



**LIBRARY OF VIRGINIA FOUNDATION
POLICY FOR GIFT ACCEPTANCE AND MANAGEMENT**

MISSION

Founded in 1984, the Library of Virginia Foundation supports the Library of Virginia and its mission by raising private financial support, managing its endowment, and overseeing programming that brings Virginia's history and culture to life. The Foundation is a 501 c3 nonprofit governed by a Board of Trustees whose sole beneficiary is the Library of Virginia. The Foundation is not a grant making organization.

GIFT ACCEPTANCE POLICY

The Library of Virginia Foundation ("LVA Foundation") will provide a centralized, consistent and timely process to receive, record and acknowledge all gifts. LVA Foundation will consider accepting gifts that meet its criteria and support its mission. Donations may include, but are not limited to, cash, securities, deferred gifts, supplies, equipment, technology, services, personal property, or real estate.

LVA Foundation will promptly acknowledge all gifts, keep accurate and complete records of donors, gifts, and their purposes and restrictions, and ensure compliance with those purposes and restrictions to the fullest extent possible. If, at any time, the original purpose of the gift is no longer feasible, LVA Foundation may redirect the gift to other purposes consistent with its mission. LVA Foundation may elect to decline certain gifts, as deemed appropriate, especially if the donor's designated purpose of the gift is incompatible with the organization's mission, or the nature of the gift is beyond the capacity of LVA Foundation to manage.

All gifts to LVA Foundation, operating as a charitable organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, will comply with IRS requirements.

PROCEDURE FOR RECEIPT AND MANAGEMENT OF GIFTS

Cash

Monetary contributions may be given for use in general support of LVA Foundation, for specific use through donor-specified restrictions approved by LVA Foundation, or for approved endowed purposes. LVA Foundation will provide written acknowledgment to a donor upon receipt of a gift of cash.

Types of Securities and Stock

A gift of marketable (publicly traded) securities will generally be accepted as follows: the donor should make LVA Foundation aware of their intent to give stock and other types of securities and advise his/her broker that a specific number of shares of a specific stock be transferred to

LVA Foundation as a gift. A stock power may need to accompany a gift of stock to permit LVA Foundation to sell the shares if the stock is not transferred electronically. If the stock is sold, it will be sold in LVA Foundation's account, not the donor's, to ensure that the donor is not liable for any tax on appreciation of the stock.

LVA Foundation will sell the stock immediately so as to eliminate potential change in value. The charitable value of the gift will be determined by the mean value of the stock on the day ownership is transferred to LVA Foundation.

Donor Advised Funds

LVA Foundation accepts donor advised fund (DAF) contributions as long as the gifts are made in accordance with the guidelines laid out in this policy. When LVA Foundation receives a gift from a DAF, the DAF sponsor will receive gift credit and acknowledgement, if appropriate. The DAF fund holder who was responsible for requesting the gift will receive a soft credit. This allows LVA Foundation to include DAF gifts in individual donor gift totals for recognition purposes and membership in various giving societies.

Tangible Personal Property/Gifts-in-Kind

LVA Foundation will receive tangible personal property or in-kind gifts provided they support the mission of the organization. Valuation of such gifts will be the responsibility of the donor.

LVA Foundation will send the appropriate receipt and acknowledgment of the gift to the donor. Prior to accepting a gift of tangible personal property, the gift will be reviewed and approved as follows:

Upon learning of a donor's desire to make an in-kind gift, the executive director will request that the donor provide a description of the intended gift and an explanation of its intended use to ensure that the gift will have utility to the organization.

If the executive director determines that the gift will have utility, LVA Foundation will advise the donor that it will accept the gift and provide a gift-in-kind donation form to the donor. The donor must complete the form and is responsible for valuation of the gift according to the guidelines included on the form. As required by the IRS, if the gift is valued at \$5,000 or greater, the donor is responsible for providing an appraisal or other validation of the gift's value.

