

Chatham-Kent Public Library

Gift Acceptance Policy

Purpose

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

The purpose of the policy is to ensure that informed decisions are made regarding the acceptance of gifts to benefit CKPL and the donor, and that such gifts are received in accordance with the Canadian Revenue Agency (CRA) and the Canadian Income Tax Act.

Background

Chatham-Kent Public Library relies on many sources of revenue. Planned gifts represents an important aspect of fundraising for the library. Planned giving to Chatham-Kent Public Library also provides library supporters with an opportunity to ensure the long term success of the library.

Definition of Terms

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

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

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. (Canada Revenue Agency, "Fair Market Value" Summary Policy CSP-F02)

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

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 over a predetermined time frame.

Securities are gifts of publically held shares.

Sponsorship is a gift from a corporate entity, individual or community group in support of a Chatham-Kent Public Library project or event, in return for some form of recognition. A sponsorship is a contracted arrangement between the Library and the sponsor, designed to benefit both parties: it is not a philanthropic gift. Charitable receipts cannot be issued for funds, products or in-kind services given to the Library as part of a sponsorship agreement.

Third Party Fundraising is defined as a project undertaken by any individual, affiliated group or organization, for the purpose of raising funds for, or on behalf of the library.

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

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

Content

The purpose of this policy is to identify various types of gifts acceptance by CKPL and the Canadian Revenue Agency, and to provide specific acceptance guidelines for each type of charitable gift. The intent of this policy is to provide guidance for CKPL staff, board and donors regarding fit acceptance by CKPL.

Chatham-Kent Public Library will encourage donors to make both outright and deferred gifts. The two most common types of planned gifts are bequests and gifts of life insurance.

Donations will be transferred to the Library Trust Fund as approved by the Board, where donations include conditions, the Chatham-Kent Public Library will endeavor to respect the wishes of the donor, but where compliance with the conditions is not possible the Chatham-Kent Public Library reserves the right to apply the donations in a different manner which is most in keeping with the original intentions of the donor.

Donations, bequests or gifts must support the goals and objectives of the Library.

Chatham-Kent Public Library will issue an official tax receipt for donations that qualify as charitable gifts under the Income tax Act and Canada Customs and Revenue Agency's interpretation.

The Library respects donor privacy and does not sell, rent or exchange donor information.

GUIDELINES FOR THE ACCEPTANCE OF GIFTS

Bequest

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

Gift in Kind

A gift in kind is a non-monetary gift, which is a gift or property such as artwork equipment, securities and cultural and ecological property. 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. An independent qualified appraisal determines the fair market value of the gift. The cost of an appraisal is paid by the donor.

Official receipts for used gifts-in-kind will be issued if the value of the gift can be substantiated independently or if the gift has been solicited by the Library. The donor is responsible for providing the Library with an official written appraisal of the donation's worth.

Monetary Gifts and Gift Acceptance

CKPL 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

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

- Assigning a fully paid-up policy to CKPL;
- Assigning a pre-existing life insurance policy on which premiums remain to be paid;
- Creating a new policy in the Library's name; or
- Naming CKPL as a primary or successor beneficiary of the proceeds.

Gifts of Securities/Publicly Traded Stocks

CKPL reserves the right to sell and manage the funds accordingly. It is CKPL'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 CKPL. Gifts of securities will be reviewed by the CEO and the Director, Financial Services, to ensure the securities are marketable and acceptable.

Sponsorship

Conditions for Sponsorship Acceptance

Sponsorship agreements with values in excess of \$5,000 and/or those with legal or political implications shall be presented to the Library Board for approval. Those valued at less than \$5,000 shall be approved by the CEO/Chief Librarian.

In entering or developing sponsorship arrangements, the Library will:

1. Not compromise the public service objectives and practices of the Library or of the sponsored event, service, programmes or activity;
2. Protect its principle of intellectual freedom and equity of access to its programmes, services and collections;
3. Protect the confidentiality of user records;
4. Not permit sponsors to have any undue impact on the policies and practices of the Library or information provided by the Library (e.g. materials selection, purchasing or web content) or to influence or alter the basic goals and objectives of Library Programmes;
5. Not allow corporate names and/or logos to have prominence over the Chatham-Kent Public Library name and/or logo;
6. Not seek or accept sponsorships for programmes, events, services or activities involving or targeted to children from companies whose products cannot legally be sold or distributed to children or from companies whose products are inappropriate for use by children;
7. Not allow direct marketing of products to children, except where relevant educational material is promoted in conjunction with programmes.

Third Party Fundraising

This policy covers any project:

1. That will require the use of Library resources, including staff time, rooms, equipment and images that belong to the Library; and/or
2. That will be targeted at an audience outside the existing membership of the group that wishes to undertake the project.

Conditions

Individuals, businesses, and organizations wishing to undertake a fundraising project on behalf of Chatham-Kent Public Library must present a fundraising plan in advance. As specified above, projects valued at \$5,000 or less can be approved by the CEO/Chief Librarian.

Those with values in excess of \$5,000 and/or those with legal or political implications shall be presented to the Library Board for approval. In no case will the Library be responsible for the costs of fundraising or for shortfalls in campaign goals.

The CEO/Chief Librarian must be consulted in advance prior to issuance of all materials, merchandise, and/or publicity produced in conjunction with the campaign.

Any public use of the name and/or logo of Chatham-Kent Public Library or of the Municipality of Chatham-Kent must be approved in advance by the Board or CEO/Chief Librarian as appropriate.

Refusal of Gift

CKPL may refuse the acceptance of a gift if deemed not beneficial to the organization. Donors will be advised accordingly. CKPL 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 CKPL;
- The gift is seeking to unduly influence access to Library business;
- The gift could financially jeopardize the donors and/or CKPL;
- The gift or terms are illegal;
- CKPL does not have the resources to honour the gift term or determine its value;
- False promises have been made; and/or
- 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.

The Library does not share, sell or trade donor lists.

RESPONSIBILITY TO DONORS

Ethics

All staff will conduct themselves in accordance with professional standards including accuracy, truth and integrity. CKPL will inform, serve, guide and otherwise assist donors who wish to support CKPL's activities but not to pressure or unduly persuade.

Conflict of Interest

Donors will be encouraged to consult a professional advisor of their choice to work with CKPL 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 CKPL shall in all cases 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, CKPL 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 CKPL is unable to carry out the restrictions set forth by the donor. CKPL 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/Chief Librarian and staff. Donations to CKPL will fund non-core and value-added services and programs and capital enhancements.

Expenditures

All undesignated donations will be directed to a specific purpose where they are most needed as deemed fit by the CEO/Chief Librarian, or designate. Pledges may be announced publically at the shared discretion of the donor and the Library. Donor recognition must be appropriately spent as per CRA guidelines (recognition should not exceed more than 10% of the gift).

Financial Management

Donated funds designated in the Library Trust Account or in a fund line that best describes the donor's wishes.

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Author: T. Sharpe

Background Documents: CKPL Trust Fund Policy, Privacy Policy, Donations Guidelines, replaces - Donations, Sponsorship and Third-Party Fundraising Policy.

For more information or alternative formats of this document, please email cklibrary@chatham-kent.ca.