



NORTHFIELD PUBLIC LIBRARY GIFT FUND POLICY

POLICY STATEMENT

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.

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.

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.

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 future library expansion, major remodeling or other expenditures outside the regular scope of the operating budget.

Future 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 Fund

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the purposes of this Policy, Endowment Funds are gifts placed into a permanent fund, the principle of which may not be withdrawn.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

1. 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.
2. 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.

3. Gifts to the library, a governmental unit, may qualify as a tax deduction; the donor will have to consider his or her particular circumstances for the specific effect and should consult with his or her tax advisor.

ENDOWMENT FUND REGULATIONS

1. 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's Gift Fund committee shall receive quarterly reports from the Finance Department and report to the Library Board as a whole on a quarterly basis.
2. The library may accept a wide variety of Endowment Fund gifts such as:
 - a) Readily marketable securities, such as those traded on a stock exchange
 - b) Closely held securities
 - c) Real estate
 - d) Life insurance
3. Planned giving can be bequests or other deferred giving through estate planning or outright gifts.
4. The library encourages deferred gifts in its favor through any of a variety of vehicles such as:
 - a) Charitable or deferred gift annuity
 - b) Pooled income fund
 - c) Charitable remainder trust
 - d) Charitable lead trust
 - e) Bequest
 - f) Retained life estate
5. 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.
6. 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.

DONOR RECOGNITION FOR ALL GIFTS

1. 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.
2. Unless anonymity is specifically requested and with full respect for donor privacy, Donors to the Northfield Public Library or the Friends and Foundation of the Northfield Public Library will be recognized.

RESPONIBILITIES OF THE BOARD

1. Establish a Gift Fund committee that meets as needed to review Gift Funds reports.
2. Review and approve staff requests for Gift Fund expenditures.
3. Report to the Northfield City Council on the status of assets, expenditures and plans for Gift Funds on annual basis.

Adopted by
Northfield Public Library Board
March 11, 2015