

# Lake Geneva Public Library Gift Acceptance Policy

## Lake Geneva Public Library Mission Statement

The Lake Geneva Public Library champions lifelong learning and access to information, resources, and services for all community members.

## Gifts to the Lake Geneva Public Library

Gifts to the Lake Geneva Public Library (LGPL) used for “public purposes,” are tax deductible. Gifts are an essential part of meeting the continued and diverse needs of the Lake Geneva Public Library’s patrons. Gift funds will not be commingled with taxpayer funds provided for operational support of the Library and shall remain separate from any other source of revenue received by the Library.

The Lake Geneva Public Library is governed by an appointed Library Board. This Board has responsibility for the organization’s financial giving process along with related management and reporting requirements. The Library Board Financial Secretary is bonded and shall be authorized to assist with negotiations and sign donor gifting agreements.

The IRS requires donors to submit Form 8283 for gifts of property valued at more than \$500 (single or in the aggregate) for which a charitable deduction is sought. In addition, for items valued at more than \$5,000, IRS requires that “Qualified Appraisals” be obtained if the donor wishes to take a tax deduction for the value of the gift. The Lake Geneva Public Library requires the donor to place a value on gifts of property, in conjunction with his or her own tax advisor or attorney. The Library does not place value on gifts of property.

## Purpose of Gift Acceptance Policy

The purpose of these guidelines is to govern acceptance of charitable gifts and provide guidance to donors and their professional advisors in completing gifts. Donors are encouraged to consult their own legal and/or tax advisors to ensure an independent evaluation of a proposed gift.

The Library Board reserves the right to seek legal counsel before acceptance of a gift. Establishment and governance of all gift plans and receipts shall be in accordance with and subject to the laws of the United States and the State of Wisconsin, together with applicable regulations and rulings of the Internal Revenue Service and the policies of the Library Board of the Lake Geneva Public Library.

## Restrictions

Donations for unrestricted, general purposes are encouraged due to the flexibility they provide in meeting the Library’s greatest needs. Gifts subject to donor restrictions, directives, or expenditure requirements may be accepted when consistent with the Library’s mission and priorities, and not burdensome to administer. Gifts may be declined if subject to unacceptable requirements. Once a gift is accepted, any directives or restrictions imposed by the donor(s) will be honored by LGPL to maintain the intent of the donor(s).

The Library Board and Library Director will evaluate gifts on a case-by-case basis. The Library Board has final determination on acceptability of gifts.

## Donor Relations

Lake Geneva Public Library serves the interests of donors to make financial gifts by:

- Maintaining the donor's goal as the primary concern and the cornerstone of the plan and execution of the gift, subject to acceptable conditions.
- Encouraging donors to seek independent professional counsel and representation in making the gift, and insist that donors acquire such counsel and representation if a donor has general or specific questions.
- Cooperating with donors and their professional counsel in the exploration of opportunities, costs, and alternatives surrounding financial giving decisions to assure the goals of the donor and the library are achieved.
- Maintaining donor confidentiality throughout the entire giving process. Pertinent information will be shared to the extent that is necessary with professional counsel, Lake Geneva Public Library staff, Lake Geneva City Council, and Library Board members. Information which is not of public record will not be made public without the express written permission of the donor.

## Donations

Donations of money, real property, library books or other materials, equipment, or services to LGPL may be accepted when such a gift or its acceptance:

- Contributes to the achievement of the LGPL Strategic Plan.
- Does not conflict with LGPL policies.
- Does not impose any restriction on LGPL as a condition of donation, unless such restriction is formally accepted by LGPL Board action.
- May be used or disposed of at the discretion of LGPL, unless otherwise mutually agreed to by the donor and the LGPL Board at the time of the donation.
- Does not result in excessive expense, risk of expense, or administrative effort, as determined in the sole discretion of the LGPL Board.

## Types of Gifts

- Cash: Gifts in the form of cash, check, or credit card will be accepted. Checks should be made payable to the "Lake Geneva Public Library."
- Securities: The Lake Geneva Public Library will accept donations of shares of stock of corporations or limited partnership interests only if LGPL has received appropriate assurances that such assets can be liquidated, and may be done so, as quickly as possible.
  - Publicly Traded Securities: Unless otherwise directed by the Library Board, all marketable securities will be sold upon receipt to benefit the Library.
  - Closely held securities: As a rule, the Library will not accept securities that are not publicly traded. However, the Library Board may, in its sole discretion, choose to do so after a recommendation by the Financial Secretary.
- Tangible Personal Property: Tangible personal property includes books, historical documents, art, furniture, jewelry, collections or any other personal property owned by a donor.
  - Tangible Personal Property: All gifts of tangible personal property shall have no undue restrictions on the use, display, or immediate or subsequent sale by the Library. Books and other library materials that are not added to the collection may be sold, offered to other libraries, or otherwise disposed of at the Library's

discretion. Donors may consult with the Library Director for more information on library materials.

