

Bedford Hills Free Library Gift Acceptance Policy

The Bedford Hills Free Library (BHFL) is a 501(c) (3) entity. This policy will guide BHFL staff and trustees when discussing gifts with donors.

BHFL solicits and accepts gifts for purposes that will help the organization further and fulfill its mission. All contributions and bequests made to the BHFL are tax deductible to the extent allowed by law. BHFL urges all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences. The following policies and guidelines govern acceptance of gifts made to BHFL for the benefit of any of its operations, programs, or services.

The BHFL Gift Acceptance Policy is guided by the following principles:

- BHFL solicits and accepts gifts that are consistent with its mission.
- Donations will generally be accepted from individuals, partnerships, corporations, foundations, government agencies, or other entities, without limitations.
- BHFL may seek the advice of legal counsel in matters relating to acceptance of gifts, including deferred and non-cash gifts such as but not limited to life insurance, annuities, real property, gifts of personal property, stock and in-kind services when appropriate.

Restrictions on Gifts

BHFL will not accept gifts that (a) would result in BHFL violating its corporate charter, (b) would result in BHFL losing its status as an IRS 501(c)(3) not-for-profit organization, (c) are too difficult or too expensive to administer in relation to their value, (d) would result in any unacceptable consequences for BHFL or (e) are for purposes outside BHFL's mission.

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

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 (e.g., Visa, MasterCard, American Express), 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 Executive Committee. Page 2

- *Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans:* Donors are encouraged to make bequests to BHFL under their wills, and to name BHFL as the beneficiary under trusts, life insurance policies, commercial annuities, and retirement plans.
- *Charitable Remainder Trusts:* BHFL will accept designation as a remainder beneficiary of charitable remainder trusts.
- *Charitable Lead Trusts:* BHFL 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 Executive Committee shall review and determine whether to accept any gifts of tangible personal property in light of the following considerations:
 - Does the property further the organization's mission?
 - Is the property marketable?
 - Are there any unacceptable restrictions imposed on the property?
 - Are there any carrying costs for the property for which the organization may be responsible?
 - Is the title/provenance of the property clear?
- *Life Insurance:* BHFL will accept gifts of life insurance where BHFL 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. Prior to acceptance of any gift of real estate other than a personal residence, BHFL 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. Payment for the cost of any environmental review and/or audit shall be the responsibility of the donor. Criteria for acceptance of gifts of real estate include:
 - Is the property useful for the organization's purposes?
 - Is the property readily marketable?
 - Are there covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property?
 - Are there carrying costs (including insurance, property taxes, mortgages, notes, or the like) or maintenance expenses associated with the property?
 - Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?

Donation Processing

BHFL recognizes that the accurate and timely processing of gifts is important to both BHFL and the donor. BHFL assumes the responsibility of ensuring that gifts are recorded and acknowledged appropriately. BHFL will provide a donation receipt in accordance with IRS guidelines. The donor is informed of any quid pro quo arrangements in the gift transaction or lack thereof. The 1996 IRS regulations identify the substantiation requirements for charitable gifts as follows:

- Information on how much of a charitable gift is deductible;
- Instructions on how to substantiate gifts of \$250 or more;
- Disclosure requirements for quid pro quo contributions of more than \$75.

Recognizing Gifts

Gifts of cash are recognized when received. The date of a gift is the date that the asset ceases to be in the donor's control and, instead, is with the control of BHFL. BHFL adheres to the rules of gift acceptance required by the IRS as follows:

- Mail: postmark date;
- Hand delivery: date of physical receipt;
- Wire transfer: date received in the BHFL account;
- Journal entry: date of transfer into the BHFL account;
- Online: date of transaction.

Pledges are recognized and recorded when they are unconditional and there is sufficient evidence or documentation that the promise was made and received.

Processing a Cash Gift

Any representative of BHFL who receives a check or cash that is or may be a contribution shall immediately notify the BHFL Executive Director by e-mail, telephone or facsimile, and shall forward such check or cash to BHFL. All such gifts shall be promptly deposited into the BHFL bank account, and appropriately recorded in the fund accounting and donor management systems. The Executive Director, and Development staff shall inform all interested parties in the manner and procedure of acknowledging and receiving the donor's gift and recognizing the donor.

Approved by the Board of Trustees: March 6, 2023