Planned Gifts

A planned gift is an arrangement that considers the effect of the gift on the donor's income, assets, and tax liabilities. The gift is typically made with the assistance of the donor's advisor. The real value of a planned gift should provide a significant gift to LVA Foundation and will be computed as follows: charitable remainder interest plus any outright gift assets, minus the estimated expenses to the organization. This valuation will account for any sales expenses, commissions, servicing, processing costs, and any other expenses incurred by LVA Foundation. LVA Foundation will also consider possible future appreciation/depreciation of assets to come to the organization.

Potential planned gifts involving real property, securities, life insurance policies, partnership interests, trusts, wills, bequests, and other such vehicles will be handled by the executive director. In the event that the receipt or anticipated benefit of a gift is in any way questionable, information pertinent to the nature of the donation will be collected, and a decision will be made by the executive director, in consultation with the President of the Board of Directors (or in the absence of an executive director, the decision will be made by the Board President, in consultation with the full board).

Real Property

Property gifts other than cash or marketable securities may be subject to several requirements if the donor wishes to claim a charitable deduction. The donor should seek guidance from a tax advisor. Donors are required to file an appraisal summary which is signed by the appraiser and the executive director of LVA Foundation, who will seek approval from the Board of Directors prior to negotiating or accepting any gift of land or property. Generally, the donor will be responsible for environmental survey costs if deemed necessary by LVA Foundation before accepting a land/property donation. The donor will also be responsible for other costs associated with the gifts of real property.

Land/property donations in a location not readily available for inspection and maintenance (e.g., a distant state) may be declined. The Board of Directors will evaluate any gift of land prior to its acceptance.

Insurance

Gifts of life insurance may be accomplished in several ways:

The donor may name LVA Foundation as an irrevocable beneficiary, gifting the proceeds of the life insurance policy.

Proceeds may be part of a gross estate, with the gift qualifying as a charitable deduction.

The donor may purchase a policy naming LVA Foundation as beneficiary, then contribute the amount of yearly premium annually to LVA Foundation and receive a charitable contribution deduction for the gift. LVA Foundation will use the contribution to pay the annual premium on the policy.

The donor may make a gift of a paid-up policy and receive a charitable deduction as allowed by the IRS.

Trusts

Trusts will be handled on an individual basis in consultation with the donor's advisors and LVA Foundation's counsel. In order to avoid a conflict of interest, LVA Foundation will not serve as trustee, trust manager, or investment manager of any trust of which LVA Foundation is the beneficiary.

Will/Bequest

When LVA Foundation learns of a bequest provision, the executive director will request that the donor or the donor's attorney provide a copy of the provision in order to maintain accurate gift expectancy records and to ensure that the donor's wishes will be met. If no documentation is

provided by the donor, LVA Foundation's executive director should add the verbal intent to its permanent file of expected bequests and planned gifts.

GIFT DESIGNATIONS

Only donors may restrict (or designate) a gift. Gifts which are not accompanied by a designation document are treated as unrestricted gifts.

LVA Foundation is not required to accept gifts, especially those which fall significantly outside of the organization's priorities, which may cost the organization money, include conditions that are not in the best interest of the organization or fall outside ethical boundaries. The Board of Directors shall make the final decision about the acceptance of gifts which may be deemed to fall outside of established policy guidelines.

The following are the general categories of gift designations to which LVA Foundation adheres:

Unrestricted Gifts

An unrestricted gift is defined as a gift which has no restrictions placed on it by the donor, or a gift which is designated as unrestricted by the donor. Only unrestricted gifts and pledges are counted towards LVA Foundation's annual fund; such gifts either have no restrictions placed on them by the donor, are designated as unrestricted by the donor, or are designated specifically for the annual fund.

Unrestricted campaign gifts will be deemed to be unrestricted gifts for campaign purposes/priorities, as opposed to being counted as unrestricted gifts for the annual fund.

Restricted Gifts

If a donor designates that a gift is restricted, LVA Foundation will regard the request as a condition of gift acceptance. Gifts that have been restricted by the donor for a particular program or purpose, but upon which no further restriction is placed, are restricted to the program for current operating support. Funds in excess at the end of a restricted purpose can be released to general operations, or unrestricted endowment at the discretion of the Executive Director.

