

Pennsylvania Library Association
Gift Acceptance Policy
Final / June 11, 2015

I. Introduction

This policy sets forth the general policy and guidelines of the Pennsylvania Library Association (PaLA) with respect to the acceptance of gifts, donations and contributions.

II. PaLA Gift Philosophy

The Pennsylvania Library Association Board encourages gifts and contributions that will assist the association in better serving the needs of the library community.

III. Donor Rights

PaLA adheres to the “Donor Bill of Rights” developed by the Association of Fundraising Professionals (AFP), the Association for Healthcare Philanthropy (AHP), the Council for Advancement and Support of Education (CASE), and the Giving Institute: Leading Consultants to Non-Profits

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

- 1. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.*
- 2. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.*
- 3. To have access to the organization's most recent financial statements.*
- 4. To be assured their gifts will be used for the purposes for which they were given.*
- 5. To receive appropriate acknowledgment and recognition.*
- 6. To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.*

7. *To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.*
8. *To be informed whether those seeking donations are volunteers of the organization or hired solicitors.*
9. *To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.*
10. *To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.*

IV. PaLA Solicitation Activities

PaLA's solicitation activities will support ongoing and long-term operating needs of the association such as the association's annual conference, the PA Forward initiative or PaLA scholarships and continuing education aid. All solicitation activities must be approved by the PaLA Board.

A. Current Approved Solicitation Activities Include:

- i. The **Annual Conference Committee** solicits conference sponsorships and support from library vendors and library friends groups.
- ii. The **ExLibris Society** solicits gifts of \$100 or more from individual PaLA members.
- iii. The **PA Forward Steering Committee** solicits support from literacy partners, PA Forward Advisory Board members, PA Forward Steering Committee members, PaLA Board members, PCBL Board members, GAC members, PaLA institutional members, and Library Services and Technology Act funds.
- iv. The **PaLA Scholarship Committee** solicits support from members to support PaLA's scholarships for master's programs in library science and continuing education.

B. PaLA Board Approves Solicitation Activities

Other than those activities listed above, all entities within PaLA shall seek approval from the PaLA Board for any additional solicitation activities, including grant applications.

V. PaLA Gift Use & Distribution Activities

PaLA's purpose in soliciting funds is to provide immediate and long-term financial support for the Association's activities. It will seek to use, invest and

distribute gifts in a fair and equitable and balanced manner. When considering how funds will be used, a variety of factors may be considered. These may include long range plans for the Pennsylvania Library Association, as well as immediate and long-term needs. When funds are allocated, methods may include:

A. Donor Specification

When specified by the donor and as stipulated elsewhere in this policy, the wishes of the donor will be followed whenever legal and ethical in the use of gift funds.

B. Project Specific Specification

Fund distribution methods that are related to specific projects, service levels or activities may be adopted by the PaLA board from time to time.

C. Endowment

The PaLA board may, from time to time, use funds to establish or fund an endowment fund in accordance with the Pennsylvania Library Association Endowment Policy.

D. Administrative Costs

Unless otherwise prohibited, funds may be used by PaLA for its own administrative and support activities.

VI. Types of Gifts

PaLA may accept gifts of various kinds, such as gifts of cash and non-cash property, including securities, life insurance, real property, tangible personal property, intangible personal property and other non-cash property of value.

A. Monetary Gifts

All checks must be made payable to Pennsylvania Library Association and shall in no event be made payable to an employee, agent, or volunteer for the credit of PaLA. Unrestricted gifts may be accepted at any time. Restricted monetary gifts may only be accepted by the PaLA Board. (See Section XI. Restricted Gifts)

B. Gifts of Real Estate

Gifts of real estate to PaLA may be accepted only by the PaLA Board. No gift of real estate shall be accepted without first being appraised as to value and evaluated as to potential environmental problems, where appropriate, by a party chosen by PaLA, who shall have no business or other relationship to the donor.

