Title: **Gift Acceptance Policy**
Date Approved: June 15, 2006 Effective: June 15, 2006
Approved By: CMLF Board of Trustees

**Columbus Metropolitan Library Foundation**
**Gift Acceptance Policy**

Introduction

Columbus Metropolitan Library Foundation (the "Foundation") is an organization recognized as exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and was established to operate for the charitable, educational, scientific and literary purpose of advancing the long-range goals, objectives and priorities of the Columbus Metropolitan Library (the "Library") as established by the Library Board of Trustees.

The Foundation is organized to receive, hold, invest and administer property, and to make expenditures to or for the exclusive benefit of the Library.

The Foundation's mission is to build resources for the sole purpose of advancing the mission of the Library for generations to come.

ARTICLE I
Acceptance of Gifts

Section 1.1 Encouraging Gifts. The Foundation encourages the private support of the Library through gifts of any amount in the form of cash, stock, real estate, personal property or other assets, including gifts through trusts, estates or insurance policies.

Section 1.2 Declining Gifts. The Foundation may decline any gift that in its judgment creates unacceptable challenges, undue expense, or a perception of impropriety or conflicts with the organization's mission.

Section 1.3 Costs of Gifts. The Foundation will not accept gifts that may result in expenses and or fees that will be incurred by the Foundation. However, the Foundation will clarify with a donor under what circumstances, if any, the Foundation will pay for legal fees or professional fees with respect to completing a gift. The Foundation may also choose to pay for appraisals for its own purposes. If the Foundation pays for a gift cost that is the legal obligation of the donor, the value of the gift will be reduced by the cost to the Foundation for the services, or alternatively, the gift may be treated as a bargain sale with the cost to the Foundation as the compensation to the donor.

ARTICLE II
Types of Gifts

Section 2.1 Cash and Marketable Securities. The Foundation will accept outright gifts of cash and marketable securities.

Section 2.2. Books and Collections. Gifts of books and collections will be accepted under the conditions specified in the Library's "Gifts and Donations" policy and procedure, as revised from time to time.

Section 2.3 Bequests and Beneficiary Designations. The Foundation will encourage donors to name the Foundation in the donor's will or trust or as the beneficiary of the donor's life insurance or retirement plan. The Foundation will provide any such donors with appropriate language to name the Foundation as a beneficiary and encourage such donors to work with the Foundation in planning gifts for special purposes.

Section 2.4 Other Gifts. Other gifts may be accepted by the Foundation upon the approval of the Investment Committee or the Board of Trustees. In determining whether to accept a gift, the Investment Committee or the Board of Trustees shall consider the factors outlined below and, ultimately, whether acceptance of the gift is in the best interests of the Foundation.

a. Tangible Personal Property. The Foundation may accept gifts of tangible personal property (other than Books and Collections) after considering the marketability of such property, the costs of owning and maintaining the property, any restrictions on the use of the property and whether the property is directly related to the Foundation's mission. The Foundation's acceptance of tangible personal property does not guarantee its retention as Foundation property in perpetuity.

b. Closely Held Business Interests. The Foundation may accept gifts of closely held business interest after considering the marketability of such property, liability risks associated with such interests, potential adverse tax consequences to the Foundation and any restrictions on the transfer of interests.

c. Real Property. Normally, it will be the goal of the Foundation to sell any contributed real estate for its full fair market value as soon as possible after receipt. Therefore, each proposed gift of real estate will be reviewed by legal or outside counsel partly to determine the conditions under which it can be sold. Because of the time and resources involved in reviewing any gift of real estate, the Foundation requires that any proposed gift of real estate involve $100,000 or more of equity.

   The following guidelines will be used in the review of gifts of real estate. The Foundation requests that:

i. The donor will provide the location, or a plot map, of the property so that a visual inspection of the site can be made.

ii. The donor will provide copies of all leases, mortgages and other contracts affecting the property.

iii. The donor will contract and pay for a Phase I Environmental Assessment of the property so that the Foundation can be assured that the property is free of contamination and environmental hazards. If the Phase I Environmental Assessment indicates that environmental problems exist, an additional assessment or remediation may be required.

iv. The tax law requires that the donor obtain a "qualified appraisal" of the property. The donor will need this appraisal in order to claim a charitable income tax deduction on the donor's tax return for the year of the gift. The very specific requirements for a qualified appraisal can be found in the IRS regulations, or in IRS Publication 561, Determining the Value of Donated Property. The donor, the Foundation, and the appraiser all must sign the IRS Form 8283, which must be filed with the donor's tax return.

v. The donor will provide evidence of clear title to the property through a title insurance policy.

