

Gift Acceptance Policy

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I. Mission and Values

The American Library Association (ALA) is a 501(c)(3) not-for-profit organization. ALA is headquartered in Chicago, Illinois. ALA's US federal tax identification number is 36-2166947.

The mission of the American Library Association is to provide leadership for the development, promotion and improvement of library and information services and the profession of librarianship in order to enhance learning and ensure access to information for all.

ALA is committed to eight Key Action Areas as guiding principles for investment of energies and resources:

- *Advocacy for Libraries and the Profession*
ALA actively works to increase public awareness of the crucial value of libraries and librarians, to promote state and national legislation beneficial to libraries and library users, and to supply the resources, training and support networks needed by local advocates seeking to increase support for libraries of all types.
- *Diversity*
Diversity is a fundamental value of ALA and its members, and is reflected in its commitment to recruiting people of color and people with disabilities to the

profession and to the promotion and development of library collections and services for all people.

- *Education and Lifelong Learning*
ALA provides opportunities for the professional development and education of all library staff members and trustees; it promotes continuous, lifelong learning for all people through library and information services of every type.
- *Equitable Access to Information and Library Services*
ALA advocates funding and policies that support libraries as great democratic institutions, serving people of every age, income level, location, ethnicity, or physical ability, and providing the full range of information resources needed to live, learn, govern, and work.
- *Intellectual Freedom*
Intellectual freedom is a basic right in a democratic society and a core value of the library profession. ALA actively defends the right of library users to read, seek information, and speak freely as guaranteed by the First Amendment.
- *Literacy*
ALA assists and promotes libraries in helping children and adults develop the skills they need—the ability to read and use computers—understanding that the ability to seek and effectively utilize information resources is essential in a global information society.
- *Organizational Excellence*
ALA is inclusive, effective and responsive to the needs of its members.
- *Transforming Libraries*
ALA provides leadership in the transformation of libraries and library services in a dynamic and increasingly global digital information environment.

II. Purpose

This policy covers gifts to ALA, its divisions, offices and round tables. The purpose of this ALA Gift Acceptance Policy (the “Policy”) is to govern the acceptance of gifts and to provide guidance to ALA staff, donors, prospective donors, and professional legal, financial or tax advisors in completing gifts. ALA encourages the solicitation and acceptance of all gifts for purposes that will help it further and fulfill its mission. The general policy of ALA is to inform, serve, guide or otherwise assist donors who wish to support ALA’s activities, but never to pressure or unduly persuade a donor to complete a gift. Although ALA recognizes that donors have a legitimate interest in choosing the purpose for which their gifts will be used, ALA encourages the education of donors with respect to areas of greatest institutional need.

ALA or any representative of ALA should not accept a gift unless there is a reasonable expectation that acceptance of the gift will ultimately benefit ALA. Gifts can only be restricted in keeping with ALA’s missions and ethical standards. ALA cannot accept gifts and contributions that require a deviation from its mission and core values. Gifts should not generate a disproportionate cost or obligation in relation to the benefit received.

All gifts are to be considered for acceptance in accordance with the policies set forth herein. The scope of this Policy is limited to acceptance or non-acceptance of proposed gifts; it is not intended to cover disposition of property owned by ALA.

III. Monitoring

These policies must be created and amended by majority vote of the ALA Executive Board. ALA is committed to compliance with all applicable laws and regulations, ALA Council resolutions, donor restrictions and ethical standards.

In order to ensure that this Policy continues to be effective, it shall be reviewed periodically, at intervals not to exceed three (3) years.

IV. Use of Legal Counsel

Use of legal counsel by both the donor and ALA is advantageous to all parties. ALA and ALA staff or designated volunteers cannot serve as both the donor's advisor and beneficiary of the donor's gifts. Therefore potential donors should be advised to consult independent tax and/or legal counsel before making gifts to ALA which require execution of an agreement between ALA and the donor.

1. It is the donor's responsibility to retain appropriate independent legal and tax counsel in these transactions. Prior to signing any agreements between ALA and the donor, it is recommended that counsel for the donor should be given the opportunity to review and approve the documents.
2. ALA reserves the right to retain outside legal counsel to assist with the evaluation of potential gifts.

V. Conformity to Laws

ALA staff will determine that fundraising events and solicitations comply with local, state and federal laws.

VI. Gift Definition

A gift is defined as a voluntary transfer of assets from a person or an organization to ALA.

If, for some reason, ALA is unable to comply with the donor's intent, or if the gift has been misdirected to ALA, a return of gift may be issued at ALA's discretion. Out of pocket expenses may, if legally permissible, be deducted from the gift before it is returned. The return of a gift for any other reason must be reviewed and approved by the ALA Executive Director. ALA reserves the right to decline any gift.

