

SBL Development Policy : Fundraising, gifts, donations & sponsorships¹

I. Statement of Purpose

The purpose of this policy is to establish the procedures and rules applicable to development activities and gifts at the Saxton B. Little Library, hereafter referred to as the Library. Development activities enhance the Library's resources and promote awareness of the Library. These may include an annual appeal, solicitations of gifts and bequests, campaigns to build the Library Fund or other fundraising efforts in support of the operations or projects of the Library.²

II. Implementation & Expenses

The Board of Directors recognizes that effective development activities require the expenditure of funds and may effect the operations of the Library. All fundraising activities need to be designed in collaboration with the Library Director. Costs in excess of budgeted amounts and/or in excess of \$500.00 must be approved by the Board of Directors.³ Income in excess of budgeted expenses shall be used in accordance with Library Fund Policy.⁴

III. Donor Relations

Saxton B. Little Library is committed to the respectful treatment of donors. Donors will be treated professionally and with confidentiality by Board and staff. All donors will be informed of the Library's mission and will be assured that gifts will be utilized in accordance with predetermined and agreed upon guidelines.⁵

The Saxton B. Little Library will not assess or suggest a value for non-monetary gifts for income tax or other purposes; any letter of acknowledgement will not contain a statement of value.⁶ All gifts will be formally acknowledged by the Library Director or Board.⁷

IV. Acceptance of Gifts

The Library Board of Directors and staff reserve the right to refuse any gift. Because a library does not serve the function of a museum, gifts of items for permanent display or preservation are not normally accepted.

Once a gift is accepted by the Library, it becomes the property of the Library, and may be disposed of accordingly. The gift will not be returned to the donor.⁸

A. Donation of materials

The Library accepts donations of materials in usable condition. Materials may be added to the Library's collection as prescribed in the Collection Development Policy. Materials not added to the collection are accepted on behalf of the Friends and are typically included in book sales to benefit the Library.⁹

B. Unrestricted gifts of money, Honor & Memorial Gifts

Unrestricted monetary, honor, and memorial gifts are gratefully accepted to be used at the discretion of the Library Director in support of the Library's mission and in support of existing Library policies. Purchases funded by honor and memorial gifts will include an identifying recognition and staff will work with the donors in support of their wishes, Library needs and policy. The Director will consult with the Board on use of funds greater than \$500.00.¹⁰

C. Restricted Gifts of money, Gifts in kind and all Gifts of Consequence or Deeds of Gifts

Since monetary gifts with restrictions are expensive to handle, expend, and track, the library discourages restricted gifts. Restricted gifts, gifts-in-kind (i.e., furnishings, equipment, art, and other decorative objects) and all gifts of consequence (i.e., real property, stocks, annuities, and large monetary gifts) will be considered individually and accepted at the discretion of the Library Board of Directors in consultation with the Library Director.¹¹ No gift or grant will be accepted on which the donor places restrictions or special conditions, unless those restrictions or conditions are specifically accepted by the Board of Directors in consultation with the Library Director.¹²

Named funds shall not be created unless the gift is valued at \$5000.00 or greater.¹³

V. Relationships to other Organizations¹⁴

Saxton B. Little Library's primary objective for entering into formal relationships with other organizations and business enterprises should be to: 1. help the Library achieve its mission; 2. fulfill a specific need in relationship to a current goal or objective; 3. to benefit as much as possible from a reciprocal relationship.¹⁵

Whenever possible and feasible, the Library will seek funding from a variety of sources. The Library will exercise special caution so that in circumstances when single support is granted, the Library avoids any conflict of interest and guards against any perception of conflict of interest.¹⁶

A. Corporate Sponsorships¹⁷

A1. Definition & Consistency with Mission.

"Corporate Sponsorship" means a contribution made from a business (either in cash or in kind) that is provided as a donation to support specific programs, activities or events of the Saxton B. Little Library. The Library will not partner with a business whose products or purposes are at odds with the Library's mission.

A2. Review and Approval

Any proposed corporate sponsor must be reviewed and approved by the Library Director and the Board of Directors to ensure that the arrangements are consistent with the Library's mission, goals, and that any potential conflicts of interest are disclosed and addressed. Each corporate sponsor must agree to the Library Director's review and approval of all marketing materials prepared by the sponsor bearing the Library's name or identifying information prior to publication or dissemination.

A3. No Endorsement

Saxton B. Little Library does not endorse its corporate sponsors, their policies, products or services, nor imply that the Library will exert any influence to advance the corporation's interest outside the particulars of the arrangements made for the sponsored event or activity.

A4. Written Agreement

The terms, conditions and purposes of the financial support will be documented by a signed agreement between the corporate sponsor and the Library. The agreement will identify whether any of the payments from the sponsor are for advertising.

A5. No Free Advertising¹⁸ or Return Benefits

Sponsors are making a contribution to support the Library's mission and are not entitled to receive free advertising (as that term is defined by the Internal Revenue Code (IRC) or the Internal Revenue Service (IRS) rules and regulations) or other substantial return benefits from the Library. The Library may, in its sole discretion, provide acknowledgements of a sponsor's contributions; however, sponsors are not entitled to such acknowledgements as a condition of their contributions.

