

The Sparta Free Library Gift Acceptance Policy

Fiscal Agent: The Friends of Sparta Free Library is a 501(c)3 charitable organization and will manage all capital campaign funds on behalf of the Sparta Free Library. All gifts to the capital campaign for the library renovation/expansion will be donated to Friends of Sparta Free Library. The Library Board of Trustees is ultimately responsible for all expansion/renovation decisions. The Friends of Sparta Free Library act only as the fiscal agent for receipt of gifts.

1. Mission of the Sparta Free Library

The Sparta Free Library is a strong community partner providing programs and services that bring people together, foster creativity, and encourage lifelong learning. We preserve our storied past, enrich present lives, and prepare for an ever-changing future.

2. Purpose of Gift Acceptance Policy

Sparta Free Library welcomes the support of the community through gifts. These gifts help enrich and improve public library resources.

The purpose of these guidelines is to govern acceptance of charitable gifts and provide guidance to donors and their professional advisors in completing gifts. Gift funds collected by the Sparta Free Library are subject to this policy. Capital campaign gifts given to the Friends of the Sparta Free Library on behalf of the library are also subject to this policy. Donors are encouraged to consult their own legal and/or tax advisors to ensure an independent evaluation of a proposed gift.

The Board of Trustees reserves the right to seek legal counsel before acceptance of a gift. The Library Board will operate in compliance with federal, state, and local laws and regulations along with the policies of the Sparta Free Library.

3. Gifts to the Sparta Free Library

Gifts to the Sparta Free Library are tax deductible to the fullest extent of the law. Gift funds will not be commingled with taxpayer funds provided for operational support of the Library. Gift funds shall remain separate and distinct from any other source of revenue received by the Library.

The Sparta Free Library is governed by a volunteer Board of Trustees. This Board has responsibility for the organization's financial giving process along with related management and reporting requirements.

The IRS requires donors to submit Form 8283 for gifts of property valued at more than \$500 (single or in the aggregate) for which a charitable deduction is sought. In addition,

for items valued at more than \$5,000, IRS requires that “Qualified Appraisals” be obtained if the donor wishes to take a tax deduction for the value of the gift. The Sparta Free Library requires the donor to place a value on gifts of property, in conjunction with his or her own tax advisor or attorney. The Library does not place value on gifts of property. Donors of gifts to the capital campaign valued at more than \$250 are required to complete a donor form.

4. Gifts to the Capital Campaign

Community support in achieving the goal of a library expansion for the Sparta community is greatly appreciated. All gifts to the capital campaign will be recognized as such. Acceptance of non-cash gifts to the capital campaign are subject to the Sparta Free Library Gift Acceptance policy and Library Board approval. Potential donors of non-cash items are requested to contact the Library Director for additional information.

Gifts of \$1,000 or more can be pledged over 5 years. Large gifts can be used to name a specific section of the Library from the Naming Opportunities list included with campaign materials. These naming rights are subject to the approval of the Library Board of Trustees.

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5. Restrictions

Donations for unrestricted, general purposes are encouraged due to the flexibility they provide in meeting the Library’s greatest needs. The Board of Trustees and the Library Director will evaluate gifts on a case-by-case basis, with the Board of Trustees having final determination on acceptance of gifts.

Gifts subject to donor restrictions, directives, or expenditure requirements may be accepted when consistent with the Library’s mission and priorities, and not burdensome to administer. Gifts may be declined if subject to unacceptable requirements. Once a gift is accepted, any directives or restrictions imposed by the donor(s) will be honored by Sparta Free Library to maintain the intent of the donor(s).

Named Gifts: A contribution in a spendable or pledged amount of \$5,000, or an endowed fund of \$15,000 or more, may be placed into a named gift fund and will be used for the purposes intended by the donor, after review and approval by the Board of Trustees.

Sparta Free Library staff members may not accept items of substantial value from patrons for their personal benefit. Small gifts of nominal value, such as food, may be accepted for the enjoyment of the entire staff. If a staff member is given a cash gift during the course of his or her duties, the money must be logged with other incoming funds as a gift to the library. Staff members given prohibited non-monetary gifts must turn the matter over to the Library Director.