The following criteria generally identify a gift:

- A gift is motivated by charitable intent.

- Gifts are not generally subject to an exchange of consideration or other contractual duties between ALA and the donor other than recognition obligations. Funds received from corporations, corporate foundations, and major foundations will be classified as gifts unless the receipt of funds requires performance or other consideration.
- A gift is not completed until it has been accepted by ALA in accordance with this Policy.

VII. Types of Acceptable Gifts

The following types of gifts that would be considered for acceptance are:

- Cash and Checks
- Credit Card Contributions
- Wire Transfer/ACH Transfer of Funds
- Securities
- Bequests of cash and other liquid assets
- Retirement Plan Beneficiary Designations
- Life Insurance and Life Insurance Beneficiary Designations
- Planned Gifts (such as Charitable Gift Annuities, Charitable Remainder Trusts, etc.)
- Tangible Personal Property (evaluated on a case-by-case basis)
- Gifts in Kind (evaluated on a case-by-case basis)
- Other Non-Traditional Asset Gifts (evaluated on a case-by-case basis)

The following criteria govern the acceptance of each gift type:

1. **Cash and Checks:** Cash and checks may be accepted regardless of the amount. The value of any cash or check gift is its face value.
2. **Credit Card Contributions:** Funds may be transferred to ALA via donors' credit cards. A credit card contribution can be made in person, by phone, by mail or online.
3. **Wire Transfer/ACH Transfer of Funds:** Funds may be directly transferred to ALA from donors' bank and financial institution accounts. Donors should consult a representative of their financial institution to make contributions via wire transfer. Donors should also notify ALA when such transfers are initiated to ensure appropriate and timely gift acknowledgement and recognition. Wire transfer instructions may be obtained from ALA Development Office.
4. **Securities:** Securities that are actively traded on recognized stock exchanges and other readily marketable securities, including bonds and mutual funds, may be accepted as gifts by ALA, according to the policies described below. Securities given to ALA are managed in accordance with our investment policies and may be sold upon receipt.

- a. Publicly Traded Securities: ALA should be notified in advance of the securities being transferred, the number of shares, the intended gift date and the intended restriction on the gift.
- b. Donation of Securities via Wire Transfer: Securities may be wired directly to ALA's brokerage account via DTC from the donor's broker account. Wire transfer instructions may be obtained from ALA Development Office or ALA Finance Office.
- c. Donation of Securities via Mail – If the donor has physical custody of stock and/or bond certificates:
 - Certificates should be mailed without any endorsement or assignment and by registered mail, to:
ALA Finance Office
American Library Association
50 E Huron St
Chicago, IL 60611-2795
 - In a second, separate envelope the donor should mail one endorsed Stock and/or Bond Power form per certificate to the above address. The signature on the Stock and/or Bond Power form needs to be guaranteed (this is different from having the document notarized; most financial institutions provide a signature guarantee service and standard Stock and/or Bond Power forms).
 - The signed Stock and/or Bond Power forms must be sent and received separately from the stock/bond certificates. The signature on the Stock and/or Bond Power forms must exactly match the name(s) on the certificates.
 - The stock and/or bond certificates will not be negotiable until ALA receives both envelopes.
 - The gift date will be established from the later postmark of the two envelopes.
- d. Donation of Securities via Mail - If the certificates have been reissued in the name of American Library Association:
 - Certificates should be mailed without any endorsement or assignment and by registered mail to:
ALA Finance Office
American Library Association
50 E Huron St
Chicago, IL 60611-2795
 - The donor's name and purpose for the gift should be stated in an accompanying letter.
 - The gift date will be established from the postmark on the envelope.
- e. Mutual Fund Shares, Closely Held Securities, and Restricted Securities: ALA will evaluate on a case-by-case basis and may defer to the Gift Acceptance Committee, ALA legal counsel or the ALA Executive Board for guidance.

5. Bequests of cash and other liquid assets: Donors and supporters are encouraged to make bequests to ALA or any of its divisions, offices and round tables through their wills. Gifts made in a donor's revocable trust that are effective at the donor's death are treated the same as bequests. Such bequests will not be recorded as gifts to ALA until such time as the gift agreement is irrevocable and ALA has knowledge of such bequest. When the gift agreement is irrevocable, but the gift is not due until a future date, the present value of that gift may be recorded at the time the gift agreement becomes irrevocable.

