

## Gift Acceptance Policy for DeKalb Public Library

### I. Introduction:

The DeKalb Public Library (referred to hereinafter as DKPL) is a municipal library. Gifts given to the Library can be deducted from federal income tax. The Internal Revenue Code 170(c)(1) states any political subdivision may receive charitable contributions, “but only if the gift is made for exclusively public purposes.”

Under Illinois library law, any person or group of persons may make donations of money or property for the benefit of any local library or public library district. [75 ILCS 5/1-6 and 75 ILCS 16/30-75] Title to the donation vests in the library board of trustees, upon acceptance according to the terms of the donor’s deed, gift, devise, or bequest. The IRS designation is 170(c)(1).

The DeKalb Public Library seeks to enrich the lives of DeKalb residents by supporting and encouraging lifelong learning and being a vital center of community life.

This policy covers gifts to the DKPL. The purpose of the DKPL Gift Acceptance Policy (the “Policy”) is to govern the acceptance of gifts and to provide guidance to donors and their professional advisors in completing gifts. The DKPL encourages the solicitation and acceptance of all gifts for purposes that will help it further and fulfill its mission, and DKPL reserves the right to decline any gift. DKPL is not required to provide an explanation or reason for declining a gift, or the return of a previously received and accepted contribution, to the donor. The general policy of the DKPL is to inform, serve, guide or otherwise assist donors who wish to support its activities, but never to pressure or unduly persuade a donor to complete a gift.

The DKPL or any representative of the DKPL should not accept a gift unless there is a reasonable expectation that acceptance of the gift will ultimately benefit the DKPL. Gifts can only be restricted in keeping with the DKPL’s missions and ethical standards. Gifts should not generate a disproportionate cost or obligation in relation to the benefit received.

All gifts are to be considered for acceptance in accordance with the policies set forth herein. The scope of this Policy is limited to acceptance or non-acceptance of proposed gifts; it is not intended to cover disposition of property owned by the DKPL or donor recognition.

The DKPL is committed to compliance with all applicable laws and regulations, with donor designations and with ethical standards.

In order to ensure that this Policy continues to be effective, it shall be reviewed periodically, at intervals not to exceed three (3) years.

**II. Use of Legal Counsel:**

Use of legal counsel by both the donor and the DKPL is advantageous to all parties. The DKPL and staff or designated volunteers cannot serve as both the donor's advisor and beneficiary of the donor's gifts. Therefore potential donors should be advised to consult independent tax and/or legal counsel before making gifts to the DKPL which require execution of an agreement between the DKPL and the donor.

1. It is the donor's responsibility to retain appropriate independent legal and tax counsel in these transactions. Prior to signing any agreements between the DKPL and the donor, counsel for the donor should be given the opportunity to review and approve the documents.
2. The DKPL reserves the right to retain outside legal counsel to assist with the evaluation of potential gifts.

**III. Gift Definition**

A gift is defined as a voluntary transfer of assets from a person or an organization to the DKPL.

If, for some reason, the DKPL is unable to comply with the donor's intent, or if the gift has been misdirected to the DKPL, a return of gift may be issued at the DKPL's discretion. Out of pocket expenses may, if legally permissible, be deducted from the gift before it is returned. The return of a gift for any other reason must be reviewed and approved by the Director of DKPL for any gifts under \$1,000 and by the DKPL Board of Directors for gifts of \$1,000 and above. The DKPL reserves the right to refuse any gift.

The following criteria generally identify a gift:

1. A gift is motivated by charitable intent.
2. Gifts are not generally subject to an exchange of consideration or other contractual duties between the DKPL and the donor other than recognition obligations. Funds received from corporations, corporate foundations, and major foundations will be classified as gifts unless the grant requires performance or other consideration.
3. A gift is not completed until it has been accepted by the DKPL in accordance with this gift acceptance policy.

**IV. Types of Acceptable Gifts**

The following types of gifts that would be considered for acceptance are:

1. Cash and Checks: Cash and checks may be accepted regardless of the amount. The value of any cash or check gift is its face value. The address is:  
DeKalb Public Library  
Attn: Director  
309 Oak Street  
DeKalb Il 60115

2. Credit Card Contributions: Funds may be transferred to the DKPL via donors' credit cards. A credit card contribution can be made in person, by mail or online.
3. Wire Transfer/ACH Transfer of Funds: Funds may be directly transferred to the DKPL from donors' bank accounts. Donors should consult a representative of their financial institution to make contributions via wire transfer. Donors should also notify the DKPL when such transfers are initiated to ensure appropriate and timely gift acknowledgement and proper gift credit.
4. Securities: Securities that are actively traded on recognized stock exchanges and other readily marketable securities, including bonds and mutual funds, may be accepted as gifts by the DKPL, according to the policies described below. Securities given to the DKPL are managed and sold upon receipt through the DeKalb County Community Foundation (DCCF) in accordance with our investment policies. There is a fee charged on behalf of DCCF for this service.