6. Donor Relations

Sparta Free Library serves the interests of donors to make financial gifts by:

- Maintaining the donor's goal as the primary concern and the cornerstone of the plan and execution of the gift, subject to applicable conditions.
- Encouraging donors to seek independent, professional counsel and representation in making the gift and insist that donors acquire such counsel and representation should a donor have general or specific questions.
- Cooperating with donors and their professional counsel in the exploration of opportunities, costs and alternatives surrounding financial giving decisions to assure the goals of the donor relations policy are achieved.
- Maintaining donor confidentiality throughout the entire giving process. Pertinent information will be shared to the extent that is necessary with professional counsel, Sparta Free Library staff and library board trustees. Information which is not of public record will not be made public without the express written permission of the donor.

7. Donations

Donations of money, real property, equipment, or services to Sparta Free Library may be accepted when such a gift or its acceptance:

1. Contributes to the achievement and success of the Sparta Free Library.
2. Does not conflict with Sparta Free Library policies.
3. Does not impose any restriction on Sparta Free Library as a condition of donation, unless such restriction is formally accepted by Library Board action.
4. May be used or disposed of at the discretion of Sparta Free Library, unless otherwise mutually agreed to by the donor and the Library Board at the time of the donation.
5. Does not result in excessive expense, risk of expense, or administrative effort, as determined in the sole discretion of the Sparta Free Library Board.

8. Types of Gifts

A. Cash

Gifts in the form of cash or check will be accepted. Checks should be made payable to "Sparta Free Library." Checks for the capital campaign should be made payable to "Friends of the Sparta Free Library."

B. Securities

The Sparta Free Library will accept donations of shares of stock of corporations or limited partnership interests only if Sparta Free Library has received appropriate assurances that such assets can be liquidated, and will be done so as quickly as possible.

Publicly Traded Securities:

Unless otherwise directed by Board of Trustees, all gifts of publicly traded stocks, mutual funds, and bonds will be sold upon receipt to benefit the Library.

Closely held securities:

As a general rule, the Library will not accept securities that are not publicly traded. However, the Board of Trustees may, in its sole discretion, choose to do so after review of the ability to convert the asset to cash in a reasonable timeframe.

C. Tangible Personal Property and Intangible Personal Property

Tangible personal property includes books, historical documents, art, furniture, jewelry, collections or any other personal property owned by a donor.

Tangible Personal Property:

All gifts of tangible personal property shall have no undue restrictions on the use, display, or immediate or subsequent sale by the Library. Donors may consult with the Library Director for more information on donating library materials

Intangible Personal Property:

This includes intellectual property, royalties, contracts, and promissory notes. These may be accepted with evidence of marketability or an income stream. A qualified appraisal may be required.

D. Charitable Remainder and Charitable Lead Trusts

Distributions shall be made in accordance with the donor's intent with respect to trusts having assets in excess of \$10,000, subject to the approval of the Board. The Library shall not act as personal representative or trustee. Donors should select an outside institutional trustee, such as a bank, to name the Sparta Free Library as the sole or primary charitable beneficiary. The charitable beneficiary of the trust, namely Sparta Free Library, cannot be changed during the term of the trust.

E. Testamentary Gifts: Bequests, Wills, or Trusts

Donors are encouraged to name the Sparta Free Library as beneficiary in their wills or trusts and are also encouraged to make unrestricted bequests. Bequests should be specified to "Sparta Free Library, 124 W Main Street, Sparta Wisconsin."

The Sparta Free Library shall accept testamentary gifts either made outright or trusts. Any gifts made to the Sparta Free Library through a trust mechanism shall follow the policies set forth herein. All outright testamentary gifts to the Sparta Free Library shall be held as part of its gift fund and used to further the terms and provisions of such gift.

F. Life Insurance

Donors are encouraged to name the Sparta Free Library as beneficiary or contingent beneficiary of their life insurance policies.