The donor can designate a specific amount, a percentage, or the remainder of an estate to ALA or any of its divisions, offices and round tables. Direct, unencumbered bequests shall be accepted by ALA if the underlying assets are in conformity with the guidelines set forth in this Policy. ALA reserves the right to decline gifts from the estates or trusts of deceased donors that are not in conformity with the terms of this Policy.

Donors are encouraged to notify ALA when considering a bequest in order to ensure that the assets left to ALA meet the criteria set forth in this Policy. Donors who have indicated that they have made a bequest to ALA may, depending upon the individual situation, be asked to disclose in writing or by copy of the will, the relevant clause that benefits ALA as evidence of their gift.

6. Retirement Plan Beneficiary Designations: Donors and supporters are encouraged to name ALA as beneficiary of their retirement plans, such as 401(k) and 403(b) plans, and IRAs. Such designations will not be recorded as gifts to ALA until such time as the gift agreement is irrevocable and ALA has knowledge of such designation. When the gift agreement is irrevocable, but the gift is not due until a future date, the present value of that gift agreement may be recorded at the time the gift becomes irrevocable.
7. Life Insurance and Life Insurance Beneficiary Designations: Donors and supporters are encouraged to name ALA as beneficiary or contingent beneficiary of his or her life insurance policies. Such designations shall not be recorded as gifts to ALA until such time as the gift agreement is irrevocable and ALA has knowledge of such designation.

When the gift agreement is irrevocable, but the gift is not due until a future date, the present value of that gift may be recorded at the time the gift agreement becomes irrevocable. ALA will accept ownership of life insurance policies that are fully paid-up as of the date of the gift. Only individual gifts of life insurance shall be accepted. ALA will not accept ownership of term life insurance policies.

ALA will accept beneficial interest in an insurance policy without minimum, but reserves the right to decline to pursue receipt of funds offered under such

interest if it proves administratively burdensome. ALA may any liquidate life insurance policy received for cash value.

8. Planned Gifts: ALA will accept cash or cash equivalents that it receives as a designated beneficiary (or an alternate beneficiary) without prior review and approval of ALA, unless the designation imposes restrictions or a trust arrangement, in which case prior review and approval is required.
 - a. Charitable Gift Annuities: ALA does not offer Charitable Gift Annuities. The donor may establish his or her own Charitable Gift Annuity independently with ALA as a beneficiary.
 - b. Charitable Remainder Trusts: The donor may establish his or her own Charitable Remainder Trust independently with ALA as a beneficiary.
 - c. Charitable Lead Trusts: The donor may establish his or her own Charitable Lead Trust independently with ALA as a beneficiary.

Any planned gift agreement that requires execution by ALA should first be reviewed and approved by ALA. Donors are advised to consult with ALA regarding how to designate the gift and to obtain approval of any restriction that is being considered.

9. Tangible Personal Property (accepted with intent to sell): ALA, in consultation with the Gift Acceptance Committee, ALA legal counsel, and if necessary the ALA Executive Board, may evaluate and accept gifts of tangible personal property on a case-by-case basis.
 - Real Estate: ALA may accept gifts of real estate on a case-by-case basis. Prior to acceptance, the gift shall be approved by the Gift Acceptance Committee, and if necessary, by ALA's Executive Board. Criteria for acceptance shall include:
 - A representative of ALA (or if applicable a division of ALA) may conduct a visual inspection of the property.
 - A certified appraisal must be arranged for by the donor and conducted at the donor's expense.
 - A Phase One environmental audit must be arranged for by the donor and conducted at the donor's expense. This is normally included in the appraisal process.
 - The title must be searched and determined to be clear.
 - ALA's standard procedure is to sell property as soon as possible.
 - Time Shares: Gifts of Time Shares are not accepted.
 - Motor vehicles: A donation of a motor vehicle (including automobiles, trucks, motorcycles, vans, commercial vehicles, jet skis, snowmobiles, motor homes, buses, and boats) is only acceptable if the donation is submitted to and processed through www.donationline.com. ALA will not accept gifts of motor vehicles that are not processed through www.donationline.com.

10. Gifts in Kind (retained for ALA use): Furniture, equipment, computer hardware and software and librarianship-related artifacts are examples of gifts in kind

that may be considered for acceptance by the ALA Executive Director, in consultation with the Gift Acceptance Committee, ALA legal counsel, and if necessary the ALA Executive Board. These gifts may be considered on a case-by-case basis.

ALA will use the following criteria to determine whether a gift in kind can be considered for gift acceptance:

- a. Whether the property furthers the mission or enhances the history of ALA, or enhances the history of libraries, or the profession of librarianship;
- b. Whether the donor has requested any restrictions on the use or display of the property;
- c. Whether the donor is willing and able to finance the packing, shipping and in-transit security, insurance (until safe delivery of items to ALA and transfer of ownership is complete) and other associated costs in transferring the gift to ALA.