In general, real estate will be accepted only if it is likely to be readily marketable and is not likely to involve significant carrying charges or administrative burdens until it can be sold. Any real estate accepted by PaLA will be sold as promptly as possible. The PaLA Board may make exceptions to these real estate policies in particular cases.

The acceptance of real estate encumbered by a mortgage requires approval by the PaLA Board.

C. Gifts of Securities

Gifts of marketable securities may be accepted only by the PaLA Board. Such gifts will be sold as soon as practicable at the market rate and the net proceeds used to support association programs as agreed by the donor and the PaLA Board.

Gifts of securities that are not readily marketable will be submitted to the PaLA Board for an acceptance decision. PaLA will consider acceptance of gifts subject to economic conditions, such as the assumption of donor indebtedness, joint tenancy arrangements with donors, provisions for life estates and other economic stipulations that may obligate PaLA.

Generally, PaLA will agree to accept such gifts in cases where there is a reasonable expectation that periodic cash flow from the properties will exceed the debt service requirements and / or obligations. In no event will PaLA enter into agreements that will place a material obligation or a lien upon association assets or general budget revenues.

If the gift produces unrelated business income to PaLA, for federal income tax purposes, the income tax obligation will be taken into consideration when assessing the periodic cash flow requirements.

D. Gifts of Tangible Property

PaLA will not accept jewelry, artwork, collections, coin and stamp collections, livestock, cars, boats, clothes or other tangible personal property unless the employee, agent or volunteer reviewing the gift on behalf of PaLA has reason to believe the property has a value in excess of \$1000. Such property will then be reviewed for acceptance by the PaLA Board.

Tangible property will not be accepted unless there is reason to believe the property can be sold quickly, nor will it accept personal property that the association is obligated to own in perpetuity. PaLA will not accept perishable property or property that requires special facilities or security to safeguard properly without prior approval of the PaLA Board.

PaLA may accept tangible personal property only after the PaLA Board receives and reviews a qualified appraisal of the property.

Only the PaLA Board may represent to a donor that property will or will not be held by PaLA for a requisite period of time or for purposes related to its tax-exempt status. Donors should be notified at the time of receipt of a gift that PaLA will, as a matter of corporate policy, cooperate fully in all matters related to tax investigations of non-cash charitable gifts.

E. Other Gifts-in-Kind of Use to the Association

Other gifts of services, equipment, or goods that would constitute items or services of use to the association may be accepted by the PaLA Executive Director or the PaLA Board. Since proposed gifts-in-kind may place demands upon the association in terms of special requirements (e.g., electrical, space, humidity control, maintenance, etc.), these gifts are evaluated carefully. The donor is responsible for obtaining valuation. Appraisal costs are not borne by PaLA.

F. Deferred Gifts

i. Bequests

Bequests intended for the association should be made to the Pennsylvania Library Association.

In the event of inquiry by a prospective donor, representations as to the future acceptability of property proposed to be left to PaLA in a will or by other deferred gifts shall be made only by the PaLA Executive Director in consultation with the PaLA President.

Gifts from the estates of deceased donors consisting of property PaLA cannot accept shall be rejected only by action of the PaLA Board. The legal counsel of PaLA will expeditiously communicate the decision of the PaLA Board to the legal representatives of the estate. Any dissatisfaction with the decision of the PaLA Board indicated by any representative of the estate or any family member of the deceased shall be communicated to the PaLA Executive Director as quickly as possible.

Where possible, intended bequests of property other than cash or marketable securities should be brought to the attention of PaLA's Executive Director, who will make every attempt to encourage the donor to conform his or her plans to the gift acceptance policies of PaLA.

Unrestricted bequests are intended for the general purposes of the association and are of special benefit in allowing flexibility to meet the association's greatest needs. If less than \$25,000, the bequest will either be accepted as an annual expendable gift or added to a PaLA endowment fund. Should the donor specify that the principal be used to create a new endowment fund, the minimum dollar requirement of \$25,000 must be met.