The Sparta Free Library may accept the irrevocable transfer (ownership) of whole life insurance policies where it is named as beneficiary of 100% of the policy. Sparta Free Library shall not accept ownership of term life insurance or gifts of life insurance encumbered by loans against them.

The Board of Trustees may choose to convert the policy to a paid up policy, which will capture its value on the date of the gift; exchange the policy for its cash value; or sell the policy to a viatical company which buys policies when the insured is 65 years of age or older and may pay more than the cash surrender value.

G. Retirement Plan Beneficiary Designations

Donors are encouraged to name the Sparta Free Library as beneficiary of their qualified retirement plans and IRAs. Such gifts will not be recorded until they become irrevocable and will be valued as of that date.

H. Gifts-In-Kind

The Library welcomes gifts of goods and services that are consistent with the objectives of the Library, its operation, or the improvement of its amenities. The Sparta Free Library requires the donor to place a value on gifts-in-kind. The Library does not place value on gifts-in-kind.

I. Materials Donation

The Sparta Free Library accepts donations of books and other materials. The library retains the authority to accept or reject gifts. The same criteria for selection which are applied to purchased materials are applied to gifts. Library staff and/or representatives of Friends of Sparta Free Library make all decisions as to the use, housing and final disposition of donations.

Gifts or donations shall not be accepted in trust for a specific purpose, except upon formal written acceptance by the library board as to the terms of trust keeping.

The Library does not evaluate or appraise the value of gift materials, but it can provide an acknowledgement of receipt of item if requested by the donor.

Items not eligible for donation include encyclopedias, abridged or condensed books, out-of-date magazines, and any materials on VHS or cassette. Donated materials should be in safe condition (free of mold or other contaminants). The Sparta Free Library reserves the right to dispose of donated materials in any way including but not limited to adding materials to the circulating collection, adding materials to the non-circulating collection, proving materials to Friends of Sparta Free Library for the purpose of selling at Friends of the Library book sales, or recycling them. Items cannot be accepted for donation under the condition that they must be added to the circulating collection.

J. Additional Gift Options

The Sparta Free Library seeks to satisfy the charitable giving needs of all donors and is willing to explore alternative gift options. Gifts which require administrative and financial obligations on the part of the Sparta Free Library must be approved by the Board of Trustees.

9. Gift Recognition, Valuation, and Taxes

Thank you letters are sent in response to most donations and are prepared by the Library Director, his or her designee, and/or Friends of the Sparta Free Library Executive Board. All forms of donor recognition are subject to Library Board determination. Receipts as required by IRS rules are also provided.

Donors are generally recognized by name when bestowing gifts to the Library, though the Library Board respects the preference of donors who wish to remain anonymous, subject to any legal or other requirement for disclosure. However, the identity of all donors must be known by the Library Director and, at the time of the gift, the Board of Trustees.

In general, donors should consult with their own advisors with respect to determining the value of any non-cash donations. Donors considering a tax deduction should have an appraisal prior to making the donation. The Sparta Free Library reserves the right to secure a current appraisal of any marketable gift property.

In order for Sparta Free Library to formally credit a donation as part of a gift, an appraisal is required. Appraisals are the responsibility of the donor. The cost of an appraisal may be tax deductible. In accepting an appraisal, Sparta Free Library is not undertaking to determine that it is a "Qualified Appraisal" as required by the Federal Income Tax Regulation.

10. Records, Retention, Accounting, and Reports

The Library keeps records of donations received. A master list of all giving agreements and all written expressions of intent to make testamentary gifts to the Library will be maintained by the Director. Use and investment of donated funds will be reviewed and approved by the Library Board at their monthly meeting.

Federal tax law does not permit donors to dictate or restrict investment decisions with regard to irrevocable gifts. For gifts of \$15,000 or more, the Library may, in its discretion, furnish a year-end account of the gift and its uses, but the gift will not be in a separate identifiable account.

Approved by Sparta Free Library Board
January 4, 2019