REPORT TO THE LIBRARY BOARD

APRIL 23, 2026

SUBJECT: Policy Review – Gift Acceptance Policy

PURPOSE: For Approval

PREPARED BY Staff

PRESENTED BY: Michael Ciccone - CEO

RECOMMENDATION:

It is recommended that the Library Board approve the revisions to the *Gift Acceptance Policy.*

BACKGROUND:

This policy exists to ensure informed decisions are made regarding the giving and acceptance of Gifts to benefit both the London Public Library (Library) and the donor, and that such Gifts are receipted in accordance with the Canada Revenue Agency (CRA) and the Canadian *Income Tax Act*.

The current policy, a summary of significant revisions, and the revised policy are appended.

NEXT STEPS:

Upon approval, Administration will update the Library's *Gift Acceptance Policy* to incorporate revisions and post online. As part of the Board Policy Revision Cycle, review of this policy is scheduled in April of 2030 unless it is deemed necessary to review sooner.

CURRENT POLICY

PURPOSE:

London Public Library ("Library") encourages the solicitation and acceptance of gifts that help to enhance and support value-added services and programs, including capital enhancements, which support the Library's Purpose, Values and strategic priorities.

The purpose of this policy is to ensure that informed decisions are made regarding the giving and acceptance of gifts to benefit both the Library and the donor, and that such gifts are receipted in accordance with the Canada Revenue Agency (CRA) and the Canadian *Income Tax Act*.

DEFINITION OF TERMS:

Bequest is a specific provision in a will directing assets from an estate to the Library.

Conflict of Interest means any event (whether actual or perceived) in which the Library or anyone representing the Library may benefit from the knowledge of, or participation in, the acceptance of a gift.

Designated is a type of gift where a donor indicates where he/she wants his/her donation to be allocated.

Fair Market Value means the highest price, expressed in dollars, that a property would bring in an open and unrestricted market, between a willing buyer and a willing seller who are both knowledgeable, informed and prudent, and who are acting independently of one another. (Canada Revenue Agency, "Fair Market Value" Summary Policy CSP-F02)

Gift is a voluntary transfer of real or personal property from a donor who freely disposes of his or her property to a donee who received the property given. The transaction shall not result directly or indirectly in a right, privilege, material benefit or advantage to the donor or to the person designated by the donor.

Planned or Legacy Gift is a way of giving to a charity and arranging donations that serves the interests of the charitable organization as well as the personal, financial, and tax situation of the individual donor.

Pledge is a commitment of a gift given over a predetermined time frame.

Professional Advisor means a professional external to the Library with the ability to provide expert tax, legal or financial planning advice to assist staff and to advise donors (or prospective donors) on their charitable giving.

Securities are gifts of publicly held shares.

Sponsorship is a gift from a corporate entity, individual or community group in support of a Library project or event, in return for some form of recognition.

Undesignated is a type of gift where the donor lets the Library decide what the highest priority needs of the organization are.

POLICY STATEMENT:

The following policy and guidelines are applicable to all fundraising activities conducted by the Library.

The intent of this policy is to provide **specific gift acceptance guidelines** to Library employees, Board members and donors regarding gift acceptance by the Library **per CRA regulations**. In all gifts and sponsorship exchanges between the donor and the Library, the donor's **intent** must be taken into account while ensuring the integrity of the Library and its best interest.

The Library encourages the solicitation and acceptance of gifts that help to fulfill the Purpose, Values and strategic priorities of the Library. This policy is intended to facilitate the gift-giving process, providing prospective donors with many options for giving.

GUIDELINES FOR THE ACCEPTANCE OF GIFTS

Anonymous Gifts

Under the *Income Tax Act*, an official donation receipt must show the name and address of the donor (and for an individual, his or her first name and initial).

However, the CRA has made an administrative decision to allow registered charities to issue official donation receipts for anonymous gifts if certain procedures are followed. The Library will comply with these procedures when issuing official donation receipts for anonymous gifts.

Bequest

A bequest is a specific provision in a will, directing assets from an estate to the Library and may be:

- A general bequest indicated in the will that the Library will receive a specified amount of money or other property;
- A specific bequest that will ensure that the Library receive a specific piece of property, such as a collection of books; and/or,
- A residual bequest that will leave all or part of the remaining estate after all debts, taxes and other bequests have been paid.

