



GIFT ACCEPTANCE POLICIES AND GUIDELINES

The San José Public Library Foundation (SJPLF), a not for profit 501(c)(3) organization organized under the laws of the State of California, encourages the solicitation and acceptance of gifts to SJPLF (hereinafter referred to as the Foundation) for purposes that will help the Foundation to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to the Foundation or for the benefit of any of its programs.

The mission of the SJPLF is to provide advocacy, financial support, and leadership to our public libraries and educational programs throughout San José to create an educated, equitable, and engaged community.

I. Purpose of Policies and Guidelines

1. The Board of Directors of SJPLF and its staff have the authority to solicit and accept gifts on behalf of the Foundation in compliance with this Policy to secure the future growth and mission of the Foundation.
2. Upon action of the Board of Directors, the Executive Committee of the Board or the President of the Board, a gift review committee may be established, consistent with the Foundation's organizational documents, for the purpose of reviewing proposed gifts. The gift review committee may accept or reject the gift and make its recommendations to the Board on gift acceptance issues.
3. The Foundation's acceptance of any gift is at the discretion of the Foundation. The Foundation will not accept any gift:
 - a. unless it can be used or expended consistent with the Foundation's purpose and mission; and/or
 - b. if it may potentially jeopardize the Foundation's tax-exempt status or violate the Foundation's policies, or local, state, or federal laws.
4. SJPLF urges all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. The Foundation works to follow the Model Standards of Practice for the Charitable Gift Planner promulgated by the National Committee on Planned Giving.
5. The Foundation will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. The Foundation will charge a 15% administrative fee on all restricted gifts that are \$1,000 or greater. The Foundation will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the corporate charter, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of the Foundation. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Board of Directors or the gift acceptance committee of the Foundation.

II. Types of Gifts

1. Cash. The Foundation will accept all unrestricted gifts of cash or cash equivalents, regardless of amount. Checks or money orders must be made payable to the SJPLF and may not be made payable to any individual representing the Foundation.
2. In-Kind Gifts. The Foundation will accept, in its discretion, gifts of in-kind services or goods, including tangible personal property, if they directly serve a need of the Foundation. Otherwise, acceptance of an in-kind gift will be at the discretion of the board or the gift review committee.

The Foundation will generally accept unrestricted, tangible personal property if determined to be in the best interest of the Foundation. Tangible personal property may include art, furniture, jewelry, equipment, cars, boats, and any other personal item owned by a donor. In deciding whether or not to accept tangible personal property, the Foundation will consider:

- (a) The carrying costs for the property, including maintenance and repairs.
 - (b) The cost of insurance.
 - (c) Storage and transportation costs.
 - (d) The marketability and cost of selling.
3. Publicly Traded Securities. The Foundation will accept readily marketable securities. Marketable securities are likely to be sold immediately by the Foundation.
 4. Gifts Subject to Review. Certain other gifts must be reviewed by the board of directors or the gift review committee prior to acceptance. Gifts subject to review include but are not limited to:
 - a) Closely held securities, including interests in limited partnerships and limited liability companies.
 - b) Real property.
 - c) Life insurance policies.
 - d) Life estate gifts. No review is necessary if the Foundation is named a remainder beneficiary of a charitable remainder trust with no other obligations.
 - e) Annuities.
 - f) Endowments.
 - g) Restricted gifts.
 - h) Gifts whose source or value is not transparent.

In conducting the review, the Board or gift review committee must consider any obligations created or liabilities posed by the gift for the Foundation, including but not limited to:

- a) Marketability of the gift.
- b) Carrying costs.
- c) Appraisal costs.

- d) Ongoing fiduciary obligations.
- e) Environmental liabilities for gifts of real property.
- f) Issues with title.
- g) Reputational harm from accepting the gift.
- h) Restrictions on use of the gift, both imposed by the donor and legally, such as conditions, covenants, easements, liens, or encumbrances.

III. Use of Legal Counsel

1. Legal counsel shall be engaged where appropriate when the Foundation is determining the acceptability of a gift. Review by counsel is recommended for:
 - a) Gifts of securities subject to buy-sell agreements or other restrictions.
 - b) Gifts involving contracts or other legal documents requiring the Foundation to assume an obligation.
 - c) Gifts naming the Foundation as a trustee or imposing a fiduciary obligation.
 - d) Gifts with potential conflicts of interest that have the potential for IRS sanctions.
 - e) Gifts of real estate.
 - f) Gifts establishing an endowment fund.
 - g) Other instances in which the board of directors or the gift review committee deem the use of counsel appropriate.
2. The Foundation will not provide advice about the tax or other treatment of gifts and will encourage all prospective donors to seek guidance from their own legal counsel and financial advisors relating to their gifts. Any legal counsel engaged by the Foundation is employed by the Foundation and does not act on behalf of the donor.

IV. Miscellaneous Provisions

1. Valuation of Gifts Other Than Cash and Publicly Traded Securities. Where appraisals are needed to determine the value of the gift, the donor shall in most circumstances be responsible for obtaining an independent appraisal.
2. Acknowledgment of Gifts. The Foundation will provide acknowledgments to donors meeting the Internal Revenue Code's substantiation requirements for property received by the Foundation as a gift, including completing required tax forms where applicable, such as Form 1098-C for Contributions of Motor Vehicles, Boats, Airplanes. The Chair, Executive Director, or their designee shall be responsible for providing acknowledgments and completing necessary forms.
3. Fees. The Foundation will not compensate, whether through commissions, finders' fees, or other means, any third party for directing a gift or donor to it.
4. IRS Filings. The Foundation will complete all filings required by the IRS of the Foundation in connection with gifts received by the Foundation. The Foundation is not

responsible for completing any IRS filings required of the donor.

5. Changes to Gift Acceptance Policies. The Board of Directors, by majority vote of the members present and voting, shall have the authority to make any changes to this Gift Acceptance.

Approved on the 19th day of August, 2020.



Chair, Board of Directors, The San José Public Library Foundation