

DOWNINGTOWN LIBRARY COMPANY GIFT ACCEPTANCE POLICY

Accepting gifts and donations is an important way for Downingtown Library to benefit from the generosity of our community. Gifts and donations of materials are reviewed using the same criteria as purchases. Upon acceptance, the Library will determine how best to incorporate such materials into the existing collections or use them for Library programs. The Library reserves the right to dispose of any gifts that are given to the Library. Materials not added to the Library's collections or used for its programs may be given to the Friends of the Library group for sale benefitting the Library. Or the materials may be donated to other local organizations such as schools or senior centers.

The Downingtown Library Company (DLC) will solicit and accept gifts that are consistent with its mission and that support its core programs and special projects. Donations and other forms of support will generally be accepted from individuals, partnerships, corporations, foundations, government agencies, events, and other entities. Under the Pennsylvania Library Code, Article IV, Section 416, the Library Board of Trustees (Board) may accept donations of books, money, personal property, or real estate for the benefit of the Library. The Library Director or designee shall be the agent and administrator for all donations, deeds, gifts, devices, or bequests accepted by the DLC.

Consideration of Gifts

Gifts and donations are accepted only if they meet the Library's selection criteria. In their acceptance determination, the DLC will consider factors such as the following:

- **Time, Space, and Staff** – Whether the DLC has the time, space, and staff required for respectful use and display of the gift.
- **Values** – Whether the acceptance of the gift compromises any of the core values or mission of the DLC.
- **Compatibility** – Whether there is compatibility between the intent of the donor and the DLC's use of the gift.
- **Public Relationship** – Whether acceptance of the gift damages the reputation of the DLC.
- **Primary Benefit** – Whether the primary benefit is to the DLC, versus the donor.
- **Consistency** – Whether the acceptance of the gift is consistent with prior practice.
- **Form of Gift** – Whether the gift is offered in a form that the DLC can use without incurring substantial expense or difficulty.
- **Effect on Future Giving** – Whether the gift will encourage or discourage future gifts.

The DLC will not accept any responsibility for tax or real estate planning consequences and urges all prospective donors to seek the assistance of personal legal counsel and

financial advisers in matters relating to their gifts, including the resulting tax and estate planning consequences.

Restrictions on Gifts

The DLC will not accept gifts that:

- Are inconsistent with DLC's mission and do not support DLC's core programs and special projects.
- Result in the DLC violating its bylaws and policies.
- Result in the DLC losing its status as an IRS § 501(c)(3) not-for-profit organization.
- Are too difficult or too expensive to administer in relation to their value.
- Result in any unacceptable consequences for the DLC.
- Contain a condition that requires an unacceptable act on the part of the DLC.
- Contain a condition that the proceeds will be spent by the DLC for the personal benefit of a named individual or individuals.
- Require the DLC and its administration to employ a specified person now or at a future date.
- Inhibit the DLC from seeking gifts from other donors.
- Expose the DLC to adverse publicity, litigation, or other liabilities.
- Involve unlawful discrimination based upon race, religion, gender, sexual orientation, age, national origin, color, disability, citizenship status, genetic information, or any other basis prohibited by federal, state, and local laws.

Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Library Director in consultation with the DLC Executive Committee.

Consultation with Counsel

The DLC will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. The DLC will request that the donor cover any legal costs; if the donor declines, the DLC will include the potential legal costs in its consideration whether to accept or reject the gift. Review by Counsel is recommended for:

- Gifts of securities that are subject to restrictions or buy-sell agreements.
- Documents naming the DLC as trustee or requiring the DLC to act in any fiduciary capacity.
- Gifts requiring the DLC to assume financial or other obligations.
- Transactions with potential conflicts of interest.
- Gifts of property which may be subject to environmental or other regulatory restrictions.

Gifts Generally Accepted Without Review

- Cash gifts are acceptable in any form, including by check, money order, credit card, or on-line. Donors wishing to make a gift by credit card must provide the card type (e.g., American Express, MasterCard, or Visa), card number, expiration date, and name of the cardholder as it appears on the credit card. Memorial, honorary, and monetary gifts must comply in all respects with the Collection Development Policy. When named memorials or specific gifts are made, the Library reserves the right regarding which materials are purchased.
- Marketable securities may be transferred electronically to an account maintained at one or more brokerage firms or delivered physically with the transferor's endorsement or signed stock power (with all appropriate signature guarantees) attached. All marketable securities will be sold promptly upon receipt unless otherwise directed by the DLC's Finance Committee of the Board. 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 DLC Executive Committee in consultation with the Executive Director.
- Gifts of books and other materials are accepted with the understanding that they may be used, or not used, in accordance with the Library's Collection Development Policy. The Library does not accept textbooks, encyclopedias, abridged or condensed books, and out-of-date periodicals.
- Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities, and Retirement Plans may be accepted by the DLC. Donors are encouraged to make bequests to the DLC under their wills, and to name the DLC as the beneficiary under trusts, life insurance policies, commercial annuities, and retirement plans.
- DLC may accept designation as a remainder beneficiary of a charitable remainder trust.
- DLC may accept designation as an income beneficiary of charitable lead trusts.

Gifts Subject to Prior Review

Certain forms of gifts or donated properties are subject to review by the Executive Committee. Examples of gifts subject to prior review include but are not limited to:

- Tangible Personal Property – The Executive Committee shall determine whether to accept gifts of tangible personal property in light of the following considerations whether:
 - (a) the property furthers DLC's mission,

- (b) the property is marketable,
 - (c) there are unacceptable restrictions imposed on the property,
 - (d) there are carrying costs associated with the property for which DLC may be responsible, and
 - (e) the title/provenance of the property is clear.
- Life Insurance – DLC may accept gifts of life insurance where the DLC 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.
 - Real Estate – all gifts of real estate are subject to review by the Executive Committee. The DLC shall require an environmental review by a qualified environmental firm. In the event that the initial review reveals a potential problem, the DLC may request that the donor contract a qualified environmental firm to conduct an environmental audit. The DLC will request that the donor cover all potential costs. If the donor declines, the DLC has the right to reject the gift.

Criteria for acceptance of gifts of real estate include:

- (a) Whether the property is useful for the organization's purposes.
- (b) Whether the property is readily marketable.
- (c) Whether there are any covenants, conditions, restrictions, reservations, easements, encumbrances, or other limitations associated with the property.
- (d) Whether there are carrying costs (including insurance, property taxes, mortgages, notes, or the like) or maintenance expenses associated with the property.
- (e) Whether the environmental review or audit reflects that the property is damaged or otherwise requires remediation.

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