

Reading Public Library Gift Acceptance Policy

Revised and Approved 2/21/2022

INTRODUCTION

This document sets forth the general policy and guidelines of Reading Public Library (the RPL) with respect to the acceptance of gifts.

POLICIES

This policy serves as a guide for the Reading Public Library through its staff, board members, volunteers, and outside advisors who assist in the gift planning and solicitation process, and prospective donors who wish to make gifts to RPL whether unrestricted, restricted or for endowment purposes. RPL actively solicits gifts and grants to further the mission of the Library. As gifts can encourage others to give or do the opposite, this gift acceptance policy is intended only as a guide and allows for flexibility on a case-by-case basis.

GUIDELINES

Background on the Reading Public Library Foundation (the RPLF)

The RPLF was incorporated as a PA Nonprofit Corporation on July 16, 1996 and its corporate purposes were amended by the filing of Articles of Amendment with the PA Department of State on April 27, 2001, the basic purpose of the RPLF is to receive and administer financial gifts for the benefit of the RPL.

1. The RPL will encourage potential donors of financial gifts to make their donations directly to RPLF and the RPL will make a recommendation to the RPLF of acceptance or non-acceptance consistent with this policy.
2. The RPL recognizes that nevertheless some financial gifts may come directly to RPL. One example is a gift made by Will where the deceased designated RPL as the beneficiary. Financial gifts made to RPL will be governed by this policy.
3. The RPL will encourage donors of tangible personal property, equipment, goods or services to make such gifts directly to the RPL consistent with this policy.
4. The Library Director and President of RPL Board of Trustees and any Board member, volunteer or staff member so designated, have the authority to solicit gifts for the benefit of RPL. The RPLF has authority to solicit gifts for the benefit of RPL.
5. Each proposed gift should be evaluated according to its intended use, restrictions, liabilities, and financial impact on RPL, now and in the future.
6. Subject to additional policy provisions herein, RPL may accept gifts restricted by donors, provided the nature of the restriction is consistent with RPL's overall programs.
7. RPL reserves the right to accept or reject all gifts.
8. Upon the necessity of an event cancellation, donations will be transferred to the following year or returned in full upon request.

TYPES OF GIFTS

Cash

- All gifts by cash, credit card, or check shall be accepted.
- Checks shall be made payable to Reading Public Library Foundation unless otherwise specified. In no event shall a check be made payable to an individual who represents RPL.
- The Director or his/her designee shall accept all gifts on behalf of RPL.
- Financial gifts not accompanied by restrictions imposed by the donor will be placed in RPL's general fund and used by RPL as a part of the normal budget process.

Publicly Traded Securities

- Readily marketable securities, such as those traded on a public stock exchange can be accepted.
- Gift securities are likely to be sold immediately.
- For gift crediting and accounting purposes, the value of the securities is the average of the high and low quoted selling price on the date of the gift, in accordance with IRS regulations.

Real Estate

- Gifts of real estate will be handled on a case by case basis for acceptance or rejection.
- No gift of real estate shall be accepted without prior approval of the RPL Director and the Board of Trustees

Life Insurance

- RPL will encourage donors to name the library as total or partial beneficiary of insurance policies they have purchased on their lives.
- If the policy is paid-up, the value of the gift for RPL's gift crediting and accounting purposes is the policy's replacement costs.
- If the policy is partially paid-up, the value of the gift for RPL's gift crediting and accounting purposes is the policy's cash surrender value.

Tangible Personal Property

- Gifts of personal property, such as jewelry, artwork, and collections, should be made to RPL rather than RPLF and shall not be accepted unless the employee, agent or volunteer reviewing the gift on behalf of RPL shall have reason to believe the property has a value to the library. The decision to accept or reject such property shall be made by the Library Director or his/her designee.
- Gifts of tangible personal property defined above shall be used by or sold for the benefit of RPL.
- Depending on the anticipated value of the gift, RPL shall have a qualified outside appraiser value the gift before accepting it. The donor is required to pay for a qualified appraisal.
- Unless approved by the Library Director or his/her designee, RPL shall not accept tangible personal property unless there is reason to believe the property can be sold quickly. The RPL shall not accept personal property that the Library is obligated to own in perpetuity. RPL shall not accept perishable property or property that requires special facilities or security to safeguard properly without prior approval of the Library Director or his/her designee.
- RPL adheres to all IRS requirements for disposing of tangible personal property and filing appropriate forms.
- RPL reserves the right to accept or reject tangible personal property.
- Appraisal costs cannot be borne by RPL.