Donors who intend to give gifts in kind to ALA must submit their gift proposal in writing. ALA may request additional information.

In considering such gifts, donors are advised to consult with a tax/financial professional.

11. Other Non-Traditional Asset Gifts: Gifts of non-traditional assets carry additional risks and costs to both the donor and ALA. ALA generally does not accept non-traditional asset gifts, but may have the Gift Acceptance Committee, in consultation with ALA legal counsel, evaluate and accept Non-Traditional Asset Gifts on a case-by-case basis, and under certain conditions.

- Oil, Gas, and Mineral Interests: ALA will evaluate gifts of Oil, Gas, and Mineral Interests on a case-by-case basis. Prior to acceptance of such interests, the gift shall be approved by the Gift Acceptance Committee, and if necessary, by ALA's Executive Board. Criteria for acceptance shall include:
 - Gifts of surface rights should have a value of \$20,000 or greater.
 - Gifts of oil, gas, and mineral interests should generate at least \$3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift).
 - The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
 - A working interest is rarely accepted. A working interest may only be accepted when there is a plan to minimize potential liability and tax consequences.
 - The property should undergo an environmental review to ensure that there is no current or potential exposure to environmental liability.

- Closely held securities: ALA may accept shares in private companies on a case-by-case basis. Prior to acceptance of privately held securities, the gift shall be approved by the Gift Acceptance Committee and consultation with ALA legal counsel, and if necessary, by ALA's Executive Board. Gifts of closely held stock that are valued in excess of \$10,000 or more require a qualified appraisal per IRS regulations.

VIII. Classification of Donations

1. Unrestricted Funds: Of great utility to ALA, these funds are broadly discretionary to ALA or its divisions, offices and round tables and are available to meet operating and program needs as determined by the Executive Board and the ALA Executive Director or the designated division. As a recommendation by the ALA Development Office, all proceeds from unrestricted planned gifts will be placed in the 21st Century Fund and held in the fund until a determination of use is made by the ALA Executive Director.
2. Restricted Funds: These funds have a donor-placed restriction as to the purpose or timing of the use of the funds. The gift agreement with the donor must provide that the use of long-term restricted funds and endowed funds may be reassessed after a period of twenty-five years in relation to the evolving nature and the changing needs of the Association, and adjusted accordingly.
3. Named and Special Purpose Endowment Funds: A minimum gift of \$50,000 is required for the establishment of a new endowment fund. In addition, any new endowment fund must be reviewed and approved by the ALA Endowment Trustees before it can go into effect. The gift agreement with the donor must permit the use of principal to fulfill the purpose after 10 years.
4. Donor Advised Funds: ALA does not manage Donor Advised Funds at this time, but will accept contributions from a donor advised fund as long as the gift is made in accordance with the guidelines laid out in this Policy.

IX. Charitable Pledges

Charitable pledges are an important part of the fund raising process and ALA, its divisions, offices and round tables can choose to accept pledges in accordance with this Policy.

As a legal matter, charitable pledges are a contract between a donor and ALA in which the donor promises to make a contribution in the future, usually at a specific dollar amount according to a fixed time schedule. All charitable pledges are required to be in writing.

Finance and the ALA Development Office will determine when pledges are to be booked as revenue. Booked pledges are recorded in the database and included

in financial reporting. Booked pledges are cancelled (written off) only when circumstances are documented and procedures noted below are followed.

X. Pledge Documentation

A pledge form is appropriate where ALA and any of its divisions, offices or round tables is taking on financial or other obligations in reliance on the anticipated gift. In such cases, the ALA staff must consult with the Development Office and/or ALA general counsel to appropriately modify/use the pledge form template

All pledge forms and solicitations must contain the following minimum information:

- Total amount of the pledge
- Funds shall be made payable to the American Library Association
- Payment schedule (a five-year schedule is suggested, but a longer payment schedule can be considered on a case-by-case basis)
- Restriction on use of the funds
- No contingencies or conditions
- Donor's printed name
- Donor's signature
- Confirmation of donor expectations regarding pledge payment reminders

XI. Gift Acceptance Committee

It is recognized that certain gifts, including but not limited to those involving unusual funding arrangements, should not be routinely processed, but should be reviewed by a Gift Acceptance Committee.

The following representatives need to be present:

- ALA Executive Director
- Associate Executive Director of Finance and Accounting
- ALA Director of Development
- *If applicable:* Executive Director of division (if a specific division is the designated gift recipient)

The Gift Acceptance Committee may consult with ALA's legal counsel prior to the meeting. In addition, the Executive Director of the division, office director, or round table staff liaison affected by the gift, a representative of the Executive Board, and ALA legal council can be invited to the Committee on an as-needed basis.

