

Brockville Public Library

Policy Type: Operational

Policy Number: 20

Policy Title: Fund Development -
Acceptance of Gifts
(formerly Planned Giving)

Approval Date: September 21, 2015
January 2010

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GENERAL POLICY

Brockville Public Library (BPL) encourages the solicitation and acceptance of gifts that help to fulfill the vision, mission and priorities of the Library. Donations to BPL will fund enhanced and value-added services and programs, and capital enhancements which support BPL's mission and strategic goals.

The purpose of the policy is to:

- ensure that informed decisions are made regarding the acceptance of gifts to benefit the Brockville Public Library and the donor, and that such gifts are received in accordance with the Canada Revenue Agency (CRA) and the Canadian Income Tax Act.
- identify various types of gifts acceptable by BPL and the CRA, and to provide specific acceptance guidelines for each type of charitable gift.
- provide guidance to BPL staff, Board and donors regarding gift acceptance by BPL. During all gift and sponsorship communications between the donor and BPL, the donor's interest must be taken into account while ensuring the integrity of Brockville Public Library and its best interest.
- facilitate the gift giving process, providing prospective donors with many options for giving.

The policy and guidelines are applicable to all fund development activities conducted by Brockville Public Library.

DEFINITIONS

Bequest is a specific provision in a will directing specified assets from an estate to BPL.

Campaign is an organized fundraising initiative to solicit substantial funds for the Brockville Public library, usually over a defined period of months or years.

Conflict of Interest means any event (whether actual or perceived) in which BPL or anyone representing BPL may benefit from the knowledge of, or participation in, the acceptance of a gift.

Designated is a gift that a donor indicates where they want their money to be allocated.

Fair Market Value means the highest price, expressed in dollars, that a property would bring in an open and unrestricted market, between a willing buyer and a willing seller who are both knowledgeable, informed and prudent, and who are acting independently of one another. (CRA, “Fair Market Value” Summary Policy CSPF02).

Fundraising Activities are short-term activities or single events to solicit funds.

Gift is a voluntary transfer of real or personal property from a donor who freely disposes of his or her property to a specified donee. The transaction will not result directly or indirectly in a right, privilege, material benefit or advantage to the donor or to the person designated by the donor.

Partnership is a relationship between individuals or groups that is characterized by mutual cooperation and responsibility usually for the achievement of a specified goal.

Planned or Legacy Gift is a way of giving to a charity and arranging donations which serve the interests of the charitable organization as well as the personal, financial, and tax situation of the individual donor.

Pledge is a commitment of a gift given over a predetermined time frame.

Professional Advisor means a professional external to Brockville Public Library with the ability to provide expert tax, legal or financial planning advice to assist staff and to advise donors (or prospective donors) on their charitable giving.

Securities are gifts of publicly held shares.

Sponsorship is a gift from a corporate entity, individual or community group in support of a Brockville Public Library project or event, in return for some form of recognition.

Undesignated is a gift that the donor lets BPL decide what the highest priority needs of the organization are.

GUIDELINES FOR THE ACCEPTANCE OF GIFTS

Types of Gifts:

A **bequest** which directs assets from an estate to BPL may be:

- A general bequest indicated in the will that BPL will receive a specified amount of money or other property
- A specific bequest that will ensure that BPL receive a specific piece of property, such as a collection of books.
- A residual bequest that will leave all or part of the remaining estate after all debts, taxes and other bequests have been paid.

A **gift in kind** is a non-monetary gift of property such as artwork, equipment, securities and cultural or ecological property. Receipts for tax purposes will be issued for all qualifying non-cash contributions deemed at fair market value. It is the donor's responsibility to provide a written appraisal from a reputable establishment for in-kind donations with fair market value over \$900. Gifts in kind with a fair market value of less than \$900 need not be accompanied by a professional appraisal however, the Library reserves the right to require an expert opinion on the value of the gift before issuing a receipt. A contribution of service for example, time, skills or effort, is not property and, therefore, does not qualify as a gift or gift in kind for purposes of issuing an official donation receipt.

BPL will accept **monetary gifts** in the form of cash, cheque or credit card and will issue receipts according to CRA principles and guidelines, to donors who have given a gift of \$10 or more.

Gifts of life insurance are accepted by BPL. A donor may gift a life insurance policy to the BPL by:

- assigning a fully paid-up policy to BPL.
- assigning a pre-existing life insurance policy on which premiums remain to be paid.
- creating a new policy in the Library's name.
- naming BPL as a primary or successor beneficiary of the proceeds.

In the event that a policy is gifted to the BPL on which premiums remain to be paid, the donor will continue to pay the premiums until the policy is paid in full. If the donor ceases to make premium payments, the CEO will make a recommendation to the Board as to whether or not it is in the best interests of BPL to continue the premium payments, or to allow the gift to expire.

For **Gifts of Securities/Publicly Traded Stocks**, BPL reserves the right to sell and manage the funds accordingly. It is BPL's practice to immediately liquidate securities. The amount of the tax receipt is the value of the security at the closing market price on the day that the asset is transferred to BPL. Gifts of securities will be reviewed by the CEO to ensure the securities are marketable and acceptable.

