

# CHELTHENHAM TOWNSHIP LIBRARY SYSTEM

## GIFT ACCEPTANCE POLICY

### I. MISSION AND VALUES

The Cheltenham Township Library System (CTLS) is a 501(c)(3) non-profit organization whose mission is to meet evolving, diverse needs by being the place where everyone in the community can access resources, share ideas, connect, learn and grow. Through its Libraries (collectively referred to herein as "The Library") CTLS is committed to building community and transforming lives and is guided by the following values:

➤ **Respect for Community**

The Library celebrates the rich diversity of the Cheltenham community and respects every individual. CTLS strives to promote the building of strong bonds between and among neighbors and to help create a cohesive community.

➤ **Intellectual Freedom**

CTLS respects every individual's privacy and their right to explore a wide variety of ideas. The Library strives to provide free resources and programs that offer a broad spectrum of viewpoints on an extensive range of topics.

➤ **Excellence in Customer Services, Staff & Resources**

The Library strives to maintain excellence in customer service and to continuously develop the knowledge and skills of its staff and the quality of the resources it provides.

➤ **Stewardship/Integrity**

CTLS recognizes that it "belongs" to the people of Cheltenham Township and, as a result, manages the public's investment in the Library wisely to sustain quality services.

➤ **Creativity, Flexibility and Innovation**

The Library endeavors to be creative, flexible and innovative in responding to the needs of the community by continually incorporating new technologies and best practices in a timely manner to benefit its customers.

### II. PURPOSE

CTLS welcomes and encourages the solicitation and acceptance of gifts to support its current operations and future development. In furtherance of CTLS' mission and values, the purpose of this CTLS Gift Acceptance Policy (the "Policy") is to govern the acceptance of gifts and to provide guidance to CTLS staff, donors, prospective donors, and legal, financial and tax advisors in completing gift transference to CTLS. CTLS encourages the solicitation and acceptance of all classification of gifts denoted in this Policy for purposes that will help further its mission and values that are consistent with its 501(c)(3) not-for-profit organizational status and applicable law.

Although CTLS recognizes that donors have an interest in choosing the purpose for which their gifts will be used, CTLS encourages donors to give to CTLS' identified areas of greatest institutional need. CTLS' general policy is not to accept a gift unless there is a reasonable expectation that the gift will ultimately benefit CTLS in its mission. Gifts can only be restricted consistent with CTLS' mission and ethical standards. CTLS cannot accept gifts and contributions that deviate from our core mission and values or

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otherwise violate principles of diversity, equity and inclusion. CTLS reserves the right to decline any gift if it generates a disproportionate financial, administrative, or programmatic cost or obligation in relation to the benefit received.

### **III. DEFINITIONS**

Gift: A voluntary transfer of assets from a person or an organization to CTLS. The following criteria generally identify a gift:

- A gift is motivated by charitable intent
- A gift is not generally subject to an exchange of consideration or other contractual duties between CTLS and the donor other than the recognition opportunities. Funds received from corporations and/or corporate foundations will be classified as a gift unless the receipt of funds requires performance or other consideration.
- A gift is not completed until it has been accepted by CTLS in accordance with this Policy.

### **IV. MONITORING AND CONFORMITY WITH LAW**

CTLS is committed to compliance with all applicable local, state, and federal laws, regulations, approved donor restrictions and ethical standards. To ensure that this Policy continues to be effective, it shall be reviewed at least every three (3) years.

### **V. USE OF LEGAL COUNSEL**

While CTLS strives to maintain a high level of familiarity with current giving vehicles, CTLS or its representatives are not able to, and shall not, give tax or legal advice to donors. The information provided in this Policy should not be considered or used as tax or legal advice. Donors and prospective donors should always confer with their own legal counsel or tax advisor for opinions about the tax or other legal consequences of specific giving scenarios.

Before making gifts to CTLS which require execution of an agreement between CTLS and the donor:

1. The donor is responsible for retaining appropriate independent legal and tax counsel and shall be provided the opportunity to review and approve such documents.
2. CTLS reserves the right to retain its own outside legal counsel to assist with the evaluation of potential gifts.