Restricted bequests allow donors to support and promote special interests but may only be accepted if the bequest meets the applicable minimum dollar requirement of \$25,000. PaLA recommends that any specified purposes be described as broadly as possible and that detailed limitations and restrictions be avoided where possible. The PaLA Executive Director should be consulted before a proposal to establish a restricted bequest is made. The right to refuse a gift, as defined in Section XI. Restricted Gifts is reserved.

ii. **Charitable Remainder Trusts**

In general, PaLA will not serve as trustee of a charitable remainder trust for the benefit of the institution. This policy may be waived only by approval of the PaLA Board following recommendation of the PaLA Board.

The PaLA Board will identify a number of corporate fiduciaries in which it has confidence. However, PaLA will not recommend a particular fiduciary to a donor.

PaLA will pay the fees for management of a charitable remainder trust only upon approval of the PaLA Board.

The PaLA Board and other employees and volunteers who act on behalf of PaLA should be familiar with the types of property generally accepted by corporate fiduciaries as suitable contributions to charitable remainder trusts.

Employees and other persons acting on behalf of PaLA shall not make representations as to the manner in which charitable remainder trust assets will be managed or invested by a corporate fiduciary.

Charitable remainder trusts and all other deferred gifts shall be encouraged as a method the donor may use to make gifts to PaLA while retaining income he or she may need for any number of

personal purposes. Such trusts shall not be recommended as tax avoidance devices or as investment vehicles.

iii. **Charitable Gift Annuities and Deferred Payment Charitable Gift Annuities**

Charitable gift annuities and deferred payment charitable gift annuities must be approved by the PaLA Board prior to acceptance.

Donor transfers are part charitable gift and part purchase of an annuity depending on the age of the annuitant(s). A minimum of \$10,000 is required.

Gift annuity rates of return shall be those most recently approved by the American Council on Gift Annuities (ACGA) at the time of the gift.

iv. **Pooled Income Funds**

PaLA may in the future establish a pooled income fund.

In the event that PaLA establishes a pooled income fund, these gift acceptance policies will be amended to include policies regarding the acceptance of contributions to the fund and the administration and management of the fund.

v. **Life Estate Gifts**

Donors generally shall not be encouraged to make gifts to PaLA of real property under which they maintain a life interest in the property. Such transfers often are not in the best interest of the donor, and the potential for negative publicity for PaLA exists in the case that the donor would need to sell the property to generate funds and find that a relatively small portion of the proceeds would be available to the donor as owner of the life estate.

PaLA may accept life estate gifts by approval of the PaLA Board in situations where the involved asset appears to be a minor portion of the donor's wealth and the committee is satisfied that full disclosure of the possible future ramifications of the transaction has been made to the donor.

vi. **Gifts of Life Insurance**

PaLA will encourage donors to name PaLA as total or partial beneficiary of insurance policies they have purchased on their lives.

PaLA will not agree to accept gifts from donors for the purpose of purchasing life insurance on their lives without prior approval of the

PaLA Board. In no event shall insurance be purchased unless PaLA has demonstrated an insurable interest under applicable state law.

PaLA may not endorse particular insurance companies or products for use in funding gifts to PaLA.

In no event shall a representative of PaLA furnish lists of donors to anyone for the purpose of marketing life insurance for the benefit of donors or PaLA.

vii. **Legal Counsel**

All bequest and planned gift donors are advised to seek legal counsel prior to finalizing wills and other plans for deferred gifts.

PaLA may not endorse particular legal representatives to represent donors for the purpose of making gifts to PaLA.

viii. **Endowment Fund Contingency Clause**

Donors are asked to recognize that over time, the needs, policies, and circumstances at the association may change in unforeseen ways. To serve the best interests of the association, the PaLA Board should be given the ability to make use of funds while continuing to memorialize or honor the person for whom the endowment is named. (See Pennsylvania Library Association Endowment Policy).

VII. Payment of Fees Related to Gifts

A. Finder's Fees or Commissions

PaLA will pay no fee or commission of any kind to any party as consideration for directing a gift to PaLA.