Gift in Kind

A gift in kind is a non-monetary gift, which is a gift of property such as artwork, equipment, securities and cultural and ecological property. A contribution of service, for example: time, skills or effort, is not property and therefore, does not qualify as a gift or gift in kind

for purposes of issuing an official donation receipt. An independent qualified appraisal determines the fair market value of the gift. The cost of an appraisal is paid by the donor.

Monetary Gifts and Gift Acceptance

The Library will accept monetary gifts in the form of cash, cheque or credit card and will issue receipts according to CRA **regulations** and guidelines to donors who have given a gift of $20 or more (unless otherwise requested).

Gifts of Life Insurance

Gifts of life insurance are accepted by the Library. A donor may gift a life insurance policy to the Library by:

- Assigning a fully paid-up policy to the Library;
- Assigning a pre-existing life insurance policy on which premiums remain to be paid;
- Creating a new policy in the Library's name; or,
- Naming the Library as a primary or successor beneficiary of the proceeds.

In the event that a policy is gifted to the Library on which premiums remain to be paid, the donor will continue to pay the premiums until the policy is paid in full. If the donor ceases to make premium payments, the CEO & Chief Librarian and Director, Financial Services will make a recommendation to the Board as to whether or not it is in the best interests of the Library to continue the insurance premium payments, or to allow the gift to fail.

Gifts of Securities/Publicly Traded Stocks

When gifted securities or publicly traded stocks, The Library reserves the right to sell and manage the funds accordingly. It is the Library's practice to immediately liquidate securities. The amount of the tax receipt is the value of the security at the closing market price on the day that the asset is transferred to the Library. Gifts of securities will be reviewed by the CEO & Chief Librarian or Director of Financial Services to ensure the securities are marketable and acceptable.

Sponsorship

London Public Library encourages all gifts of sponsorship towards programming, branch enhancements, equipment, technology, and library materials as long as they comply with the needs of the Library and regulations of CRA. This includes gifts of cash, gifts in kind, securities, life insurance policies, artwork and bequests. Appraisals for gifts in kind will be the responsibility of the donor and receipts will be issued according to CRA guidelines. The Library will respect the wishes of the donor to the best of its ability while acting in the best interest of the Library.

A memorandum of understanding (MOU) will be created to outline the terms of payment, nature of the name or brand and terms regarding recognition of the gift.

The Library will issue an unofficial receipt for the amount donated to the donor and will follow CRA guidelines in terms of the advantage to the donor.

Gifts from Another Registered Charity

The Library will not issue official donation receipts for gifts (cash or non-cash gifts) it receives from other registered charities.

The Library can acknowledge gifts received from other registered charities by way of a letter or ordinary receipt. The charity should still provide its registration number to the Library for reporting requirements.

Refusal of Gift

The Library may refuse the acceptance of a gift if deemed not beneficial to the organization. Donors will be advised accordingly. The Library would decline a gift if any one of the following conditions were known:

- There are conditions to a gift and its designation that are not consistent with the Library's Purpose, Values and strategic priorities;
- The gift is seeking to unduly influence access to Library business;
- The gift could financially jeopardize the donors and/or the Library;
- The gift or terms are illegal;
- The Library does not have the resources to honour the gift term or determine its value;
- Misrepresentation has been made; and/or,
- The gift could jeopardize the Library's charitable status.

Returning a Gift to a Donor

As a registered charity, the Library may occasionally be obliged by law to return gifts to donors. This can happen, for instance, when the Library asks the public to contribute to a special project and later events make it impossible to carry out the project. Under certain laws, ownership of the gifted property can revert to the donors if the project becomes impossible to fulfill. In these rare instances, the Library will seek legal counsel before proceeding with a gift return.

Privacy

The privacy of donors will be respected in compliance with the *Municipal Freedom of Information and Protection of Privacy Act* of Ontario (MFIPPA). Records management will be in compliance with this Act and with LPL's Records Management Policy.

The Library does not share, sell or trade donor lists.

RESPONSIBILITY TO DONORS

Ethics

All Library staff involved in Fund Development will conduct themselves in accordance with professional standards including accuracy, truth and integrity. The Library will inform, serve, guide and otherwise assist donors who wish to support the Library's activities but will not pressure or unduly persuade potential and/or current donors. Ethical guidelines and best practices will be followed for fundraising as laid out by the Canadian Centre for Philanthropy, Association for Fundraising Professionals and Imagine Canada.