vi. The donor will sign an Indemnity Agreement to provide protection for the Foundation's other assets. The need for this agreement arises from the fact that there may be expenses that will require a cash outlay on the part of the Foundation between the time the property is contributed and eventually sold, and a donor's fund might not have enough liquid assets to allow the Foundation to cover these expenses. These expenses could include such items as taxes, insurance, maintenance, condominium charges, etc. In some instances, the Foundation may agree to use the proceeds from the sale of the property to cover the Foundation's expenses with respect to the property.

vii. The donor will sign a recordable General Warranty Deed conveying the property to the Foundation. The donor may also be asked to provide an Exemption from Real Property Conveyance Fee Form, so that the Warranty Deed can be filed with the Auditor's Office and Recorder's Office of the county in which the property is located.

d. Life Insurance. The Foundation may accept gifts of life insurance policies. There are many methods by which life insurance may be donated to the Foundation and each method requires a thorough evaluation of the policy, insurance company and benefits to the Foundation. The Foundation will accept donations of paid-up policies. The Foundation may accept gifts of life insurance that require the Foundation to pay the premium if the donor pledges to continue paying premiums or gives the Foundation permission to surrender the policy for cash value. The Foundation shall not accept gifts of life insurance where (i) there is a prearranged obligation for the Foundation to expend its assets to maintain the policy, (ii) any portion of the proceeds is paid to anyone or any organization that is not an organization described in Internal Revenue Code Section 501(c)(3), or (iii) the policy is a split dollar or reverse split dollar plan. All policies contributed to the Foundation must name the Foundation as the owner and irrevocable beneficiary of the policy.

e. Retirement Plans. The Foundation may accept gifts from retirement plans which includes, but is not limited to, Individual Retirement Accounts (IRAs), 401(k) and 403(b) plans, or other qualified or nonqualified plans. Before accepting the gift, the Foundation will require a thorough evaluation of the retirement plan. All retirements plans contributed to the Foundation must name the Foundation as the primary, successor or contingent beneficiary for all or a percentage of the assets upon the death of the donor as owner or upon death of the owner's spouse, if applicable. Such beneficiary designation must be on the form prescribed by the trustee or administrator of the retirement account and properly filed with the same.

f. Charitable Gift Annuities. The Foundation may offer charitable gift annuities to qualified donors. As a general rule, the Foundation will utilize the services of The Columbus Foundation's charitable gift annuity program. All charitable gift annuities will fall under the policies and procedures of The Columbus Foundation's program.

g. Charitable Remainder Trusts. The Foundation may accept designation as remainder beneficiary of a charitable remainder trust. The Foundation will not accept appointment as Trustee of a charitable remainder trust.

h. Charitable Lead Trusts. The Foundation may accept a designation as income beneficiary of a charitable lead trust. The Foundation will not accept appointment as Trustee of a charitable lead trust.

Section 2.5 Unacceptable Gifts. The Foundation will not accept any of the following gifts:

a. Gifts made with intent to discriminate that restrict use based upon age, race, color, religion, creed, nationality, political affiliation, gender or sexual orientation.

b. Gifts with restrictions regarding the employment of any person.

c. Gifts which restrict use of the gift to programs or collections that are not part of the Foundation's mission, without prior approval of the Foundation's Board of Trustees.

d. Gifts that provide financial benefits to any individual or organization besides the Foundation.

e. Gifts in which the Foundation assumes indebtedness in connection with the gift. Exceptions to the contrary must be approved by the Foundation's Board of Trustees.

f. Gifts in which the Foundation would be exposed to material or personal liabilities as owners of the property.

g. Gifts in which the Foundation or the Library would be exposed to any adverse publicity.

h. Gifts which require the Foundation to name any facility or to procure the naming of a Library facility or portion of a Library facility, without prior approval of the Library Board of Trustees (according to Library policy and procedure "Gift Acceptance/Naming of Library Facilities.")

Section 2.6 Endowment Giving.

a. Unrestricted endowment. Gifts, not designated for other specific purposes, shall be added to the Foundation's Unrestricted Endowment; income and other returns from which shall cover Foundation operations and periodic distributions to the Library, as determined by the Foundation's Board of Trustees, for programs and services, capital improvements and special projects.

b. Named funds. Named funds (donations at or exceeding $15,000) may be established by donors within the Foundation's funds. All named funds shall be created by a written gift agreement. The written agreement should include language to permit the Foundation's Board of Trustees to assign an alternative, related use of such funds if it becomes necessary, i.e. due to the elimination of a program supported by the fund.

    i. Any other gifts made to a named fund by any donor will be subject to the provisions of the fund.

ii. If the named fund is not fully funded by the donor, the Foundation's Board of Trustees has the discretion (subject to the terms of the gift agreement) to shift the funds to the Foundation's Unrestricted Endowment, effectively dissolving the named fund.