B. Professional Fees

PaLA may from time to time retain and pay the reasonable fees and expenses of attorneys, accountants, appraisers, and other professional advisors in connection with gifts to PaLA. In such cases, it shall be understood that such professional advisors are representing PaLA.

In particular cases, with the prior approval of the PaLA Board, PaLA may agree to pay the fees and expenses of professional advisors retained by the donor. In such cases, it shall be understood that such advisors are representing the donor. The donor shall be informed that payment of such fees may result in taxable income to the donor.

VIII. Fund Raisers

Proposals for fund raising activities by organizations to benefit the association must be submitted to the PaLA Executive Director, who will recommend proposals for submission to the PaLA Board for final approval. The PaLA Board will make its decision based in part upon the compatibility of the organization and its proposed activity with the association's mission, and timing of the proposed activity in the context of other PaLA fund raising activities. It will also consider questions of perceived association endorsement of the organization's product, service or message in making its decision.

In general, PaLA will not serve as a collection point or agent for fund raising activities that benefit other institutions or programs. Some exceptions may be made based on the requesting organization's relationship with the association and/or the relationship of its mission to the association's mission. All such requests must be submitted to the PaLA Executive Director for approval.

IX. Valuation of Non-Monetary Gifts

Neither the association's staff, the PaLA Board nor the Board will issue a written or verbal statement of monetary value to the donor of non-monetary gifts, though the deemed value of the gift may be a factor in accepting the donation.

Where recognition is dependent upon the value of a gift—whether a gift in kind, a book or collection of books or other type of non-monetary gift—an independent, qualified appraisal may be initiated by the prospective donor and at the donor's expense. In the absence of an appraisal, and for purposes of donor recognition as provided for above only, the PaLA Board will exercise its discretion in establishing a gift's value. The PaLA Executive Director, may provide, on request, a letter of acknowledgment to a donor describing the gift and its apparent condition.

X. Refusal of Gifts

Gifts will only be accepted where there is charitable intent on the part of the donor. Gifts will not be accepted when the donor's practices, policies, or operations are deemed unacceptable and contrary to the values implicit in PaLA's mission. PaLA is unable to accept gifts that are overly restrictive in purpose. The most desirable gifts are those with the least restrictions, as unrestricted funds allow the organization to address its most pressing needs. Unless the PaLA Board grants a specific exception, PaLA will not accept any gifts that:

- Contain a condition that requires any action on the part of PaLA that is unacceptable to administration or the board;
- Contain a condition that the proceeds will be spent by PaLA for the personal benefit of a named individual or individuals;

- Require PaLA and its administration to employ a specified person now or at a future date;
- Inhibit PaLA from seeking gifts from other donors;
- Expose the organization to adverse publicity, litigation, or other liabilities;
- Require undue expenditures, or involve PaLA in unexpected responsibilities because of their source, conditions, or purpose; or
- Involve unlawful discrimination based upon race, religion, gender, sexual orientation, age, national origin, color, disability, or any other basis prohibited by federal, state, and local laws.

XI. Recognition and Reporting of Gifts

All gifts, regardless of value, form, or stipulations, shall be acknowledged by PaLA in the form of a written substantiation, including a gift receipt.

Formal recognition of donors includes methods that convey appreciation to the donor and provide opportunities for public acknowledgment.

PaLA will respect a donor's wish to remain anonymous.

XII. Restricted Gifts

PaLA may accept gifts restricted by donors, provided the nature of the restriction is consistent with the association's overall programs or, in the case of property gifts, the donor restrictions will be stated in writing and retained on file in the PaLA office.

However, the PaLA Board reserves the right to refuse any gift the conditions of which are not compatible with the association's mission or which compromise the association's initiatives or other policies.

XIII. Unrestricted Gifts

Unrestricted monetary gifts may be placed in the PaLA general operating fund and used as part of the general PaLA budget.

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