POLICY

Columbus Metropolitan Library Foundation (the "Foundation") is an organization recognized as exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, with a mission to operate for the charitable, educational, scientific and literary purpose of advancing the long-range goals, objectives and priorities of the Columbus Metropolitan Library (the "Library").

The Foundation shall accepts gifts that are consistent with its mission and all applicable laws and shall manage and administer such gifts as directed by the Board of Trustees of the Foundation (the "Board").

A. OUTRIGHT GIFTS

Outright donations of cash, marketable securities, closely held stock, tangible personal property, real property and other types of transferable assets (in each case subject to the limitations set forth below):

1. Cash and Equivalents. Gifts of cash, checks and credit cards are accepted regardless of the amount or method of delivery, including electronic fund transfers and processing through secure third-party vendors.

2. Marketable Securities. Marketable securities are accepted by way of transfer through any financial institution or brokerage account maintained by the Foundation for such purposes at any given time, or through physical delivery of the certificate along with appropriately executed stock or bond powers. The Board shall designate an agent to sell such shares as quickly after receipt as is prudent and possible; provided however, that in rare circumstances, upon the recommendation of both the Director of Development and the Board Treasurer, the Foundation, with the approval of the Board, may make an exception to this rule. The Foundation shall send donors gift acknowledgement letters indicating the date of receipt of the donated shares, as well as a description of such shares.

3. Closely-held Securities. "Closely-held" securities include, but are not limited to, debt and equity positions in non-publicly traded companies, interests in limited partnerships and limited liability companies and other forms of ownership interests. Closely-held securities are accepted subject to review and approval by the Board Treasurer and the Director of Development, who will evaluate the closely-held securities to determine the marketability of such securities within a reasonable period of time after receipt thereof; and whether the acceptance or subsequent sale of such security will generate any material adverse tax consequences or an incurable conflict of interest.

B. BEQUESTS

Gifts and Bequests through a donor's will, charitable remainder trusts, charitable lead trusts, charitable gift annuities, pooled income funds, life insurance policies, individual retirement accounts and other tax-deferred retirement plans and other planned gift vehicles as may become available from time to time.

1. Bequest Notifications. The Foundation shall encourage donors to provide the Foundation with early notification of their bequest to ensure that requests and restrictions can be honored, and that appropriate recognition of the gift is given by the Foundation.

2. Restrictions. The Foundation, its employees, board members and agents shall not

   (a) act as an executor of an estate;
   (b) knowingly act as a witness to a will or to a living trust that names the Foundation as a beneficiary; or
   (c) draft wills for donors, except that it may provide sample bequest language for consideration by a donor and his or her legal counsel and may suggest changes to a donor's bequest language, in each case under the guidance of the Director of Development, as appropriate. A disclaimer statement approved by the Foundation's legal counsel shall accompany the provision of any such bequest language to the donor or the donor's legal counsel.

C. GIFTS IN KIND/TANGIBLE PERSONAL PROPERTY

Donations of gifts-in-kind/tangible personal property may be accepted by the Foundation.

1. Evaluation. Each such gift shall be evaluated using the following criteria:

   (a) fair market value of the donated property;
   (b) marketability of the donated property; and
   (c) costs associated with acquiring the gift, including, but not limited to transportation, storage, sales, maintenance, repairs, and insurance.

2. Decision. The decision to accept a Gift-in-Kind/Tangible Personal Property shall be made by the Director of Development, in consultation with the Board President.

3. Gift Valuation. The Foundation will advise donors that the donor may not take a charitable deduction of the fair market value of a gift unless the property will be used by the Foundation in a manner related to its mission and will encourage donors to consult with tax or legal advisors regarding the tax consequences of the proposed gift. In addition, the Foundation will advise donors that the donor is solely responsible for the accurate valuation of a gift and subsequent reporting of such value for tax purposes.

D. BOOKS AND COLLECTIONS

Gifts of books and collections will be accepted under the conditions specified in the Library's "Gifts and Donations" policy and procedure, as revised from time to time.

E. REAL PROPERTY

The following acceptance criteria shall apply to all gifts of real property:

1. Minimum Equity Position. Any proposed gift of real estate must contain a minimum equity position of $100,000. The Executive Committee of the Board may consider and approve lesser equity positions on a case-by-case basis.

2. Approval Required. Prior approval of the Board or Executive Committee of the Board is required for acceptance.

3. Appraisal and Assessment Required. Prior to acceptance, the Foundation shall obtain an appraisal and environmental audit and, at its discretion, may bill the donor for the costs associated with such appraisal and audit.

F. CHARITABLE GIFT ANNUITIES

The Foundation may offer charitable gift annuities to qualified donors. As a general rule, the Foundation will utilize the services of The Columbus Foundation's charitable gift annuity program. All charitable gift annuities will fall under the policies and procedures of The Columbus Foundation.

G. LIFE INSURANCE

The Foundation may accept insurance policies, subject to the conditions set out below.