Gifts that may require review by the Gift Acceptance Committee are:

- Gifts requiring unusual funding arrangements or other commitments.
- Gifts of intangible or unusual personal property as outlined above.
- Gifts with special restrictions that may be difficult or costly to administer.
- Any gifts that are exceptions to existing guidelines or which fall outside the definition of acceptable gifts as defined by this Policy.

The Gift Acceptance Committee will review the information that has been presented and, if the issues involved have been satisfactorily resolved, may accept or reject the gift in question. If the issues involved have not been satisfactorily resolved, the Committee will either request additional information or decline or return the donation. A record of the Committee's meeting and decision will be maintained by the Development Office.

The Committee will endeavor to respond promptly so that the gift can be completed in a timely manner to ensure donor good will. Decisions of the Gift Acceptance Committee regarding gift acceptance must be made by a majority decision. If a majority decision cannot be reached, the committee may defer to the Executive Board for review and final decision as to acceptance. All activity of the Gift Acceptance Committee shall be reported to the Executive Board as part of the Development Office report.

- Reporting Policy for sending Form 8283, Noncash Charitable Contributions, to Donors
When gifts of tangible personal property are accepted, ALA will send, as a matter of course, copies of IRS Form 8283 to a donor. A donor attaches Form 8283 to his or her tax return in the year the donor makes a gift of noncash property over \$500 to a charity.
- Form 8282 – Donee Information Return
ALA will file Form 8282 with the IRS if it sells, exchanges, or otherwise disposes of property within three years of the date the donor originally contributed the property. The ALA Development Officer will ensure that Form 8282 is filed with the IRS on or before the 125th day after ALA sells, exchanges, or otherwise disposes of such property. ALA acknowledges that it is impermissible to delay the sale or liquidation of property solely for the purpose of avoiding the filing of Form 8282.
- Acknowledgement of Gifts
ALA will provide a written acknowledgement to donors who make any single charitable contribution of greater than \$250. The gift acknowledgement will include a good faith estimate of the value of any goods or services, if any, provided by ALA in exchange for a gift and should describe (not value) any property the donor donates.

XII. Gift Recognition

Donors shall receive appropriate recognition for their gifts, except for gifts which have been specifically designated by the donor as "anonymous". This recognition may include, but is not limited to, listing of gifts in the Annual Report and other ALA publications, media publicity, special events, "donor walls" and other signs listing donor gifts, and "naming opportunities" for specific programs and buildings. Decisions regarding appropriate recognition for gifts should be made by the ALA Executive Director or the Director of the ALA Development Office. Donors will only receive recognition for actual gift assets given. No recognition

will be provided for gift assets which appreciate in value after the date of gift. Donors whose gifts are made over a term of years or are deferred in nature shall be recognized for the face value of their gift.

"Naming opportunities" for ALA facilities or endowments: ALA shall seek, whenever possible, to receive private donations which provide one hundred percent (100%) of the funding needed for construction of new ALA structures, as well as endowment funds. ALA reserves the right to seek multiple donors for "naming opportunities." A written gift agreement or other legally binding document will be executed by the donor prior to the donor's name being affixed to any structure or endowment. Any "naming opportunity" gift, which the donor requests to fund over a period of years during the lifetime of the donor, shall be secured by an agreement and an estate note executed by the donor.

XIII. Gift Acknowledgement and Stewardship

ALA will be responsible for good stewardship toward its donors.

1. Cash gifts will be acknowledged within a reasonable period of time (with "reasonable" defined as ten business days or less.)
2. All gift acknowledgement letters/receipts will conform with state and federal law and regulations, and will be coordinated through the ALA Development Office. ALA shall provide a written receipt to all donors acknowledging their gifts. Gifts of \$75 or more in which the donor did receive goods or services in consideration of the gift (the "quid pro quo" gift in which dinner, tickets, etc. is provided for the gift) shall receive an itemized statement regarding the value of the consideration received by the donor.
3. ALA shall comply with the Statements of Financial Accounting Standards relating to not-for-profit organizations as established by the Financial Accounting Standards Board.
4. A donor annual report may be prepared in which the appreciation and the gratitude of ALA will be expressed to its many categories of donors.
5. For acknowledgment and recognition purposes, gifts to ALA will be considered public in nature except those gifts specifically designated by the donor as "anonymous".

Last revised on: December 13, 2011
Approved by the Executive Board: January 20, 2012

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Approved by the Executive Board: February 3, 2015