Conflict of Interest

Donors will be encouraged to consult a professional advisor of their choice to work with the Library on facilitating a planned gift. In order to avoid a conflict of interest by the Library and its representatives, it is the responsibility of the donor's advisor to provide advice on tax, legal or financial planning to the donor.

Independent Counsel

Volunteers and staff acting on behalf of the Library shall in all cases encourage the donor to discuss the proposed gift arrangement with legal and/or tax advisors of the donor’s choice to ensure that the donor receives a full and accurate explanation of all aspects of the gift. Donors will be encouraged to discuss gift plans with their families or designates.

Gift Direction

In all cases, the Library will work closely with the donor to ensure there is a mutually beneficial agreement on the donor’s intent for their gift designation. In some cases, a gift may not be accepted because the Library is unable to carry out the restrictions set forth by the donor. "The Library has the intent to always use the gift where it is needed most within the Library. Donations to the Library will fund non-core and value-added services and programs, as well as capital enhancements.

Expenditures

All undesignated donations will be directed to a specific purpose where they are most needed as deemed fit by the CEO & Chief Librarian and Senior Management, with the direction of the Library Board.

Expenditure of all donated funds up to $50,000 will be approved by the CEO & Chief Librarian, or designate and Director, Financial Services, prior to being spent, ensuring adherence to donor intentions up to $50,000. All expenditures of undesignated gifts over $50,000 must be approved by the Library Board.

Financial Management

Donated funds designated or undesignated will be deposited in a trust account in a fund line that best describes the donor’s wishes.

Pledges of **$50,000 and over will be accompanied by a memorandum of agreement** signed by the donor and the CEO & Chief Librarian, or designate. Pledges may be

announced publicly at the shared discretion of the donor and the Library. Donor recognition must be appropriately spent as per CRA guidelines (recognition should not exceed more than 10% of the gift). Pledges of less than $50,000 will be facilitated by the Director, Financial Services.

Annual financial reports, inclusive of Annual Registered Charity returns, will be factual and accurate in all material respects. The financial reports will be prepared in accordance with the Public Sector Accounting Standards Board (PSAB) and standards established by the Canadian Institute of Chartered Professional Accountants (CPA).

Government grants and contributions will be accounted for separately from donated funds unless the grant is for a matching grant program.

Fundraised dollars held in the trust funds are to be invested consistently with the Library's Investment Policy. **All interest revenue generated from investments will be proportionately allocated to the Education trust fund, with the remainder being held for future use to support the Library's highest priorities.** The CEO & Chief Librarian, along with the Director, Financial Services, will perform an analysis on all fundraising activities and present a summary report on the success and cost-effectiveness of the Library's overall fundraising programs to the Board annually.

Power to Vary

Should the intended purpose of a gift be changed, every attempt will be made to contact the donor to discuss the change. If obtaining donor permission is not feasible, the Library will choose a designation that aligns most similarly with the donor's original intent and carry out all recognition plans as originally discussed with the donor.

INQUIRIES:

Director, Financial Services

SUMMARY OF SIGNIFICANT CHANGES

The structure of the policy remains intact, but there has been some consolidation and an effort to minimize language specific to operational matters. Thresholds for Board approval have been updated to match the Library's *Procurement of Goods and Services Policy*.

REVISED POLICY

PURPOSE:

To ensure informed decisions are made regarding the giving and acceptance of Gifts to benefit both the London Public Library (Library) and the donor, and that such Gifts are receipted in accordance with the Canada Revenue Agency (CRA) and the Canadian *Income Tax Act*.

DEFINITION OF TERMS:

Contribution means a transfer of property that does not meet the definition of a Gift or donation. A Contribution is often a business expense for the donor, such as a Sponsorship opportunity and can include proceeds of sales and other business activities, lotteries, raffles and auctions. With a Contribution, the donor is not entitled to a charitable donation receipt for income tax purposes.

Designated means a type of Gift where a donor indicates where they want their donation to be allocated.

Fair Market Value means the highest price, expressed in dollars, that a property would receive in an open and unrestricted market, between a willing buyer and a willing seller who are both knowledgeable, informed and prudent, and who are acting independently of one another. (Canada Revenue Agency, “Fair Market Value” Summary Policy CSP-F02)

Gift means a voluntary transfer of real or personal property from a donor who freely disposes of their property to a donee who received the property given. The transaction shall not result directly or indirectly in a right, privilege, material benefit or advantage to the donor or to the person Designated by the donor.