Section 2.7 Capital Giving. At the request of the Library Board of Trustees, the Trustees of the Foundation may elect in their sole discretion, to enter the Foundation into a capital campaign for support of the Library. Donors to capital campaign conducted by the Foundation shall be recorded in the same manner as all other donors to the Foundation and shall receive all the privileges and benefits of other donors according to the Foundation's donor recognition policy.

Section 2.8 Disposition of Gifts. The Foundation's Board of Trustees, in its sole discretion, will determine if the best interests of the Foundation is served by the immediate liquidation of a gift into cash or if a gift not be liquidated immediately and instead be held by the Foundation for such a period as the Board of Trustees determines.

Section 2.9 Use of Legal and Outside Counsel. The Board of Trustees may engage legal counsel to advise the Foundation on any proposed gift transaction. In particular, the Board of Trustees should consider the use of counsel in the following circumstances: (i) review of gifts of closely held business interests, (ii) review of gifts of real property, (ii) review of transactions governed by contracts or legal documents, such as bargain sales or other documents requiring the Foundation to assume an obligation, (iv) review of gifts which may involve potential conflicts of interests, (v) review of documents naming the Foundation as Trustee, and (vi) any other circumstances in which the Board of Trustees believes that use of counsel is appropriate.

## ARTICLE III
## Stewardship of Gifts

Section 3.1 Ethical Stewardship. Foundation's Board of Trustees will practice ethical stewardship of donated funds, goods and services and honor donor requests for special consideration and restriction of funds within the guidelines of these policies. If the Board of Trustees is unable to honor a donor's request, the gift will be declined.

Section 3.2 Responsibility for IRS Filings upon Sale of Gift Items. The Treasurer of the Foundation or his or her designee is responsible for filing IRS Form 8282 (or any successor or additional forms required by the Internal Revenue Code of 1986, as amended) upon the sale or disposition of any asset sold within two years of receipt by The Foundation (or other time specified by law) when the charitable deduction value of the item is more than $5,000. The Foundation or its designee must file this form within 125 days of the date of sale or disposition of the asset (or other time specified by law).

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Section 3.3 Responsibility to Donors. The Foundation will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters related to their gifts and the resulting tax and estate planning consequences. The Foundation will adhere to the Association of Fundraising Professional's "Donor Bill of Rights" (See appendix I) and will also comply with its internal conflict of interest policy. In addition, the Foundation will exercise the following responsibilities to donors:

a. The Foundation will not knowingly accept a gift that is not in the best interest of the donor.

b. The Foundation will not accept a gift that does not aid in the advancement of the Library's and the Foundation's mission.

c. The Foundation will not under any circumstances provide property appraisals or valuations to donors for tax purposes.

d. The Foundation shall encourage donors to seek independent professional counsel prior to making a gift.

e. The Foundation shall encourage donors to provide a Letter of Intent that sets forth the instructions of the donor regarding future administration of the donor's gift. The Letter of Intent can be modified and revised at any time at the request and instruction of the donor. Upon receipt of the gift, the Foundation will exercise due diligence to carry out the instructions and intent of the donor. In the event that this is not feasible or practical and an alternative purpose is not set forth in the Letter of Intent, the Foundation will exercise its variance power and seek to administer the gift in a manner similar to the donor's instruction.

f. The Foundation will keep confidential all information obtained about prospective donors and specific gift arrangements regardless of whether or not a gift is made. The Foundation may use selected information for purposes of referral, testimonial or example if a donor grants permission.

g. The Foundation will thank and recognize all donors unless anonymity is requested.

h. Public announcements of gifts and/or intent to give may be made only with the prior permission of the donors.

i. The Foundation will provide donors with the substantiation necessary for the donor to claim a charitable income, gift or estate tax deduction.

ARTICLE IV
Review and Revision

This policy is subject to review and revision by the Executive Committee of the Board of Trustees of the Foundation at any time and without prior notice.

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APPENDIX I
Donor Bill of Rights

*The Donor Bill of Rights was created by the American Association of Fund Raising Counsel (AAFRC), Association for Healthcare Philanthropy (AHP), the Association of Fundraising Professionals (AFP), and the Council for Advancement and Support of Education (CASE). It has been endorsed by numerous organizations.*

**The Donor Bill of Rights**

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To ensure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the nonprofit organizations and causes they are asked to support, we declare that all donors have these rights:

I. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.

II. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.

III. To have access to the organization's most recent financial statements.

IV. To be assured their gifts will be used for the purposes for which they were given.

V. To receive appropriate acknowledgement and recognition.

VI. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.

VII. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

VIII. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.

IX. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.

X. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

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