Matching Gifts

Unless a corporation specifies otherwise, matching gifts will be designated for the same purpose as the donor's gift. LVA Foundation counts matching gifts toward an individual's lifetime giving total.

Endowment Gifts

If a donor designates a gift to endowment, LVA Foundation will regard the request as a condition for accepting the gift and will hold this gift in perpetuity as an asset of the organization. Such gifts are commingled in LVA Foundation's investment portfolio, and are subject to policies established by the organization for the regulation, investment and management of its various endowment funds.

Gifts of any size may be accepted into existing endowment funds. Gifts of any size may also be restricted to the endowment that does not bear any further restrictions as to the use of the income the endowment produces.

The minimum level at which a named endowment fund will be established is \$100,000. Until the named fund is created, the endowment principal will remain commingled with other funds and will not earn interest or appreciation.

In order to create a new endowment fund, an agreement must be signed by both the donor and the executive director which sets forth: 1) the name of the donor(s); 2) the name of the fund; 3) the initial amount given or pledged to establish the fund; 4) the purpose of the fund; 5) an understanding that the fund's principal will be pooled with other endowments for purposes of investment and income distribution or allocation, and that the fund will be governed by general policies established by the Board of Directors with regard to the investments and disbursements of the endowment, as amended from time to time; and 6) that if LVA Foundation's Board of Directors determines that the original purpose of the fund is no longer possible to fulfill, the Board of Directors shall, after consultation with the donor, redirect the fund's income to a purpose consistent with the donor's interest and the organization's mission.

The current policy of the Board of Directors is to draw 5% of endowment earnings for operations.

NAMED SPACES

The Board of Directors must approve all spaces in the Library of Virginia that are named in recognition, honor or memory of an individual, corporation or foundation.

Unless otherwise agreed upon by the donor and Board of Directors, buildings, facilities and other physical spaces in the Library of Virginia are named for the useful life of the building, facility or space, so long as it is used for the purpose for which it was used at the time of the gift. When an existing building, facility or space is demolished, moved, renovated or changed so substantially as to constitute a new building, facility or space, the original donor (or donor family) will be notified. Any change in the name of a building, facility or space must be reviewed and approved by the Board of Directors.

LVA Foundation reserves the right to remove named space recognition that was accorded to a donor if a pledge obligation is unfulfilled or the association with a donor will materially damage the reputation of the organization. Revocation decisions shall be made by the Board of Directors on the recommendation of the executive director.

GIFTS OF COLLECTIONS

The Library of Virginia welcomes and generally accepts gifts to its collection. The Library reserves the right to add gift materials to the collections or to dispose of the material in a manner that will benefit the Library. Gifts are accepted on behalf of the Library by the LVA Foundation and acknowledged in writing by the LVA Foundation. Appropriate records of the donation and the date of donation are maintained. Library staff members do not provide estimates or

valuations for donated materials. However, the letter of gift may be used for tax purposes by the donor and his or her accountant. Upon request, the Library may provide to donors the names of rare book dealers or appraisers in Virginia.

GIFT ACKNOWLEDGEMENT POLICY AND PROCEDURE

Every gift, pledge, or pledge payment will be acknowledged by letter. In addition to expressing LVA Foundation's sincere appreciation for the donor's support, the acknowledgment will confirm the date the donation was received; verify the amount of the gift, pledge, or pledge payment; and reiterate the designation or description of the gift, pledge, or pledge payment. The IRS requires taxpayers to provide receipts for each deductible donation of \$250 or more.

When a donor makes a gift of \$100 or more and receives something of value in return, LVA Foundation is required to provide the donor with an explanation of the fair market value received in return for the donation.

Timely acknowledgments are essential. All gifts, pledges, and pledge payments will be acknowledged within five (5) business days of receipt.

Copies of all donor correspondence (electronic or hard copy) will be maintained in LVA Foundation's files for the time period recommended by the IRS.

**Approved by the Library of Virginia Foundation Board
May 18, 2023**