A6. Acknowledgements

Consistent with federal tax laws, the Library may acknowledge the sponsor's support for the Library through a corporate sponsorship payment in materials and activities and may include acknowledgments of the business' financial support. Such acknowledgments may identify the sponsor's name, logo, slogan, locations, telephone numbers or website addresses as long as such acknowledgments do not include comparative or qualitative descriptions of the company's products, services or facilities, price information or other indications of savings or value associated with the company, a call to action, an endorsement or inducement to buy, sell or use the sponsor's product or services. Any acknowledgement of corporate sponsorships will be created by or subject to prior review and approval by the Library Director of the Library Board of Directors.

A7. No product promotion

Sponsors are not permitted to advertise, market, or otherwise promote specific products or services in connection with their sponsorship. Products or services may be listed or displayed at the sponsored event as long as no endorsement is implied.

A8. Corporate control

Sponsors will not control the planning, content, or execution of any sponsored event and shall not attempt to direct or influence the content.

A9. Indemnification/Insurance

Where appropriate, the Library will ensure that sponsoring organizations agree to appropriate indemnification and hold harmless provisions to protect the Library, its officers, director and employees and agents against any liability that might arise out of a the sponsoring organization's acts or omissions to a particular agreement, including but not limited to any acts or omissions related to the marketing, sale, dissemination, and /or use of a company's products. The Library may also require the business to add the Library to the sponsor's liability insurance where appropriate.

A10. Termination

The Library reserves the right to terminate any corporate sponsorship if the sponsor or its representatives or agents engage in conduct that would lead the Library to reasonably determine that continued affiliation with the company would lead to an adverse effect for the Library. In the event of such termination, the Library will relinquish the sponsor's contribution and return all unused funds. In such cases, the sponsor may not use the Library's name without written approval.

B. Granting Agencies

The Library will not enter into a grant agreement which conflicts with its mission or policies. Grant applications and stipulations will be evaluated under the same terms and conditions as corporate sponsorships and may be accepted and executed under the same expectations.

VI. Policy Administration

It is the responsibility of the Library Board of Directors, Library Director and library staff to follow applicable laws relating to donations and Library policy. All parties should be made aware of the basic rule: donors must actually give away funds; they cannot receive goods and services in return for their gifts, nor can they obtain dividends or return on their investment. If a donation does not follow this rule, the donor may lose his/her tax deduction and the Library could lose its tax exempt status.¹⁹

The Library Director shall report back to corporate sponsors, grantors and the Library Board of Directors at least annually on all related funds and applicable issues. S/he will also be responsible for change in charitable solicitation laws as applicable to particular circumstances.

¹ This document was reviewed in comparison with the Association of Fundraising professional's Code of Ethical Principles and Standards to assure that all aspects were addressed. All sections of this policy have been "borrowed" from other well established organizations as noted. Many places divide this policy into separate policies: Gifts, Corporate Sponsors, etc. I have combined them.

² Westport Public Library Development Policy, Westport CT

³ Westport policy says all activities, we wish to exclude Friend's book donations, memorial gifts or small fundraising projects (i.e. calendar sales). The \$500.00 cut off is in keeping with the established Board guidelines regarding budget line item spending.

⁴ This is in support of existing policy.

⁵ Adapted from A Donor Bill of Rights developed by Association of Fundraising Professionals

⁶ "Gift & Donation Policy" Kent Pubic Library, Kent Lakes, NY; "Gifts, Fundraising & Friends" D.R. Evarts Library, Athens, NY

⁷ "Gifts, Fundraising & Friends" D.R. Evarts Library, Athens, NY

⁸ Monroe County Public Library, Monroe, Indiana

⁹ "Gift Policy" Town of Pelham Public Library, Pelham, NY

¹⁰ Follows current practice.

¹¹ "Gift Policy" Monroe County Public Library, Monroe, Indiana

¹² "Gifts, Fundraising & Friends" D.R. Evarts Library, Athens, NY

¹³ No documentation found on this issue. My rational – a named fund take additional administrative efforts and needs to be of a substantial enough value that they will not be quickly and easily exhausted. It should be an amount that has potential investment value in and of itself.

¹⁴ The Council of Non Profits cautions all non profits to be considered in their relationships with other organizations and the association that is made, noting a non profit "...must be careful because their own image can be tarnished by relationships with their partners."

¹⁵ American Library Association Policy 9. Relationships to Other Organizations

¹⁶ National Council of Nonprofits

¹⁷ This text for this entire section (all 10 items) is taken directly from the Developing Policy Guidelines on Corporate Sponsorships template produced by the National Council of Nonprofits ; the text is also used verbatim by the Young Adult Library Service Association, the American Library Association and several libraries too numerous to list.

¹⁸ Note: In such circumstances and partnerships, the Library needs to be aware that if the business is advertising for the library, some or all of the money earned or donated will be considered income in return for advertising, which is taxable for the Library. Council of Non Profits, and verified on CT Dept of Revenue website.

¹⁹ Taken from GuideStars' Article "Fundraising: What Laws Apply ; GuideStar is a professional fundraising company, verified by Council of Non Profits, and found on CT Dept of Revenue website