



Bozeman Public Library Foundation Gift Acceptance Policy

Overview

Gift acceptance policies are in conjunction with fundraising activities and are used to guide those activities. This policy provides the Bozeman Public Library Foundation (Foundation) with a defined type of assets that are acceptable, establishes the gift forms that are acceptable, and defines the Foundation's role in gift administration. The primary benefit of this policy is to maintain understanding and discipline in gift acceptance and administration.

Purpose and Guidelines

The purpose of this gift acceptance policy is to govern acceptance of gifts and to provide guidance to donors and their professional advisors in completing gifts. In the event of questions related to discharging fiduciary responsibility, protecting the board from third party liability and IRS sanctions, and protecting the Foundation from unanticipated costs and/or negative publicity, the Foundation will seek the advice of legal counsel when appropriate.

Legal counsel could be sought under the following circumstances, but not limited to:

- The review of certain gifts, such as closely held stock, or closely held stock subject to buy-sell agreements or other restrictions.
- The review of all transactions governed by contracts or legal documents. This would include bargain sales, trusts naming the nonprofit as trustee, or any document obligating the trustee to take action.
- The review of all transactions with potential conflicts of interest. This may include use of board members as sales agents in transactions, leases of gift property to staff or board, etc.
- Other circumstances in which the committee or board members believe that use of counsel are appropriate.

Should there be a potential conflict of interest or question of fiduciary responsibility, the Foundation will strongly urge and advise the donor to seek independent professional counsel prior to making a gift, at the donor's expense.

Gift Acceptance

The Foundation will not be able to accept all types of gifts. The potential list of appropriate gifts can be found below, but the final determination of gift acceptance will be made by the Finance Committee, subject to approval of the full board.

Gifts Generally Accepted Without Review

- *Cash.* 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 (Visa, MasterCard, Discover only), card number, expiration date, and name of the card holder as it appears on the credit card.

- *Marketable Securities.* 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 appropriate signature guarantees) attached. All marketable securities will be sold promptly upon receipt. 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 Finance Committee.
- *Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans.* Donors are encouraged to make bequests to the Foundation under their wills, and to name the Foundation as the beneficiary under trusts, life insurance policies, commercial annuities and retirement plans.
- *Charitable Remainder Trusts.* The Foundation will accept designation as a remainder beneficiary of charitable remainder trusts.
- *Charitable Lead Trusts.* The Foundation will accept designation as an income beneficiary of charitable lead trusts.

Gifts Accepted Subject to Prior Review – Certain forms of gifts or donated properties may be subject to review prior to acceptance. Examples of gifts subject to prior review include, but are not limited to:

- *Tangible Personal Property.* The Finance Committee shall review and determine whether to accept any gifts of tangible personal property in light of the following considerations:
 - Does the property fulfill the mission of the nonprofit (related use)?
 - Is the property marketable?
 - Are there any undue restrictions on the use, display, or sale of the property?
 - Are there any carrying costs for the property (insurance, lease space, maintenance to preserve value, appraisal for sale purposes)?
- *Life Insurance.* The Foundation will accept gifts of life insurance where the Foundation 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 Finance Committee. Prior to acceptance of any gift of real estate, the Foundation shall require an initial environmental review by a qualified environmental firm. In the event that the initial review reveals a potential problem, the organization may retain a qualified environmental firm to conduct an environmental audit, at the donor's expense.

The Foundation requires that the donor pay for an independent appraisal and all legal fees for completion of the gift, as found necessary.