### **VI. METHODS OF GIVING**

Due to the numerous and evolving needs of CTLS, unrestricted gifts that permit the exercise of discretion by CTLS in the use of the funds are strongly encouraged. Gifts that are donated without any expressed limitations or restrictions placed upon them will be credited to the appropriate accounts by the Executive Director in consultation with the Finance Director. The following types of gifts will be considered for acceptance subject to the criteria governing each type of gift.

#### **1. Cash Gifts/Checks**

The most frequent method to make a gift to CTLS is a personal check, made payable to CTLS. Cash and checks may be accepted regardless of the amount. The day the check or cash gift is received by CTLS will be the gift date for the contribution, except for year-end gifts, when the

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postmark date on the envelope is used to determine receipt. In no event will a gift date be earlier than the check date.

#### 2. **Credit Card Gifts**

CTLS will accept gifts charged on a donor's credit card. A credit card donation can be made in person at any of the CTLS libraries, by mail or online at <https://cheltenhamlibraries.org/donate/>. The date of the credit card gift is the date the donor authorizes the charge (card number, expiration date).

#### 3. **Matching Gifts**

Employers may match a donor employee's gift to CTLS. The ratio of the match and the designation of the matching gift are entirely at the discretion of the employer.

#### 4. **Wire Transfers/ACH Transfer of Funds**

A donor may directly transfer funds to CTLS from the donor's bank and financial institution accounts. Donor should consult a representative of their financial institution to make contributions by wire transfer. Donors should also notify CTLS when such transfers are initiated to ensure appropriate acknowledgement and recognition. Wire transfer instructions can be obtained from the CTLS Accounting Assistant at the Business Office.

#### 5. **Securities or Contributions received from a taxable IRA**

CTLS will accept a gift of securities if the securities are actively traded on a national or local stock exchanges. These include marketable securities including bonds and mutual funds which may be accepted as gifts to CTLS according to the policies described below. Securities gifted to CTLS are managed in accordance with our investment policies and CTLS reserves the right to, and shall, sell a gift of securities upon receipt. The donor should notify CTLS in advance of publicly traded securities being transferred, the number of shares, the intended gift date and the intended restriction(s), if any, on the gift. CTLS shall provide the Donor with the CTLS' transfer instructions after its standard account verification processes have been undertaken. A Donor may designate an alternate contact in writing to provide and receive such information and, after receipt, CTLS shall direct its communications through the alternate contact (with or without a copy to the Donor).

The value of the securities will be its fair market value on the date the donor signs the certificates over to CTLS. Contributions received from a taxable IRA will be treated like gifts of cash or securities and follow the above process with respect to notice, transfer instructions and contact information.

#### 6. **Retirement Plan Beneficiary Designations**

Donors may name CTLS as beneficiary of their retirement plans, such as 401(k) and 403(b) plans. Such designations will be recorded as gifts to CTLS when the gift agreement is irrevocable and CTLS has knowledge of such designation. The present value of the gift agreement can be recorded when the gift becomes irrevocable.

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### 7. Life Insurance and Life Insurance Beneficiary Designations

CTLS will accept gifts of life insurance policies that designate CTLS as the sole or partial beneficiary of the policy. CTLS will also accept transfers of ownership of existing life insurance policies. CTLS will only accept life insurance policies if all premiums have been paid or the donor agrees in writing to give sufficient funds to annually on a timely basis to CTLS to pay the premiums. CTLS will not accept ownership of term life insurance policies.

### 8. Planned Gifts: Bequests, Charitable Gifts or Trust

Bequests are a gift of any amount or form made to CTLS in a donor's will. Bequests may provide for a specific dollar amount in cash, securities, specific articles of tangible personal property, or a specific percentage of a donor's estate to be given to CTLS. Donors may also establish, by will, a trust in the form of a Charitable Remainder Trust, Charitable Gift Annuity, Charitable Remainder Unitrust, Charitable Lead Trust or Annuity Trust for the benefit of CTLS. The various trusts are described more fully below. Donors considering bequests for a specific purpose should first consult with the Library Executive Director or board officers before establishment of the gift.