- Charitable Remainder and Charitable Lead Trusts: Distributions shall be made in accordance with the donor's intent with respect to trusts having assets in excess of \$10,000, subject to the approval of the Library Board. The Library shall not act as personal representative or trustee. Donors should select an outside institutional trustee, such as a bank, to name the Lake Geneva Public Library as the sole or primary charitable beneficiary. The charitable beneficiary of the trust, namely Lake Geneva Public Library, cannot be changed during the term of the trust.
- Testamentary Gifts: Bequests, Wills, or Trusts: Donors are encouraged to name the Lake Geneva Public Library as beneficiary in their wills or trusts and are also encouraged to make unrestricted bequests. Bequests should be specified to "Lake Geneva Public Library, 918 W Main Street, Lake Geneva, Wisconsin, 53147". The Lake Geneva Public Library shall accept testamentary gifts either made outright or through trusts. Any gifts made to the Lake Geneva Public Library through a trust mechanism shall follow the policies set forth herein. All outright testamentary gifts to the LGPL shall be invested as part of its gift fund (either general or designated) in accordance with the investment policies set forth herein and used to further the terms and provisions of such gift. Any individual intending to make a testamentary gift to the Lake Geneva Public Library may be asked to execute a non-binding Intent to make a Testamentary Gift for the records of the Lake Geneva Public Library.
- Life Insurance: Donors are encouraged to name the Lake Geneva Public Library as beneficiary or contingent beneficiary of their life insurance policies. The Lake Geneva Public Library may accept the irrevocable transfer (ownership) of whole life insurance policies where it is named as beneficiary of 100% of the policy. LGPL shall not accept ownership of term life insurance or gifts of life insurance encumbered by loans against them. The Library Board may choose to convert the policy to a paid-up policy, which will capture its value on the date of the gift; exchange the policy for its cash value; or sell the policy to a viatical company which buys policies when the insured is 65 years of age or older and may pay more than the cash surrender value.
- Retirement Plan Beneficiary Designations: Donors are encouraged to name the Lake Geneva Public Library as beneficiary of their qualified retirement plans and IRAs. Such gifts will not be recorded until they become irrevocable and will be valued as of that date.
- Additional Gift Options: The Lake Geneva Public Library seeks to satisfy the charitable giving needs of all donors and is willing to explore alternative gift options. Gifts which require administrative and financial obligations on the part of the LGPL must be approved by the Library Board.
- Gift Recognition, Valuation, and Taxes: Thank you letters are sent in response to most donations and are prepared by the Library Director, a Board member, or a campaign committee member. All forms of donor recognition are subject to Board determination. Receipts as required by IRS rules are also provided. Donors are generally recognized by name though the Board respects the preference of donors who wish to remain anonymous, subject to any legal or other requirements for disclosure. However, the identity of all donors must be known by the Library Director and, at the time of the gift, the Library Board. Depending on the volume of gifts received, the Library may not be able to accommodate requests for bookplates. In general, donors should consult with their own advisors with respect to determining the value of any non-cash donations. Once a gift is received by the Lake Geneva Public Library, an appraiser cannot normally

be accommodated; therefore, donors considering a tax deduction should have an appraisal prior to making the donation. The Lake Geneva Public Library reserves the right to secure a current appraisal of any marketable gift property. For the Lake Geneva Public Library to formally credit a donation as part of a gift, an appraisal is required. Appraisals are the responsibility of the donor. The cost of an appraisal may be tax deductible. In accepting an appraisal, Lake Geneva Public Library is not undertaking to determine that it is a "Qualified Appraisal" as required by the Federal Income Tax Regulations.

#### Records, Retention, Accounting, and Reports

The Library keeps records of donations received. The Financial Secretary of the Library Board of the Lake Geneva Public Library shall maintain a master list of all giving agreements and all written expressions of intent to make testamentary gifts to the Library.

The Financial Secretary shall, on a monthly basis, provide an accounting of the gift accounts to the Library Board. Such accounting shall include a report of the balance of any gift fund accounts as of the first day of the month in which the meeting occurs and the deposits and withdrawals made during the preceding month. The Library Board of the Lake Geneva Public Library shall then review the accountings and move to approve the status of the gift accounts after satisfactory review thereof. The Library Board is also required to annually report the condition of the funds in the Library Trust to the Lake Geneva City Council.

Federal tax law does not permit donors to dictate or restrict investment decisions with respect to irrevocable gifts. For gifts of \$15,000 or more, the Library may, in its discretion, furnish a year-end account of the gift and its uses, but the gift will not be in a separate identifiable account.

#### Investment Policy

The Trustee of any charitable trust naming the Lake Geneva Public Library as a beneficiary will have total discretion with respect to the investment of such trust assets. The Library Board of the Lake Geneva Public Library shall have total discretion with respect to the investment of outright gifts to the Library.

*Reviewed and approved by the Lake Geneva Public Library Board April 8, 2021*