

**Davenport Public Library**  
**Gift Acceptance Policy**

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Policy Title:           **Gift Acceptance Policy**

Effective Date:        2/16/16

Reviewed/Revised:

Review Cycle:         Annual

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**I.     POLICY:**

The Davenport Public Library (“Library”) established a Gift Acceptance Policy in accordance with its mission to develop, manage and meet the library needs of the community it serves.

**II.    PURPOSE:**

The Library welcomes donations, from local businesses, corporations, and individuals to support the Library and provide the Library with resources, including revenue and/or in-kind contributions, to enhance the collection, events, programs, activities and services the Library provides to the community. The Davenport Public Library Board of Trustees (“Board”) believes that gifts of this sort are consistent with the Library’s role in the Davenport community and will help the Library maintain or increase its level of service to the community.

This policy governs the acceptance of gifts by the Library, and provides guidance to prospective donors and their advisors when making gifts to the Library.

The scope of this policy includes gifts and donations of:

1. Money
2. Books, and other print materials
3. Audio visual materials
4. Art and photographic works
5. Equipment
6. Other in-kind gifts or services
7. Property of significant value, including but not limited to, real estate or securities
8. Planned gifts, such as willed donations, bequests or endowments
9. Remainder Interests in Property
10. Oil, Gas, and Mineral Interests
11. Bargain Sales
12. Life Insurance
13. Charitable Gift Annuities
14. Charitable Remainder Trusts
15. Charitable Lead Trusts
16. Retirement Plan Beneficiary Designations
17. Life Insurance Beneficiary Designations

### III. DEFINITIONS:

- A. *Partner:*** An institution, organization, business or individual that collaborates with the Library to provide programs and/or services to the public in ways that are mutually beneficial to, and in support of, the missions of both the Library and the partner and without the exchange of money.
- B. *Partnership:*** Institutions, organizations, businesses or individuals, working together in an effort to accomplish a common goal with a shared sense of purpose and responsibility for the outcome.
- C. *Sponsor:*** An institution, organization, business or individual who financially contributes to the Library in support of a collection, service or program.
- D. *Sponsorship:*** A mutually beneficial exchange, whereby the sponsor receives a benefit or reciprocal value in return for providing cash or in-kind gift to the Library. Sponsorships do not imply Library endorsement of the sponsor's product or service.
- E. *Outright Gift:*** A current gift involves the donor's transfer of money or property to the Library without the receipt of consideration or economic benefit. Although the donor may place restrictions on the use of the property, the donor must retain no control over the money or property transferred to the Library to qualify as a current gift. Examples of current gifts include cash, securities, tangible personal property and some real estate gifts.
- F. *Deferred Gift:*** A gift whereby a commitment is made, but the gift is not received until the death of the donor or the passage of a term of years (e.g. bequests, life insurance death benefits, retirement plan assets).
- G. *Planned Gift:*** Any gift for any purpose, outright or deferred, where the involvement of a professional advisor is required (e.g. split-interest gifts, gifts of securities, real estate).
- H. *Split-Interest Gifts:*** A split-interest gift involves the donor's irrevocable transfer of an interest in an asset to the Library, but the donor generally retains either an income stream or the remainder interest. The Library's planned giving program includes the following types of split-interest gifts:
1. Charitable gift annuities - A charitable gift annuity is a contract between the charity and the donor. The donor transfers property to the charity and the charity promises to pay the annuity for one life or two lives;
  2. Gifts of remainder interest in a personal residence or farm - Also referred to as a "life estate", this is an arrangement in which the donor

deeds personal residence property to charity while retaining the right to reside in that property until death;

3. Charitable remainder trusts - A charitable remainder trust is an arrangement in which assets are placed in a trust, with income paid to the donor and/or other beneficiaries during lifetime(s) or for a term of years, after which charity receives the remaining principal; or
4. Charitable lead trusts - A charitable lead trust is an arrangement in which assets are placed in a trust, with distributions to a charity while the donor is living or for a term of years, after which the principal returns to the donor or passes to other designated persons.

*I. **Bequests:*** A charitable bequest involves the donor's transfer of money or property to the Library at the donor's death, either through the donor's will or trust. The donor uses or controls the asset during his or her lifetime.

*J. **Tangible Personal Property:*** Tangible personal property includes art, furniture, coin and stamp collections, livestock, jewelry, equipment, cars, boats, clothes, and any other personal property item owned by a donor.

#### **IV. IMPLEMENTATION:**

All gifts will be accepted only with the donor's full agreement that the Library has the right to handle or dispose of the gift in the best interest of the Library.

The Library cannot provide appraisals of gifts it accepts for income tax or other purposes.

Direct donations may be submitted to the FRIENDS of the Davenport Public Library. The FRIENDS of Davenport Public Library is a tax-exempt 501(c)(3) organization. Gifts to the FRIENDS of the Davenport Public Library are tax deductible as provided by law.

For questions regarding specific donations contact library administration for procedural guidelines related to a gift. The Library reserves the right to refuse any gift.

#### **V. PROCEDURE:**

See Davenport Public Library Gift Acceptance Procedural Guidelines.

#### **VI. GENERAL CONSIDERATIONS:**

The Library shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

1. Closely held stock transfers that are subject to restrictions or buy-sell agreements

2. Documents naming the Library as Trustee
3. Gifts involving contracts, such as bargain sales or other documents requiring the Library to assume an obligation
4. Transactions with potential conflict of interest that may invoke IRS sanctions
5. Other instances in which use of counsel is deemed appropriate by the Board

The Library will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

The Library will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with the Library's stated mission, purposes, and priorities. The Library will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive include:

1. Gifts that are too difficult to administer.
2. Gifts that are for purposes outside the Library's mission.

All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Board.

#### **VII. RESPONSIBILITY**

The Board is charged with the responsibility of reviewing, when appropriate, all planned gifts made to the Library, properly screening and accepting those gifts.

Library staff is responsible for carrying out the recommendations of the Board.

#### **VIII. TERMINATION**

The Board reserves the right to terminate any existing sponsorships if conditions arise that conflict with this policy or if the sponsorship no longer supports the best interest of the Library.