received at BPL's brokerage account. It will not state the monetary value of the donation.

Monies realized from the sale of donated securities will be promptly transferred to the Library's Operating Funds Money Market Fund, and will be booked, as appropriate, to the BPL "annual fund" or to the "endowment". When intended for the "endowment," the monies will be further transferred to one or more of the Library's endowment funds.

d. Real Estate. Prior to acceptance of real estate, BPL will require an initial environmental review of the property to ensure it is not environmentally contaminated. In the event of a potential problem, BPL will retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit will generally be an expense of the donor.

Where appropriate, a title binder will be obtained by BPL prior to the acceptance of the real property. The cost of the title binder will generally be the responsibility of the donor. The Board (with advice of legal counsel where appropriate) must approve in advance a gift of real property, based on the following criteria:

- (1) Is the property useful for the purposes of BPL?
- (2) Is the property marketable?
- (3) Are there any restrictions, reservations, easements, codicils, or other limitations associated with the property?
- (4) Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
- (5) Does the environmental audit reflect that the property is compromised?

e. Remainder Interests in Property. BPL will accept a remainder interest in a personal residence, farm, or vacation home subject to the provisions of paragraph 4 above. The donor or other occupants may continue to occupy the real property for the duration of the donor designee's life. When BPL receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary. The Board makes the final determination on the acceptance of Remainder Interests in Property.

f. Life Insurance. BPL must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift may be valued by the donor at its interpolated terminal reserve value, or cash surrender value, upon receipt. When the gift is irrevocable but is not due until a future date, the present

value of that gift will be recorded on the library's balance sheet at the time the gift becomes irrevocable. If the donor contributes future premium payments, BPL will record the entire amount of the additional premium payment as a gift in the year that it is made. The Board makes the final determination on the acceptance of a gift of Life Insurance.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, BPL may, at its discretion:

- (1) Continue to pay the premiums
- (2) Convert the policy to paid-up insurance
- (3) Surrender the policy for its current cash value

g. Charitable Gift Annuities (CGA). At the present time, BPL does not accept Charitable Gift Annuities and encourages donors to consider other planned giving options.

h. Charitable Remainder Trusts (CRAT). The minimum gift for funding a CRAT will be \$100,000. With the approval of the Board, BPL may accept designation as remainder beneficiary of a charitable remainder trust. BPL will not accept appointment as Trustee of a charitable remainder trust.

i. Charitable Lead Trusts (CLT). With the approval of the Board, BPL may accept a designation as income beneficiary of a Charitable Lead Trust. The Board of BPL will not accept an appointment as Trustee of a Charitable Lead Trust.

j. Bequests. Supporters of BPL are encouraged to make unrestricted bequests to BPL under their wills and trusts. Such bequests will not be recorded as gifts to BPL until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded on the Library's balance sheet at the time the gift becomes irrevocable.

Sample language for inclusion in a bequest is as follows: "I give to the Bridgton Public Library, a Maine non-profit organization with its principal office in Bridgton, Maine, \$ \_\_\_\_\_ to be used for its general purposes."

**7. Naming.** It is the policy of the Library from time to time to recognize the generosity of an individual, corporation, foundation and/or other donor or to honor an individual's significant service to the Library, by choosing to create a specific naming designation for a collection, space, facility or portion of a facility, educational program or other significant asset. The Board of Trustees (the Board) recognizes that naming is a major decision requiring careful consideration and has the sole right to name or rename any of the assets listed above. The Library's Development Committee is responsible for recommending naming opportunities to the full Board.

A collection may be named in recognition of a donor when the funding is sufficient to create and maintain the collection, and the collection meets the Library's needs and such other conditions as detailed by the Board (see the Collection Development Policy). Book donors are covered in the Library's Collection Development Policy. When approved by the Board, naming proposals shall be formalized in writing and coordinated with the donor prior to implementation.

Should Library alterations change the function of a named area, the Library will attempt to sustain an existing donor's name; however, naming opportunities are not guaranteed the right of renewal in such cases.

Named spaces, facilities, assets, collections, programs, etc., will be recognized by prominently displayed signage wherever possible and in the Library's Annual Report,

social media channels and on the Library's website.

A plaque or other tangible citation or notice created in connection with a memorial gift to BPL will be maintained on public display at the Library for at least ten years from date of the gift.

The disposition of such a citation after ten years will be subject to the discretion of the Board

For a donation to warrant consideration of a naming opportunity for a space, room or similar asset, the amount must be at least \$25,000.

8. Miscellaneous Provisions. When the value of the gift for charitable purposes is greater than \$5,000, the Treasurer is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by BPL. BPL must file this form within 125 days of the date of the asset's sale or disposition.

Acknowledgement of all gifts received by BPL, and compliance with the current IRS requirements in acknowledgement of such gifts, shall be the responsibility of the Development Committee.

It shall be the responsibility of the donor to secure an appraisal (if required) and independent legal counsel (when appropriate) for all non-cash gifts made to BPL. In instances in which BPL decides to request an independent appraisal, BPL is responsible for that fee.

In any situation in which the stipulations of a separate BPL policy may conflict with this policy, the Executive Committee of the Board shall resolve the matter.

Revised and Approved by the Board of Trustees on 5/15/2018  
Previously re-approved on August 21, 2012 and March 21, 2017  
Related policies: Collection Development Policy and Investment Policy