- a. Charitable Remainder Trusts
- b. Charitable Lead Trusts
- c. Charitable Remainder Unitrust
- d. Charitable Gift Annuity
- e. Annuity Trust
- f. Charitable Lead Trust

### 9. Tangible Personal Property

Gifts of tangible personal property, including, but not limited to, works of art, manuscripts, literary, motor vehicles, and computer hardware, may be accepted by CTLS after a thorough review indicates that the property is marketable or is needed by CTLS for use consistent with its mission, after consideration has been given to the criteria set forth below:

- a. Whether the property furthers the mission of CTLS
- b. Whether the donor has requested any restrictions on the use or display of the property
- c. Whether the donor is willing and able to finance the packing, shipping and in-transit security insurance and other associated costs in transferring the gift to CTLS.

Once tangible personal property is donated and accepted by CTLS, CTLS reserves the right to sell the property and treat the proceeds as an unrestricted gift.

Gifts of tangible personal property will be sold promptly unless CTLS determines a library use for such property.

### 10. Real Property

CTLS will consider gifts of real property, both improved and unimproved (e.g. single family residences, condominiums, apartment buildings, rental property, commercial property, acreage etc.) after a thorough review of the criteria for acceptance set forth below.

#### a. Acceptance Criteria for Real Property

Market Value and Marketability. The CTLS Board must receive a current, certified appraisal of the fair market value of the property. The appraisal must be conducted at the donor's

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expense. Prior to transfer, each property will be inspected by a qualified inspector. Commercial or industrial property, or a residential property with an on-site potable water source, septic system and/or underground heating oil tank shall require an environmental site assessment finding that no remediations are required. Inspections and assessments are to be performed at the donor's expense.

b. Approval/Acceptance Process

The Executive Director or a Board Officer will prepare a written summary of the proposed gift of real property and submit it to the Board. The summary will include:

- (i) a description of the property
- (ii) the purpose of the gift (to fund an endowment, a deferred gift, an unrestricted gift)
- (iii) an appraisal of the property (fair market value and marketability)
- (iv) any potential income or expenses
- (v) any potential use by CTLS
- (vi) any special arrangements requested by the donor concerning selling the property
- (vii) a plan for funding any additional expenses incurred by the acceptance of the gift, and
- (viii) the results of the inspector's report and, if applicable, the environmental inspection and verification that no further investigation is required concerning environmental issues.

The Board will review the materials provided and decide to accept or reject the proposed gift or postpone a decision pending the receipt of additional information. The donor will be notified in writing with any imposed conditions prior to acceptance.

If a proposed gift of real property is approved, CTLS will acknowledge receipt of the gift upon notice that the property has been legally transferred to CTLS and satisfactory recording of a deed and delivery of possession of the property. Gifts of real property will be valued at the appraised amount.

#### 11. **Restricted Donor Directed Funds**

CTLS may establish a restricted endowment fund with a gift of (\$100,000) or more. The fund will be invested like any other CTLS endowment. The donor can direct the purpose of the fund, but it must be approved by the CTLS Board. Once a gift is made, the assets become the property of CTLS. Restricted endowment funds might be designated for a specific program, resources, outreach, or other purpose consistent with the CTLS mission.

#### 12. **Corporate Partnership**

CTLS welcomes and encourages the business/labor community and other entities to establish partnerships that provide resources to CTLS such as revenue or in-kind contributions to enhance events, programs, activities, and services of the Friends and CTLS. In order to consider such donations by corporate partners, such gifts must meet the following criteria.

- a. Agreements will only be made when the primary product or service of the partnering entity is consistent with the CTLS mission.
- b. The partnering entity is not involved in activities that are inapposite with the mission of CTLS

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- c. The final determination to enter into an agreement with a partnering entity will be made by the Executive Director.

