

# Howe Library Corporation Gift Acceptance Policies

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- This document is to be reviewed by the board every five years.

## INTRODUCTION

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In order to protect the interests of the Howe Library Corporation, the Howe Library itself, and the persons who support its programs and services, these policies are designed to assure that all gifts to the Howe are structured to provide maximum benefits to the library while honoring, to the extent possible, the wishes of the donor.

The primary purpose of this policy statement is to promote financial support of the library without encumbering the institution with gifts that may prove to generate more cost than benefit nor that are restricted in a manner that is not in keeping with the stated goals of the library.

As needed, the Howe Library Corporation shall seek the advice of qualified legal counsel in matters pertaining to gift transfers, including any agreements, contracts, trusts, and other legal documents. Furthermore, donors are advised to seek advice from their personal financial advisors and counsel on taxes, all aspects of their gifts, and the terms being considered. Howe Library and Howe Library Corporation employees are not authorized to make these recommendations.

In order to optimize financial support from individuals, the Howe Library Corporation must be capable of responding quickly and positively (where possible and appropriate) to all gift proposals offered by prospective donors. It should be understood that except where stated otherwise, these policies are intended as guidelines, and that flexibility must be maintained as some gift situations can be complex and decisions made only after careful consideration of a number of interrelated factors. Therefore, these policies will in some instances require that the merits of a particular gift be considered by the Howe Library Corporation Board of Trustees and a final decision made only by that body.

All gifts must conform to relevant federal and state laws and regulations, and must be consistent with the library's and the corporation's current priorities, policies, and principles. The Board of Trustees has the opportunity and, in some cases, obligation to decline gifts that are materially or reputationally in opposition to the mission.

## **I. CURRENT (OUTRIGHT) GIFTS**

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### **A. Cash**

1. Cash, checks, and other cash-equivalent gifts shall be accepted regardless of the amount unless, as in the case of all gifts, there is a question as to whether the donor has sufficient title to the assets, is mentally competent to transfer the funds as a gift, and assuming any donor-imposed restrictions can be met.
2. All checks must be made payable to "Howe Library Corporation" and shall in no event be made payable to an employee, agent, or volunteer for the credit of the library.

### **B. Publicly-Traded Securities**

1. Securities that are traded regularly on the New York or NASDAQ Stock Exchanges, or other readily marketable securities, including shares of publicly-traded mutual funds, shall be accepted by the Howe Library Corporation.
2. In accordance with Internal Revenue Service regulations, securities are valued at the mean of the highest and lowest quoted selling prices on the date the securities are officially transferred.
3. Such securities will be immediately sold by the Howe Library Corporation through its agent or representative. In no event shall an employee or volunteer working on behalf of the library commit to a donor that a particular security will be held.

### **C. Closely-Held (Privately-Traded) Securities, Real Property (Real Estate), Tangible Personal Property (Collectibles), and Other Property**

1. The Howe Library Corporation does not have the capacity to accept gifts of closely-held securities, real property, tangible personal property, or most other property at this time. As stated in the introduction, the Board of Trustees reserves the right to make exceptions to this policy as circumstances may warrant.

## **II. PLANNED (DEFERRED) GIFTS**

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In general, deferred gifts will be allocated to the Howe Library Corporation's Endowment Fund, rather than the operating budget, and will be documented by a Board resolution. Planned gifts of trusts and funds should be discussed with the appropriate Corporation Development staff to ensure their acceptability.

## **A. Bequests**

1. Gifts through wills (bequests) and other deathtime charitable transfers (life insurance contracts and retirement plans) shall be actively encouraged.
2. Gifts from the estates of deceased donors consisting of property that are not acceptable shall be disclaimed only by action of the Board of Trustees. The Chair of the Corporation shall communicate the decision of the Board of Trustees to the legal representative of the estate.
3. Efforts shall be made to identify bequest expectancies wherever possible in order to avoid donor relations difficulties in the future. Where possible and practical, intended bequests of property other than cash or marketable securities, or gifts with restrictions, should be brought to the attention of the staff and Trustees, and efforts should be made to encourage the donor(s) to conform plans to stated policies.

## **B. Charitable Remainder Trusts (Unitrusts and Annuity Trusts)**

1. The Howe Library Corporation welcomes and encourages donors to name the Corporation as the beneficiary of a charitable remainder trust. However, the Corporation will not serve as sole or co-trustee of a charitable remainder trust. Exceptions to this policy may only be made by the Board of Trustees.
2. Under no circumstances shall the fees for management of a charitable remainder trust be paid by the Corporation, nor will any persons acting on behalf of the Corporation make any representations as to the manner in which charitable remainder trust assets are to be managed or invested by a corporate fiduciary.
3. Charitable remainder trusts shall not be marketed as tax avoidance devices or as investment vehicles as it is understood such activity may violate federal and/or state securities regulations.

## **C. Pooled Income Fund**

1. The Corporation does not offer a pooled income fund at the present time. However, a donor can choose to participate in a general pooled income fund offered by an outside organization.

## **D. Charitable Gift Annuities (Immediate and Deferred)**

1. The Howe Library Corporation does not issue or administer charitable gift annuities at this time. However, the Howe Library Corporation may be named as a beneficiary of a charitable gift annuity that is managed by another institution.

## **E. Charitable Lead (Income) Trusts**

1. The Howe Library Corporation will not serve as sole or co-trustee of a charitable lead trust that names the Corporation as a charitable income beneficiary.
2. Under no circumstances shall the fees for management of a charitable lead trust be paid by the Corporation, nor will any persons acting on behalf of the Corporation make any representations as to the manner in which charitable lead trust assets are to be managed or invested by a corporate fiduciary.

## **F. Life Estate Gifts (Retained Life Estate or Tenancy)**

1. Gifts of real property to the Howe Library Corporation under which the donor maintains a life estate in the property cannot be accepted at this time.

## **G. Life Insurance**

1. The Corporation will encourage donors to name the Corporation to receive all or a portion of the benefits of life insurance contracts that have been purchased on their lives.
2. The Corporation will not agree to accept outright gifts from donors for the purpose of purchasing life insurance on the donor's life.

# **III. RESTRICTIONS**

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## **A. Restrictions on Use and Investment of Gifts**

1. Unrestricted gifts of any size to the Howe Corporation's operating budget or endowment fund will be encouraged and accepted.
2. Gifts with donor-imposed restrictions are subject to the approval of the Board of Trustees unless restrictions are to Trustee-approved campaigns or funds.
3. A named, restricted, permanent (or temporarily restricted) endowment fund for approved purposes may be established with a minimum gift of \$100,000.
4. Restricted gifts, for current use or for endowment, must be documented by a gift agreement that is signed by the donor and the Board Chair or designee. The gift agreement must stipulate the use of the funds and include a contingency statement allowing alternative uses of the income if the donor's original purpose is no longer practical, necessary, desirable, or possible.

5. Gifts to the endowment will be managed in accordance with the Corporation's investment policy, subject to review by the Finance Committee and the established endowment spending rule.

#### **IV. GENERAL**

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##### **A. Confidentiality**

1. All information received from prospects and donors regarding their assets, heirs, gifts, advisors, and other personal information shall remain strictly confidential, with only those staff members, Trustees, and volunteers with a "need to know" having access to such information.

##### **B. Role of Howe Library Corporation Employees**

1. The primary development role of Howe Library Corporation employees shall be to inform, serve, guide, and assist prospects and donors in reaching their philanthropic goals. All personnel employed to promote or administer charitable gifts, including consultants and advisors, shall be paid a salary, wage, or fee and shall never be compensated with a commission on such gifts.