

**Subject:** Gift Acceptance

**Application:** WLS trustees, employees, donors

The Westchester Library System (WLS) is a 501(c) (3) entity whose mission is to ensure that all residents have seamless access to excellent library service throughout Westchester County.

This policy will guide WLS staff and trustees when discussing gifts with donors.

WLS solicits and accepts gifts for purposes that will help the organization further and fulfill its mission. All contributions and bequests made to the WLS are tax deductible to the extent allowed by law. WLS 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 WLS for the benefit of any of its operations, programs or services.

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

- WLS 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.
- WLS 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**

WLS will not accept gifts that (a) would result in WLS violating its corporate charter, (b) would result in WLS 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 WLS or (e) are for purposes outside WLS'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 unless otherwise directed by the WLS Executive Committee. 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.

- *Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans:* Donors are encouraged to make bequests to WLS under their wills, and to name WLS as the beneficiary under trusts, life insurance policies, commercial annuities and retirement plans.
- *Charitable Remainder Trusts:* WLS will accept designation as a remainder beneficiary of charitable remainder trusts.
- *Charitable Lead Trusts:* WLS 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:* WLS will accept gifts of life insurance where WLS 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, WLS 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**

WLS recognizes that the accurate and timely processing of gifts is important to both WLS and the donor. WLS assumes the responsibility of ensuring that gifts are recorded and acknowledged appropriately. WLS 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 WLS. WLS 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 WLS account;
- Journal entry: date of transfer into the WLS 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 WLS who receives a check or cash that is or may be a contribution shall immediately notify the WLS Executive Director, Chief Financial Officer, or Director of Development of the matter by e-mail, telephone or facsimile, and shall forward such check or cash to WLS. All such gifts shall be promptly deposited into the WLS bank account, and appropriately recorded in the fund accounting and donor management systems. The Executive Director, Chief Financial Officer or Director of Development shall inform all interested parties in the manner and procedure of acknowledging and receiving the donor's gift and recognizing the donor.

*Last approved: May 26, 2015*