Planned or Legacy Gifts (including Bequests) means charitable Contributions arranged in advance, typically as part of a donor’s financial or estate planning, which supports the interests of the charitable organization as well as the personal, financial, and tax situation of the individual donor.

Pledge means a commitment of a Gift given over a predetermined time frame.

Professional Advisor means a professional external to the Library with the ability to provide expert tax, legal or financial planning advice to assist staff and to advise donors (or prospective donors) on their charitable giving.

Securities means Gifts of publicly traded Securities, including shares, bonds, bills, warrants, futures or units of mutual funds.

Sponsorship means a Contribution where an organization provides cash or in-kind support in exchange for promotional benefits. Benefits may include advertising, brand promotion, logo placement, or other recognition of significant advantage.

Undesignated means a donor agrees to allow the Library to use the Gift when and for what purpose it is needed most.

POLICY STATEMENT:

The following policy and guidelines are applicable to all fundraising activities conducted by the Library.

The intent of this policy is to provide specific Gift acceptance guidelines to Library employees, Board members and donors regarding Gift acceptance by the Library per CRA regulations. In all Gift and Sponsorship exchanges between the donor and the Library, the donor's intent must be considered while ensuring the integrity and best interest of the Library. Gifts and Sponsorships may not influence the goals and objectives of any Library initiatives or policy.

The Library encourages the solicitation and acceptance of Gifts that help to fulfill the purpose, values and strategic priorities of the Library. This policy is intended to facilitate the Gift-giving process, providing prospective donors with options.

TYPES OF GIFTS

Anonymous Gift

Under the *Income Tax Act*, an official donation receipt must show the name and address of the donor (and for an individual, their first name and initial).

The CRA allows registered charities to issue official donation receipts for anonymous Gifts if certain procedures are followed.

Bequest

A Bequest is a specific provision in a Will, directing assets from an estate to the Library and may be:

- A Bequest that will ensure the Library receives a specific amount of money or property, and/or,
- A residual Bequest that will leave all or part of the remaining estate after all debts, taxes and other Bequests have been paid.

Gift in Kind

A Gift in kind is a non-monetary Gift, which is a Gift of property such as Securities and/or property. A Contribution of service, for example: time, skills or effort is not property and therefore does not qualify as a Gift or Gift in kind for purposes of issuing an official charitable receipt. An independent qualified appraisal determines the Fair Market Value of the Gift. The cost of an appraisal is paid by the donor.

Monetary Gifts

The Library will accept monetary Gifts in the form of cash, cheque or credit card and will issue a charitable receipt according to CRA regulations and guidelines to donors who have given a Gift of $20 or more (unless otherwise directed by the donor).

Gifts of Life Insurance

A donor may Gift a life insurance policy to the Library by:

- Assigning a fully paid-up policy to the Library;
- Assigning a pre-existing life insurance policy on which premiums remain to be paid;
- Creating a new policy in the Library's name, or
- Naming the Library as a primary or successor beneficiary of the proceeds.

If a policy is gifted to the Library on which premiums remain to be paid, the donor will continue to pay the premiums until the policy is paid in full. If the donor ceases to make premium payments, the CEO & Chief Librarian (CEO) and Director, Finance and Facility Services (DFFS) will decide whether it is in the best interests of the Library to continue the insurance premium payments, or to allow the Gift to fail.

Gifts of Securities/Publicly Traded Stocks

The Library reserves the right to sell and manage donated Securities accordingly. It is the Library's practice to immediately sell Securities. The amount of the tax receipt is the value of the security at the closing market price on the day that the asset is received in a Library account. Gifts of Securities will be reviewed by the CEO or DFFS to ensure the Securities are marketable and acceptable.

Gifts of Property

The Library will accept Gifts in the form artwork, equipment, cultural and ecological property. The Library reserves the right to sell and manage donated property. Gifts of property will be reviewed to ensure acceptability and staff capacity required to manage the donation. Charitable receipts will be issued for the Fair Market Value of the property. The cost of an appraisal is paid by the donor.

Sponsorship

The Library welcomes Sponsorships towards programming, branch enhancements, technology and other opportunities.

A memorandum of understanding (MOU) will be created to outline the terms of payment, nature of the name or brand and terms regarding recognition of the Sponsorship.

The Library's intangible intellectual assets, including its name and likeness, will be protected at all times and the Library reserves the right to immediately terminate an existing Sponsorship if the sponsor uses the Library's name and likeness outside the

parameters of the MOU, without prior consent, or if the sponsor develops a public image inappropriate to the Library's service and philosophy.