1. New Insurance Policies. New life insurance policies on the life of a donor(s) may be accepted by the Foundation subject to the following:

   (a) Insurance Rating. At the time of the donation, the insurer is rated within the top four categories by at least two of the following rating services: A.M. Best Co., Standard & Poor, Moody and Duff & Phelps.
   (b) Assignment. The insurance provider or its agent delivers to the Foundation, with the assignment of the donated policy, a final illustration, post-underwriting, indicating that the scheduled premium meets the following minimum criteria:

      (i) Whole Life Policies. Scheduled premiums, including any riders, to be paid over a reasonable period of time determined on the basis of the circumstances relating to the particular policy and the insured/donor (generally, not to exceed 10 years) are required to pre-fund a policy that endows between the ages of 95 and 100 using current mortality assumptions and the lesser of the current interest rate or 4% above the guaranteed minimum contractual policy base rate.
      (ii) Universal Life Policies. Scheduled premiums, including any riders, to be paid over a reasonable period of time determined on the basis of the circumstances relating to the particular policy and the insured/donor (generally, not to exceed 10 years) are required to pre-fund a policy that endows between the ages of 95 and 100 using current mortality assumptions and the lesser of the current interest rate or 3% above the guaranteed minimum contractual policy interest rate.
      (iii) Variable Life Policies. Scheduled premiums, including any riders, to be paid over a reasonable period of time determined on the basis of the circumstances relating to the particular policy and the insured/donor (generally, not to exceed 10 years) are required

to pre-fund a policy that endows between the ages of 95 and 100 using current mortality assumptions. Agent projections should use no more than a 9% gross rate of return to endow the policy.

(c) Term Insurance. The Foundation does not accept new term insurance policies, except in particular cases when, after a review of insurance documentation and subject to the addition of terms and conditions acceptable to the Foundation, such insurance policy is approved in writing by the Director of Developmentand the Board President.
(d) Survivorship Life Insurance. If all other applicable requirements stated herein are satisfied, a life insurance policy with a right of survivorship may be accepted by the Foundation if the second insured is the donor's spouse or partner, regardless of age.
(e) Binding Pledge Agreement. At the time of the donation, the donor shall enter into a binding pledge agreement with the Foundation for donation in the amount of the remaining annual premiums due on a donated life insurance policy until such time as these premiums are fully paid.

2. Existing Insurance Policies. The Foundation may accept existing life insurance policies on the life of a donor(s) whether fully paid or with outstanding premiums. As an alternative to cashing in the policy, a donor may use the policy as part of a charitable donation to the Foundation, subject to the following:

(a) Any policy with a loan outstanding must be provided with a cost basis statement from the insurance company as of the most recent premium date or loan date, whichever comes later. The Foundation will not accept a policy with an outstanding loan that has negative cost basis.
(b) At the time of the donation, the donor shall enter into an agreement with the Foundation to pay the remaining premiums due on the donated life insurance policy, if any, until such premiums are fully paid-up.
(c) In all cases, the life insurance policy will not be accepted by the Foundation unless the Foundation has the unrestricted right to exercise all ownership rights and privileges with respect to such life insurance policy.

H. ADMINISTRATION AND IMPLEMENTION OF GIFTS

1. Beneficiary Designation. Donors may designate the Foundation as a beneficiary pursuant to the following assets:

(a) retirement plan assets;
(b) remainder interest in their donor advised fund that is not administered by the Foundation, subject to the limitations of the donor advised fund plan;
(c) life insurance policies; and
(d) any other instrument when such a designation is consistent with applicable law(s) and Foundation policy(ies)

2. Gift Acknowledgements. The Foundation shall issue gift acknowledgments in accordance with

Internal Revenue Service regulations. Gift acknowledgements shall state only verifiable facts.

3. Restricted Gift Agreements. All agreements with donors or their legal representatives regarding the restricted use or disposition of a donation shall be in writing and approved by the Director of Development and the Board President. Donations of restricted use funds are subject to the following provisions which shall be included in a written agreement between the Foundation and the donor.

    (a) A minimum starting balance of $50,000 is required to establish a fund for restricted use, unless a multi-year pledge commitment is signed by the donor.
    (b) If a multi-year pledge commitment is used to establish a fund for restricted use, the donor must acknowledge and accept that income payments will not begin to benefit the restricted purpose until the fund has reached the minimum starting balance of $50,000.
    (c) If the restricted use fund is not fully established within a period of five years after receipt of the initial funding stream, the Board has the discretion to shift the funds to the Foundation's Unrestricted Quasi-Endowment, effectively dissolving the partially funded restricted fund.
    (d) The written agreement shall include language permitting the Board to assign an alternative, related use for the fund if at any point in the future the originally designated purpose has become obsolete.

4. Unrestricted Gift Agreements. All agreements with donors or their legal representatives regarding the establishment of an unrestricted use named fund shall be in writing and first approved the Director of Development. Donations of unrestricted use named funds are subject to the following provisions which shall be included in the written agreement between the Foundation and the donor.

