



11.08 **GIFT ACCEPTANCE AND FUND MANAGEMENT** **POLICY**~~GIFT FUND POLICY~~

LIBRARY

Enabling Legislation: Library Board Action

Date Adopted: 03/11/15

Revised: 03/10/17, 09/11/24, 5/14/2025

POLICY

Gifts are important to the library. Not only do donations of books and other library materials improve the library's collection, but other kinds of gifts can also enhance library services in many ways. This policy is designed to establish how gifts of various types will be accepted and handled by library staff.

It is the policy that all gift monies donated to the Northfield Public Library will be deposited into gift fund accounts managed by the City. ~~These funds may not be expended without the prior permission of the Library Board.~~

Monetary Donations:

Donations will be categorized upon receipt as Designated, Undesignated, or Capital Fund, based on the donor's intent.

~~At the time of the donation, each gift will be identified as falling within one of four categories, which will distinguish how the gift shall be used.~~

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Designated

Donations and grants with a specific purpose (i.e. audiovisual materials, Adult programming, Children's literature etc.) shall be classified as Designated and will be deposited in the Designated account of the Library Gift Fund for the stated purpose. Designated funds should be expended within the year of the donation unless the donor stipulates the establishment of an ongoing Designated Gift Fund. In this case, a specific named fund will be established within the Library Gift Funds budget.

Undesignated

Donations and grants with no specified purpose other than general support of the library shall be classified Undesignated and will be deposited in the Undesignated account of the Library Gift Fund.

~~During the first quarter of the fiscal year, the Board will review staff budget requests for the expenditure of Undesignated Gift Funds and recommend distribution of these funds.~~



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Capital Fund

Donations and grants with the specified purpose of library expansion, major remodeling or other non-operating expenditures shall be classified Capital Fund and will be deposited in an established Capital Fund account. The Capital Fund will be preserved for library expansion, major remodeling or other expenditures outside the regular scope of the operating budget. Library expansion could include: costs related to feasibility studies, architectural fees and other preliminary expenses to a building project, and furnishings and equipment that may be needed to make the new or remodeled space function as intended.

Endowed Foundation Funding

Donors who wish to include the Friends and Foundation's endowment fund in their estate planning may do so. Foundation funding enhances, and does not supplant, the public funding received by Northfield Public Library. Endowment funds are invested with only a portion of the annual earnings expended each year, so the endowment can remain in perpetuity. The Library recognizes the importance of planned gifts in enhancing the library's programs, facilities and collections in establishing the Endowment Fund. These gifts are considered true Endowment funds; for the purposes of this Policy, Endowment Funds are gifts placed into a permanent fund, the principle of which may not be withdrawn. Gifts of over \$5,000 may be used to set up a named, true endowment.

Gift Fund Regulations

- Upon the recommendation of the Library Board, the City Council of Northfield makes the final decision on acceptance of monetary gifts. The City of Northfield retains ownership of Library Gift funds, but these funds can only be expended at the direction of the Library Board.
- Checks shall be made payable to the Northfield Public Library. In no event shall a check be made payable to an individual who represents the library in any capacity.
- Gifts to the library, a governmental unit, may qualify as a tax deduction; donors will have to consider their particular circumstances for the specific effect and should consult with their tax advisor.



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Endowment Fund Regulations

- ~~The Endowment Fund is part of the Northfield Public Library's assets. Investment funds shall be managed by the City's Finance Department. The Library Board shall receive quarterly reports from the Finance Department.~~
- ~~The library may accept a wide variety of Endowment Fund gifts such as:~~
 - ~~Readily marketable securities, such as those traded on a stock exchange~~
 - ~~Closely held securities~~
 - ~~Real estate~~
 - ~~Life insurance~~
- ~~Planned giving can be bequests or other deferred giving through estate planning or outright gifts.~~
- ~~The library encourages deferred gifts in its favor through any of a variety of vehicles such as:~~
 - ~~Charitable or deferred gift annuity~~
 - ~~Pooled income fund~~
 - ~~Charitable remainder trust~~
 - ~~Charitable lead trust~~
 - ~~Bequest~~
 - ~~Retained life estate~~
- ~~The library or its agent shall not act as a personal representative or executor for a donor's estate or as a trustee of a charitable remainder trust.~~
- ~~An Endowment Fund gift may be any vehicle by which assets are transferred to the Northfield Public Library directly by the donor or by the donor's agent upon the death of the donor. The assets may be in any form, such as cash, securities, personal property, or real property and should identify the Northfield Public Library as the beneficiary.~~

Non-Monetary Gifts:

The library may accept unconditional gifts of books, media, artwork, equipment, furnishings, and other items when appropriate. Donors are encouraged to consult with the Library Director before donating physical items, considering the library's limited space and resources.



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Once accepted, these gifts become the property of the library and may be used, sold, or disposed of at the discretion of the Director of Library Services.

Books and Library Materials

All donations of library materials will be accepted on the condition that the library has the authority to add them to the collection, to sell them or to do whatever seems most advantageous for the library. Special collections of books will not be accepted with binding conditions, e.g. that the collection must be shelved as a collection or that it can never be deaccessioned. Memorial donations of library materials will be accepted if they meet the criteria which library staff would apply to materials selected for the library's collection; gifts of money to be used to purchase memorial materials will be accepted and library staff will choose materials within suggested parameters, provided these suggestions fit the library collection. Once added to the collection, all gifts of library materials are subject to the same criteria for weeding as are any other materials.

Gifts of personal property, art objects, antiques and other items of monetary value

Gifts of this type may be accepted if they are specifically related to library objectives. Since space for display of art is limited, gifts of art and antiques should be encouraged only as they meet the needs of the library collection. It is the responsibility of the donor to appraise non-cash donations. These donations will be considered on an individual basis and will be accepted upon such terms and conditions as the Director of Library Services may seem appropriate. These gifts will be recognized as a part of the annual acceptance of gifts by the City Council in January or February of the year following the gift.

Donor Recognition for all Gifts

- The library will provide written acknowledgment to the donor of Designated, Undesignated, Capital Fund or Endowed Funds which clearly describes the nature of the gift.
- Unless anonymity is specifically requested and with full respect for donor privacy, donors to the Northfield Public Library or the Friend and Foundation of the Northfield Public Library will be recognized.



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Responsibilities of the Library Board

- ~~Review and approve staff requests for Gift Fund expenditures~~
- The library will provide written acknowledgment to the donor which clearly describes the nature of the gift.
 - Unless anonymity is specifically requested and with full respect for donor privacy, donors to the Northfield Public will be recognized.
- ~~Gifts are reported to City Council annually. Report to the Northfield City Council on the status of assets, expenditures and plans for Gift Funds on an annual basis.~~

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Adopted by The Northfield Public Library Board March 11, 2015.

Revised and Adopted by The Northfield Public Board May 10, 2017.