Brockville Public Library encourages all gifts of **sponsorship** towards programming, facility enhancements, equipment, technology, and library resources as long as they comply with the needs of BPL and regulations of CRA. See Board Governance Policy – Fund Development – Sponsorship & Naming Rights – 11.

Refusal of Gift

BPL may refuse the acceptance of a gift if deemed not beneficial to the organization. Donors will be advised accordingly. BPL would decline a gift if any one of the following conditions were known:

- there are conditions to a gift and its designation, which are not consistent with the vision, mission and priorities of BPL.
- the gift is seeking to unduly influence access to Library business.
- the gift could financially jeopardize the donors and/or BPL.
- the gift or terms are illegal.
- BPL does not have the resources to honour the gift term or determine its value.
- false promises have been made.
- the gift could jeopardize the Library's charitable status.

Privacy

The privacy of donors will be respected in compliance with the Municipal Freedom of Information and Privacy Act of Ontario. Records management will be in compliance with this Act and with BPL's Records Management Policy. The Library does not share, sell or trade donor lists.

RESPONSIBILITY TO DONORS

Ethics

All professional staff will conduct themselves in accordance with professional standards including accuracy, truth and integrity. BPL will inform, serve, guide and otherwise assist donors who wish to support BPL's activities but not to pressure or unduly persuade. Ethical guidelines and best practices will be followed for fundraising as laid out by the Canadian Centre for Philanthropy, Association for Fundraising Professionals and Imagine Canada.

Conflict of Interest

Donors will be encouraged to consult a professional advisor of their choice to work with BPL on facilitating a planned gift in order to avoid a conflict of interest by the Library and its representatives. It is the responsibility of the donor's advisor to provide advice on tax, legal or financial planning to the donor.

Independent Counsel

Volunteers and staff acting on behalf of Brockville Public Library will always encourage the donor to discuss the proposed gift arrangement with legal and/or tax advisors of the donor's choice to ensure that the donor receives a full and accurate explanation of all aspects of the gift. Donors will be encouraged to discuss gift plans with their families or designates.

Gift Direction

In all cases, BPL will work closely with the donor to ensure there is a mutually beneficial agreement on the donor's intent for their gift designation. In some cases, a gift may not be accepted because BPL is unable to carry out the restrictions set forth by the donor. BPL has the intent to always use the gift where it is needed most within the community and therefore, designates a gift if there is a need determined by the CEO and staff. Donations to BPL will fund non-core and value-added services and programs, and capital enhancements.

Power to Vary

Should the intended purpose of a gift be changed, every attempt will be made to contact the donor to discuss the change. If obtaining donor permission is not feasible, BPL will select a designation of the Library's choosing that aligns most similarly with the donor's original intent and carries out all recognition plans as originally discussed with the donor.

Donor Recognition

The Library is pleased to recognize all donations and extend thanks to all donors for their generosity. The Library will strive to acknowledge all gifts within 48 hours by phone or email, and issue thank you letters within 10 working days of receipt of donations. An official receipt for tax purposes will accompany each letter.

Wherever possible:

- gifts of under \$500 will be personally acknowledged by the CEO; and,
- gifts of over \$500 will be personally acknowledged by the Board Chair.

All donations may be listed in library publications, including the website, as appropriate, and with the donor's permission.

The Library respects a donor's right to make an anonymous gift.

Naming Rights

See Board Governance Policy – Naming Rights – 13.

ADMINISTRATION

Expenditures

All undesignated donations will be directed to a specific purpose where they are most needed as deemed fit by the CEO under the direction of the Library Board.

Expenditure of all donated funds up to \$5,000 will be approved by the CEO, ensuring adherence to donor intentions and the Library’s Procurement Policy - 22 . All expenditures of undesignated gifts over \$5,000 must be approved by the Library Board.

Financial Management

Donated funds, designated or undesignated, will have dedicated accounts on the Library’s financial statements.

In the event that the Library spends funds to recognize a donor, the total expense allowed in relation to the value of the gift is determined by CRA guidelines.

Annual financial reports, inclusive of Annual Registered Charity returns, will be factual and accurate in all material respects. The financial reports will be prepared by the City of Brockville’s appointed auditor in accordance with Generally Accepted Accounting Principles and standards established by the Canadian Institute of Chartered Accountants.

Government grants and contributions will be accounted for separately from donated funds unless the grant is a matching grant program.

RELATED DOCUMENTS:

- Income Tax Act of Canada
- Canada Revenue Agency, “Fair Market Value” Summary Policy CSP-F02
- Canada Revenue Agency, Charity Information Return T3010
- Municipal Freedom of Information and Protection of Privacy Act, R.S.O 1990, Chapter M.56
- Brockville Public Library – Board Governance Policy – Fund Development – 10, 11, 12
- Brockville Public Library – Guidelines for Book Donations
- Brockville Public Library – Collection Development Policy – 13
- Brockville Public Library – Procurement Policy - 22
- Brockville Public Library – Anti-Spam - 23

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Signature of Chairperson _____

*Sources: London Public Library
Uxbridge Public Library
Southern Ontario Library Service*