Mutual Fund Shares, Closely Held Securities, and Restricted Securities: the DKPL will evaluate on a case-by-case basis and may defer to legal counsel, *the* Gift Acceptance Committee, or the Board for guidance. Privately Held Securities will not be accepted.

5. Donors and supporters are encouraged to make bequests to the DKPL through their wills and trusts. Gifts made in a donor's revocable trust that are effective at the donor's death are treated the same as bequests. Such bequests will not be recorded as gifts to the DKPL until such time as the gift is irrevocable and the DKPL has knowledge of such bequest. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

The donor can designate a specific amount, a percentage, or the remainder of an estate to the DKPL. Direct, unencumbered bequests shall be accepted by the DKPL if the underlying assets are in conformity with the guidelines set forth in this Policy. The DKPL reserves the right to refuse gifts from the estates or trusts of deceased donors that are not in conformity with the terms of this Policy.

Donors are encouraged to notify the DKPL when considering a bequest in order to ensure that the asset/s left to the DKPL meet the criteria set forth in this Policy. Donors who have indicated that they have made a bequest to the DKPL may, depending upon the individual situation, be asked to disclose in writing or by copy of the will, the relevant clause that benefits the DKPL as evidence of their gift.

6. Retirement Plan Beneficiary Designations: Donors and supporters are encouraged to name the DKPL as beneficiary of their retirement plans, such as 401k and 403b plans, and IRAs. Such designations will not be recorded as gifts to the DKPL until such time as the gift is irrevocable and the DKPL has knowledge of such designation. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.
7. Life Insurance: Donors and supporters are encouraged to name the DKPL as beneficiary or contingent beneficiary of his or her life insurance policies. Such designations shall not be recorded as gifts to the DKPL until such time as the gift is irrevocable and the DKPL has knowledge of such designation.

Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable. The DKPL will accept ownership of life insurance policies that are fully paid-up as of the date of the gift. Only individual gifts of life insurance shall be accepted. The DKPL will not accept ownership of term life insurance policies.

The DKPL will accept beneficiary interest in an insurance policy without minimum, but reserves the right to decline to pursue receipt of funds offered under such interest if it proves administratively burdensome. The DKPL may liquidate any life insurance policy received for cash value.

8. Planned Gifts: The DKPL will accept cash or cash equivalents that it receives as a designated beneficiary (or an alternate beneficiary) without prior review and approval of the DKPL, unless the designation imposes restrictions or a trust arrangement, in which case prior review and approval is required. The DeKalb County Community Foundation may be involved in liquidating any assets. There may be a fee imposed on the behalf of the Foundation if necessary.

Any planned gift agreement that requires execution by the DKPL should first be reviewed and approved by the DKPL. Donors are advised to consult with the DKPL regarding how to designate the gift and to obtain approval of any restriction that is being considered.

9. Personal Property (accepted with intent to sell): The DKPL, in consultation with legal counsel, and if necessary the Board, may evaluate and accept gifts of tangible personal property on a case-by-case basis.
  - a) Real Estate: the DKPL may accept gifts of real estate on a case-by-case basis. Before acceptance of gift is made, donor will be asked to provide an independent third-party appraisal and environmental assessment, and other documentation as deemed appropriate, at donor's expense.

- b) Time Shares: Gifts of Time Shares are not accepted.
- c) Motor vehicles: DKPL will not accept gifts of motor vehicles that are not processed through [www.donationline.com](http://www.donationline.com).
- d) Gifts in Kind: Furniture, equipment, books as well as audio and video materials and other circulation items, computer hardware and software are examples of gifts in kind that may be considered for acceptance by the DKPL upon review by the Gift Acceptance Committee, and if necessary the Board. These gifts may be considered on a case-by-case basis. Gifts of books and other materials for circulation are only accepted with the understanding that these items will likely be sold and proceeds will be used to help fund the operational expenses of the DKPL. The donor understands that acceptance of books and other materials by DKPL does not indicate an incorporation of these items into the collection of DKPL.

**V. Charitable Pledges**

Charitable pledges are an important part of the fund raising process and the DKPL can choose to accept pledges in accordance with this Policy.

As a legal matter, charitable pledges are a contract between a donor and the DKPL in which the donor promises to make a contribution in the future, usually at a specific dollar amount according to a fixed time schedule. All charitable pledges are required to be in writing.

**VI. Gift Acceptance Committee**

Gifts reviewed on a case-by-case basis shall be brought to the Gift Acceptance Committee for review and consideration. In addition, the Director of DKPL may defer to the Gift Acceptance Committee before accepting gifts otherwise covered by this policy. The Gift Acceptance Committee shall be comprised of the Director of DKPL, the President of the Board of DKPL, and the Treasurer. The Gift Acceptance Committee can bring in legal and financial counsel as needed, and may defer to the full Board of Trustees for the acceptance of specific gifts.

*Approved June 8, 2016 by the Board of Trustees*