Gifts of Equipment, Goods and Services

Acceptance of gifts of equipment, goods, or services by the RPL that would constitute useful additions to the library, its programs and services are encouraged. They should be given to RPL not the RPLF. Since such proposed gifts may place demands upon the library in terms of special requirements (e.g., electrical, space, humidity control, maintenance, etc.), it is essential that the Director or Advancement and Communications be notified in advance of all such potential donations. If it is determined that the library is able to accept the donation, all pertinent information (e.g. value, general description, and purposes for which it will be used) will be forwarded to the Director of RPL or his/her designee for its acceptance. Obtaining valuation is the responsibility of the donor. Appraisal costs cannot be borne by RPL.

Deferred Gifts

Bequests

- Board, staff and volunteers shall actively encourage bequests. Assets transferred through bequests should have immediate value to RPL and support its mission.
- The RPL should encourage donors to make gifts to the RPLF rather than RPL.
- Bequests, Honor gifts and Memorials designated for specific purposes or with other restrictions may be accepted with the approval of the Board of Trustees.
- The Andrew Carnegie Society was created to honor any planned gift donors who have included the Library as a beneficiary in their estate planning. The minimum requirement to become a member of the society is a \$5,000 gift.

Charitable Gift Annuities and Deferred Payment Charitable Gift Annuities

- Donor transfers are part charitable gift and part purchase of an annuity. The rate of return depends upon the age of the annuitant(s). A minimum of \$10,000 is required.
- Charitable Gift Annuities may be set up with an entity that complies with legal requirements for offering gift annuities.
- 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.

IRA's & Pension Plans

RPL will encourage donors to name the Library as total or partial beneficiary of IRA's and pension plans.

Trusts

- Charitable Remainder Trusts – The Reading Public Library Foundation will accept designation as a remainder beneficiary of charitable remainder trusts.
- Charitable Lead Trusts – The Reading Public Library Foundation will accept designation as an income beneficiary of charitable lead trusts.
- RPL will not serve as trustee of a trust for the benefit of the institution.

Naming Opportunities

Named Endowments

RPL encourages donors to establish new, permanently endowed funds and encourages donors to name them.

- Terms and conditions must be agreed upon before a named endowment is established; therefore, contact the RPL's Director of Advancement and Communications. Appropriate documentation is required. Appropriate language must be included in the document establishing the gift.
- In accordance with RPL's Investment Policy, a minimum contribution of **\$25,000** is required to establish a named endowment. Principal can be paid over time; however, pledges should not exceed five years.
- Bequests or endowment gifts at a lower amount will become part of the RPL unrestricted endowment.
- The Board of Trustees shall periodically set the amount required for a named endowment.
- Existing restrictions on Endowments and Gifts Already made to RPL. For gifts previously made to RPL with restrictions, such as gifts made for a specific purpose under a Will, Trust Document or Gift Agreement, those restrictions must be honored subject to the exceptions provided by the Pennsylvania Uniform Trust Act upon petition to the Orphans' Court of the Berks County Court of Common Pleas. Legal Counsel should be consulted if a fund no longer meets the needs of RPL and RPL wishes to direct funds to an alternative use. Approval of the Board of Trustees is required.

Endowment Spending Policy

A spending policy defines the amount of money that can be distributed from a fund each year. The goal is to maintain a balance between long term investment growth and annual distributions. The amount of the endowment

that shall be available for annual use shall be between a three to five percent of the three -year rolling average of the market value of the fund.[This includes interest, capital gains (realized and unrealized), dividends, and distributions realized over a given period of time.]Values at the end of the third quarter shall be used to determine the amount to be distributed. Exceptions may be made with the approval of the Board of Trustees provided the exception is determined to be consistent with the real value of the assets and the needs of the organization. The appropriate language must be included in the document establishing the gift.

Named Capital Projects

- The minimum gift to name facilities/spaces shall vary by opportunity.
- New facilities or spaces may be named by a donor for 90% of the anticipated project cost, which may also include an operating endowment.
- Naming rights, which recognize a donor's philanthropy, extend for the useful life of the space/ facility.
- If, in the judgment of the Board of Trustees, a person or entity for whom a space has been named engages in activities that are in conflict with the Library's mission and values, or is involved in disreputable or illegal criminal activities that would bring dishonor and embarrassment to the Library, the Board of Trustees shall have the discretion to cease the use of name recognition of the facility, room, special use area or specialized collection, etc.

Small Exterior or Interior Spaces

Small spaces such as courtyards, rooms, equipment, bricks, benches, etc. may carry donors'names as determined by the Director of Advancement and Communication and Library Director.

Administrative Issues

- RPL will seek the advice of legal counsel in matters relating to the acceptance of gifts.
- Temporarily restricted gifts of \$10,000 or greater will be placed in an insured, interest bearing account.
- RPL and its staff shall not act as an executor (personal representative) for a donor's estate.
- All donors are advised to seek legal counsel prior to finalizing wills and other plans for deferred gifts.

Adopted by the Reading Public Library Board of Trustees on May 20, 2019.