



GIFTS AND DONATIONS POLICY

The Foundation for the Advancement of Christian Libraries (a.k.a. The Association of Christian Librarians) (hereafter referred to as ACL) solicits and accepts gifts for purposes that will help the organization further and fulfill its mission. ACL urges all prospective donors to seek the assistance of personal, legal, and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences. The following policies and guidelines govern acceptance of gifts made to ACL for the benefit of any of its operations, programs or services. The ACL Executive Director (mazelinj@acl.org or 937-766-2255) is the contact for all inquiries regarding gifts and donations to the organization.

Use of Legal Counsel – ACL will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel will include but not be limited to:

- A. Gifts of securities that are subject to restrictions or buy-sell agreements.
- B. Documents naming ACL as trustee or requiring ACL to act in any fiduciary capacity.
- C. Gifts requiring ACL to assume financial or other obligations.
- D. Transactions with potential conflicts of interest.
- E. Gifts of property which may be subject to environmental or other regulatory restrictions.
- G. Gifts with unusual restrictions.

Restrictions on Accepting Gifts – ACL will not accept gifts that (a) would result in ACL violating its corporate charter; (b) would result in ACL losing its tax-exempt status under Internal Revenue Code §501(c)(3); (c) are too difficult or too expensive to

administer in relation to their value; (d) would result in any unacceptable consequences for ACL, including but not limited to liability exposure, financial loss, fines or penalties, or violation of law; or (e) are for purposes outside ACL's mission. Decisions on acceptance or refusal of a gift shall be made by the ACL Board, in consultation with the ACL Executive Director, ACL Business Manager, and legal counsel. The attached Appendix A provides guidance for decision makers when considering restricted gifts.

Gifts Generally Accepted Without Review—

- *Cash.* Cash gifts are acceptable in any form, including by check, money order, credit card, or on-line. Donors wishing to make a gift by credit card must provide the card type (e.g., Discover, Visa, MasterCard, American Express), card number, expiration date, and name of the card holder as it appears on the credit card.
- *Marketable Securities.* Marketable securities may be transferred electronically to an account maintained at one or more brokerage firms or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached. All marketable securities will be sold promptly upon receipt unless otherwise directed by ACL's Board of Directors, Executive Director, and Business Manager. In some cases marketable securities may be restricted, for example, by applicable securities laws or the terms of the proposed gift; in such instances the decision whether to accept the restricted securities shall be made by the ACL Board.
- *Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans.* Donors are encouraged to make bequests to ACL under their wills, and to name ACL as the beneficiary under trusts, life insurance policies, commercial annuities and retirement plans.
- *Charitable Remainder Trusts.* ACL will accept designation as a remainder beneficiary of charitable remainder trusts.
- *Charitable Lead Trusts.* ACL will accept designation as an income beneficiary of charitable lead trusts.

Gifts Accepted Subject to Prior Review — Certain forms of gifts or donated properties are subject to review by the ACL Board prior to acceptance. Examples of gifts subject to prior review include, but are not limited to:

- *Tangible Personal Property.* The ACL Board shall review and determine whether to accept any gifts of tangible personal property in light of the following considerations: does the property further the organization's mission? Is the property marketable? Are there any unacceptable restrictions imposed on the property? Are there any carrying costs for the property for which the organization may be responsible? Is the title/provenance of the property clear?
- *Life Insurance.* ACL will accept gifts of life insurance where ACL is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy.
- *Real Estate.* All gifts of real estate are subject to review by the ACL Board. Prior to acceptance of any gift of real estate other than a personal residence, ACL shall require an initial environmental review by a qualified environmental firm. In the event that the initial review reveals a potential problem, the organization may retain a qualified environmental firm to conduct an environmental audit. Criteria for acceptance of gifts of real estate include: Is the property useful for the organization's purposes? Is the property readily marketable? Are there covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property? Are there carrying costs (including insurance, property taxes, mortgages, notes, or the like) or maintenance expenses associated with the property? Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?

APPENDIX A UNRESTRICTED AND RESTRICTED GIFTS

While ACL encourages donors to make unrestricted gifts, restricted gifts may be accepted for particular purposes or projects, as specified by ACL. When a donor wishes to make a restricted gift, that donor shall determine gift parameters in advance with ACL Executive Director and/or President. Such parameters may include the following:

1. Donation amount and type
2. Restrictions and designation
3. Gift date
4. Distribution term
5. Reporting requirements
6. Provisions for disposition of gifts when the purpose or project terminates or becomes impossible to achieve.

The following information regarding restricted gifts should also be considered:

- A restricted gift is one that can be used only for a particular purpose, in a particular geographic area, or within a particular time frame. For example, a donor can place restrictions that require the gift to be used for a particular program or to not be used on overhead expenses.
- Restrictions may be placed on gifts through a variety of means, including verbal representations, written correspondence accompanying a gift, gifts received in response to solicitations for particular projects, monetary instruments containing restrictions within the terms of the instrument (i.e. memos on checks), or any other communication indicating an express or implied restriction.
- A restricted gift should not be confused with an endowment. An endowment is a type of restriction that generally prohibits expenditure of the principal of the gift. ACL should avoid restrictions that could cause a gift to be an endowment. In its donor communications, ACL should not use the word “endowment” or any other terminology indicating that a gift is not wholly expendable on a current basis.
- When an organization accepts a restricted gift, it accepts the donor’s restriction and must honor that restriction. If the organization uses the gift for other purposes, the organization risks adverse legal consequences and damage to donor relationships. However, it is not always so obvious when that misuse

occurs, especially when both parties' understanding of the original restriction is unclear.

- To improve clarity about donor intent, ACL should use the following practices for communications with prospective donors:
 - Create checklists of specific topics or phrases that may indicate the donor is thinking about giving a gift with restrictions or conditions (e.g., expressed interest in a very specific program).
 - Set up a method for documenting when certain conversations with prospective donors have taken place on the topics of donor intent, gift restrictions, and gift conditions which will require extra attention moving forward.
 - Train those involved in the major gifts program on the basic concept of restricted and conditioned gifts, and create guidelines for communications with prospective donors (e.g., cannot make promises or assertions on behalf of the organization that the prospective donor may rely on).

- Tips for accepting restricted or conditioned gifts:
 - Don't make promises the organization can't keep. Consider questions such as: Are there any undue restrictions on the use, display, or sale of the property? Are there any carrying costs for the property (insurance, lease space, maintenance to preserve value, appraisal for sale purposes) and are they unrealistic long-term expenses?
 - Ensure the gift restriction is in line with the organization's mission. Avoid gifts that already pose potential problems.
 - Ensure the gift restriction has a net positive impact on the organization.