#### **VII. GIFT DESIGNATION**

##### **1. Unrestricted Funds**

Unrestricted gifts are those in which the donor retains no interest and are placed at the immediate disposal of CTLS. Gifts that are donated without any express limitations by the donor will be credited to the unrestricted fund.

##### **2. Restricted Funds**

Restricted gifts support current operating or long-term purposes of CTLS but are restricted by the donor as to the specific purpose for which the funds can be used (i.e., designated program, resource, outreach or other purpose). If a donor's restrictions cannot be honored or can no longer be honored, a gift, or its remainder, will be returned to the donor.

##### **3. Endowment Funds**

New endowment accounts can be created with gifts of \$100,000 or more with the following information:

- Pledge/gift signed by the donor
- Signed endowment fund language describing the purpose of the endowment
- Additional information as appropriate (i.e., minimum funding levels, build-up period, dispositions of funds if the endowment is not fully funded, reporting requirements to the donor)

Income will be drawn from endowments each year. The CTLS Board has set the draw rate on all endowment funds at 5% of the fair market value of the endowment as valued over the last 12 quarters (or as averaged over its quarters in existence if less than 12 quarters). The CTLS Board may annually determine to change the draw rate for the then current year to another amount, but in no event more than 6%, after which the draw rate shall revert to 5% until another determination is made.

#### **VIII. CHARITABLE PLEDGES**

Charitable pledges are a contract between a donor and CTLS in which the donor promises to make a contribution in the future, usually at a specific dollar amount according to a fixed schedule. All charitable pledges are required to be in writing and are subject to the pledge documentation requirements set forth below.

The Executive Director or their designee in consultation with the Development Committee and auditor, if appropriate will determine when pledges are booked as revenue. Booked pledges are included in financial reporting.

#### **IX. PLEDGE DOCUMENTATION**

All pledge forms and solicitations must contain the following minimum information:

- Total amount of the pledge

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- Funds made payable to CTLS
- Payment schedule of no more than five (5) years, unless a longer period is agreed upon
- Restriction, if any, on use of the funds
- No contingencies or conditions
- Donor's printed name
- Donor's signature
- Confirmation of donor expectations regarding pledge payment reminders

#### **X. EXTERNAL AFFAIRS COMMITTEE**

The External Affairs Committee ("Development Committee") will review certain types of gifts, listed below, and CTLS will not accept such gifts without the Development Committee's recommendation for acceptance. The Development Committee may consult with CTLS legal counsel or tax advisor, as appropriate in considering whether to recommend acceptance of a gift.

Gifts that may require review by the Development Committee are:

- Gifts requiring unusual funding arrangements or other commitments.
- Gifts of intangible or unusual personal property
- Gifts with special restrictions that may be difficult or costly to administer
- Any gifts that are exceptions to existing CTLS guidelines or which are outside the definition of acceptable gifts defined in this Policy.

#### **XI. GIFT ACKNOWLEDGEMENT**

- a. All gift acknowledgement letters/receipts will conform with applicable state and federal law and regulations and will be coordinated through the CTLS Development Committee. Gifts of nominal value (\$75 or more) in which the donor received goods or services in consideration of the gift (gift in which dinner, tickets, etc., is provided for the gift) shall receive an itemized statement regarding the value of the consideration received by the donor.
- b. For acknowledgement and recognition purposes, gifts to CTLS will be considered public except those gifts specifically designed by the donor as "anonymous".

#### **XII. REPORTING**

- a. CTLS shall comply with the Statements of Financial Accounting Standards related to not-for-profit organizations as established by the Financial Accounting Standards Board.
- b. A donor annual report may be prepared to express our appreciation and gratitude to its many categories of donors. This recognition may include, but is not limited to, listing gifts in the CTLS Annual Report or other publications, media publicity, special events, donor walls and other signs listing donor gifts. Donors who wish to remain anonymous will not be included in a donor report or other public recognition of donors.

Approved by the Board of Library Directors of Cheltenham Township on 11/30/22.