    (a) A minimum starting balance of $10,000 is required to establish a named fund for unrestricted use, unless a multi-year pledge commitment is signed by the donor.
    (b) If a multi-year pledge commitment is used to establish a fund for unrestricted use, the donor must acknowledge and accept that income payments will not begin until the fund has reached the minimum starting balance of $10,000.
    (c) If the named unrestricted use fund is not fully established within a period of five (5) years after receipt of the initial funding stream, the Board has the discretion to shift the funds to the Foundation's Unrestricted Quasi-Endowment, effectively dissolving the partially funded named unrestricted fund.
    (d) The written agreement shall include language permitting the Board to assign an alternative, related use for the fund if at any point in the future the originally designated purpose has become obsolete.

5. Commissions. The Foundation shall not pay a commission, fee or any other type of consideration in exchange for the right to receive a donation; however, the Foundation may enter into "bargain sale" arrangements, pursuant to which the Foundation may purchase an asset at a bargain price, upon the recommendation of the Director of Development and approval of the Board President.

6. Gift Decline. The Foundation shall not knowingly accept a gift that is believed to be contrary to the best interests of the donor or the Foundation. The Foundation may decline any gift that in its judgment creates unacceptable challenges, undue expense, or a perception of impropriety or conflicts with its mission.

7. Fiduciary Capacity.

   (a) The Foundation shall not have authority to act as executor of an estate under any Last Will and Testament.
   (b) The Foundation shall not have authority to act as trustee of a revocable trust.
   (c) At the discretion of the Executive Committee of the Board, the Foundation shall have the authority to act as co-trustee or protector of any charitable remainder trust or charitable lead trust where the terms of such trust so provide. In such instances, prior to accepting the role of co-trustee or protector, the Foundation will require (i) a provision within the trust documentation, in a form satisfactory to the Foundation, stating that as a condition to the donor naming of one or more other charitable organizations as beneficiaries, each such charitable organization prospectively waives any and all claims, rights, demands or other causes of action that it may have against the Foundation by reason of the Foundation's actions or omissions as co-trustee or protector of such trust and (ii) proof of age of all named individual beneficiaries. The Foundation shall have the authority and power to name a bank or other institution acceptable to the Foundation as trustee or co-trustee, as applicable.

8. Legal Advice. Neither the Director of Development nor any staff member of the Development Department shall provide legal advice to donors regarding gifts to the Foundation. All information concerning the tax or other legal consequences of a proposed or completed gift that the Foundation provides to a donor or prospective donor shall be accompanied by a written statement that such information is not intended as legal advice and should be reviewed by the donor with their own attorney and/or tax advisor. Legal counsel shall review and approve such written disclaimer statements prior to their use and shall otherwise be consulted as necessary to ensure the Foundation's full compliance with this Subsection.

I. RECOGNITION

1. Anonymity. Donors who request anonymity shall be omitted, or referred to as "anonymous," on all public displays and publications. Notwithstanding anything contained in this policy to the contrary, the Records of the Foundation may be subject to disclosure pursuant to a public records request submitted pursuant to state and/or federal law.

2. Types of Recognition. The following recognition opportunities exist.

   (a) Temporary recognition is offered for annual giving.
   (b) Permanent recognition is offered for cumulative gifts that exceed certain Board-approved thresholds.
   (c) Opportunities for naming and renaming of Library facilities, programs and collections may

be available at the discretion of the Library Board of Trustees which has the sole responsibility and authority to approve and bestow such opportunities.

(d) With the approval of the Library Board of Trustees, the Foundation may offer naming opportunities for gifts received or pledged during a capital campaign.

3. Establishing Recognition Value. Gifts will be recognized based on the following:

(a) Outright gifts of cash, cash equivalents, marketable securities and closely held securities are recognized for an amount equal to the charitable deduction value determined by the Internal Revenue Service ("IRS").
(b) Multi-year commitments are temporarily recognized for the full amount of the commitment in the year in which they are received. Individual installment payments made in subsequent years will not be recognized. Multi-year commitments are eligible for permanent recognition for the full value of the commitment when either (i) 80% of the gift value is received or (ii) all but one installment is received.
(c) Revocable legacy gifts are eligible for temporary, annual recognition (e.g., website, print marketing collateral, etc.) each year from the date the gift is made known to the Foundation. Revocable legacy gifts are eligible for permanent recognition when the gift matures; recognition value is established as the fair market value of the gift on the date it is received.
(d) Irrevocable legacy gifts are eligible for recognition prior to the gift maturing if and only if requisite documentation is received by the Foundation confirming irrevocability of gift and beneficiary designation; and if and only if the donor and/or their contingent beneficiary(ies) is aged 65 or older. Recognition value is established prior to the gift maturing as the fair market value of the gift on the date that requisite documentation is received. Recognition value may be reevaluated at the time it matures if fair market value has increased significantly

Related Policies/Forms:

- Columbus Metropolitan Library Naming and Recognition Policy
- Deed of Gift
- Gift Acknowledgement Statement

Date Approved:	9/15/2022	**Recommended By:**	Executive Committee
Date Effective:	9/15/2022	**Approved By:**	Foundation Board of Trustees