In case of a change in ownership or name or both of a sponsor during the term of the agreement, the Library reserves the right to immediately cancel the agreement if the organization fails to meet any of the principles or conditions outlined in this policy or in the contractual agreement.

The Library will issue a business receipt for the amount of the Sponsorship.

Gifts from Another Registered Charity

The Library will not issue official charitable receipts for Gifts it receives from other registered charities.

The Library can acknowledge Gifts received from other registered charities by way of a letter or business receipt. The charity should still provide its registration number to the Library for reporting requirements.

Due Diligence and Refusal of Gift

The Library performs due diligence in identifying prospective donors and vetting donors offering gifts unsolicited. The Library will not pursue a donor and/or refuse a Gift if any of the following conditions are determined:

- The acceptance of a Gift is not consistent with the Library's purpose, values and strategic priorities, may cause harm to the Library's reputation and integrity, or has terms that are unlawful;
- The prospective donor is seeking to unduly influence access to Library business;
- A Gift accepted from a prospective donor could financially jeopardize the donor and/or the Library;
- The Library does not have the resources to honour the prospective donor's Gift term or determine its value;
- Misrepresentation by the prospective donor has been made, and/or
- The prospective donor's Gift could jeopardize the Library's charitable status.

Donors will be advised accordingly.

Returning a Gift to a Donor

As a registered charity, the Library may occasionally be obliged by law to return Gifts to donors.

Privacy

The privacy of donors will be respected in compliance with the *Municipal Freedom of Information and Protection of Privacy Act* of Ontario (MFIPPA). Records management will comply with this Act and with Library's *Records Management Policy*.

The Library does not share, sell or trade donor lists.

RESPONSIBILITY TO DONORS

Ethics

Ethical guidelines and best practices will be followed for fundraising as laid out by the *Canadian Centre for Philanthropy*, *Association for Fundraising Professionals* and *Imagine Canada*.

Professional Guidance

Donors will be encouraged to consult a Professional Advisor to discuss the proposed Gift arrangement. They will also be encouraged to discuss Gift plans with their families or designates.

Gift Direction

The Library's intent will always be to use the Gift where it is needed most. Undesignated Gifts to the Library will fund value-added services and programs, as well as capital enhancements. Designated Gifts will be directed as indicated by the donor. The Library will ensure there is agreement reflecting the donor's Gift intent within Library strategic priorities and needs.

Expenditures

All Undesignated donations will be directed to a specific purpose where they are most needed as deemed fit by the CEO and Senior Management.

Expenditure of all donated funds up to $65,000 will be approved by the CEO, or designate and DFFS, prior to being spent, ensuring adherence to donor intentions up to $65,000. Expenditures of Undesignated Gifts over $65,000 must be approved by the Library Board.

Financial Management

All Gifts will be deposited in a Library account in a fund line that best describes the donor's wishes, if any.

Gifts and Pledges of $65,000 and over will be accompanied by an agreement signed by the donor and the CEO or designate. Pledges may be announced publicly at the shared discretion of the donor and the Library. Donor recognition must be appropriately spent as per CRA guidelines (recognition should not exceed more than 10% of the Gift). Gifts and Pledges of $25,000 - $64,999 will be facilitated by the Finance and Fund Development staff and will include an agreement. Gifts of less than $25,000 may include an agreement at the discretion of the Library and/or donor.

Annual financial reports, inclusive of Annual Registered Charity returns, will be factual and accurate in all material respects. The financial reports will be prepared in

accordance with the *Public Sector Accounting Standards Board (PSAB*) and standards established by the *Canadian Institute of Chartered Professional Accountants (CPA)*.

Government grants and Contributions will be accounted for separately from donated funds unless the grant is for a matching grant program or solicited through Fund Development for specific value-added services and programs, including capital enhancements.

Fundraised dollars held in trust funds are to be invested consistently within the Library's *Investment Policy*. The CEO, along with the Finance and Fund Development staff will present an annual summary report on the success of the Library's overall fundraising programs to the Board.

Power to Vary

Should the intended purpose of a Gift be changed, every attempt will be made to contact the donor. If obtaining donor permission is not feasible, the Library will choose a designation that aligns most similarly with the donor's original intent and carry out all recognition plans as originally discussed with the donor.

INQUIRIES:

CEO and Chief Librarian
Director, Finance and Facility Services
Fund Development Staff