



The Boyertown Community Library

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BOYERTOWN COMMUNITY LIBRARY GIFT ACCEPTANCE POLICIES AND GUIDELINES

The Boyertown Community Library (“BCL”), a nonprofit corporation organized under the laws of the Commonwealth of Pennsylvania, encourages the solicitation and acceptance of gifts in furtherance of its mission, vision, and tax-exempt purposes. The following policies and guidelines govern acceptance of gifts made to BCL.

I. Purpose of Policies and Guidelines

The Board of Trustees of BCL and its staff solicit current and deferred gifts from individuals, corporations, and foundations to secure BCL’s future growth and to support BCL’s mission and values as set forth in BCL’s Strategic Plan. These policies and guidelines govern the acceptance of gifts by BCL and provide guidance to prospective donors and their advisors when making gifts to BCL. The provisions of these policies shall apply to all gifts received by BCL for any of its operations, programs, or services.

The Executive Director, in consultation with the Executive Committee when appropriate, is charged with the responsibility of reviewing all gifts made to BCL, and properly screening and accepting those gifts. The Executive Committee is responsible for making recommendations to the Board of Trustees on gift acceptance issues when appropriate.

II. Conflict of Interest

BCL will inform all prospective donors to seek the advice of their personal legal and financial advisors in matters relating to potential gifts to BCL, including the resulting tax and estate planning consequences. Due to potential conflicts of interest, BCL will not provide advice to donors regarding prospective gifts.

III. Use of Legal Counsel

BCL will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. This may include:

- a. Gifts of securities that are subject to restrictions or buy-sell agreements.
- b. Documents naming BCL as trustee or requiring BCL to act in any fiduciary capacity.
- c. Gifts involving contracts or other documents requiring BCL to assume financial or other obligations.
- d. Transactions with potential conflicts of interest that may invoke IRS sanctions.

- e. Gifts of property which may be subject to environmental or other regulatory restrictions.
- f. Other instances in which use of counsel is deemed appropriate by the Executive Committee.

IV. **Restrictions on Gifts**

BCL will accept unrestricted gifts and gifts for specific programs and purposes, provided that such gifts are not inconsistent with BCL's stated values, mission, and tax-exempt purposes.

BCL will not accept gifts that are too restrictive, including gifts that:

- a. Would result in BCL violating its Articles of Incorporation, Bylaws, or Policies as adopted by the Board of Trustees,
- b. Would result in BCL losing its status as a 501(c)(3) tax-exempt organization,
- c. Are too difficult or too expensive to administer in relation to their value,
- d. Would result in any unacceptable consequences for BCL as determined by the Executive Committee, in consultation with the Executive Director, or
- e. Are for purposes outside BCL's stated core values, mission, and tax-exempt purposes.

The Executive Committee, in consultation with the Executive Director, will make a recommendation to the Board regarding the restrictive nature of a gift, and its acceptance or refusal. Such acceptance or refusal is within the purview of the Board.

V. **Gifts Generally Accepted Without Executive Committee Review or Board Approval**

- a. **Cash.** Cash gifts are acceptable in any form, including by check, money order, credit card, or online. Checks shall be made payable to Boyertown Community Library. Donors wishing to make a gift by credit card must provide the card type, card number, expiration date, and name of the card holder as it appears on the credit card.
- b. **Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities, and Retirement Plans.** Donors are encouraged to make bequests to BCL under their wills, and to name BCL as the beneficiary under trusts, life insurance policies, commercial annuities, and retirement plans.
- c. **Charitable Remainder Trusts.** BCL will accept designation as a remainder beneficiary of charitable remainder trusts. BCL will not accept appointment as trustee of a charitable remainder trust.

- d. **Charitable Lead Trusts.** BCL will accept designation as an income beneficiary of charitable lead trusts. BCL will not accept appointment as trustee of a charitable lead trust.
- e. **Marketable Securities.** All marketable securities will be sold promptly upon receipt unless otherwise directed by BCL's Finance Committee. In some cases marketable securities may be restricted, for example, by applicable securities laws or the terms of the proposed gift; in such instances the decision whether to accept the restricted securities shall be made by the Board, upon the recommendation of the Executive Committee.

VI. **Gifts Accepted Subject to Executive Committee Review and Board Approval**

- a. **Tangible Personal Property.** The Executive Committee shall review whether to accept any gifts of tangible personal property for purposes of making a recommendation to the Board on whether to approve, in light of the following considerations:
 - i. Does the property further BCL's mission?
 - ii. Is the property marketable?
 - iii. Are there any undue restrictions imposed on the use, display or sale of the property?
 - iv. Are there any carrying costs for the property for which BCL may be responsible?
 - v. Is the title/provenance of the property clear?
- b. **Closely Held Securities.** Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in limited partnerships and limited liability companies, or other ownership forms, can be accepted subject to the approval of the Board, upon the recommendation of the Executive Committee. However, gifts must be reviewed prior to acceptance to determine:
 - i. There are no restrictions on the security that would prevent BCL from ultimately converting those assets to cash;
 - ii. The security is marketable; and
 - iii. The security will not generate any undesirable tax consequences for BCL.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The Board, upon recommendation of the Executive Committee and with the advice of legal counsel, shall make the final determination on the acceptance of closely held securities when necessary.

- c. **Life Insurance.** BCL will accept gifts of life insurance where BCL is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy.
- d. **Real Estate.** Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. All gifts of real estate are subject to review by the Executive Committee and approval by the Board. Prior to acceptance of any gift of real estate, BCL may require an initial environmental review by a qualified environmental firm. In the event the initial review reveals a potential problem, BCL may retain a qualified environmental firm to conduct an environmental audit.

Criteria for acceptance of gifts of real estate include:

- i. Is the property useful for BCL's purposes?
- ii. Is the property readily marketable?
- iii. Are there covenants, conditions, restrictions, reservations, easements, encumbrances, or other limitations associated with the property?
- iv. Are there carrying costs (including insurance, property taxes, mortgages, notes, or the like) or maintenance expenses associated with the property?
- v. Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?

VII. **Miscellaneous Provisions**

- a. **Securing appraisals and legal fees for gifts to BCL.** It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to BCL.
- b. **Responsibility for IRS Filings upon sale of gift items.** BCL is responsible for filing IRS Form 8283 (Donee Information Return) upon the sale or distribution of any asset sold within two years of receipt by BCL when the charitable deduction value of the item is more than \$5,000. Such filings shall be completed in consultation with BCL's Finance Committee.
- c. **Written Acknowledgments and Disclosures.** In accordance with IRS requirements, BCL will provide a written acknowledgement to donors who make any single charitable contribution greater than \$250, and provide a written disclosure to donors who receive goods or services in exchange for a single payment in excess of \$75. Such acknowledgements and disclosures will contain certain descriptions, including good faith estimates of the value of goods or services, if any, that have been provided, and descriptions of any non-cash contributions made by the donor. The BCL Board of Trustees shall oversee the Executive Director and/or Development Director's acknowledgements and disclosures in accordance with this provision.

- d. **Form 990.** BCL shall comply with all gift reporting requirements set forth by the IRS in connection with filing its annual Form 990 (Return of Organization Exempt from Income Tax).

Reviewed and adopted April 26, 2022.