



# **T**OWNSHIP OF GEORGIAN BAY PUBLIC LIBRARY BOARD

## **DONOR RECOGNITION POLICY**

Board motion number: 17:21

Date of original motion: May 15, 2008/ June 18, 2015

Date of review: May 4, 2017

Chairperson' s signature: Diane Waters

### **TABLE OF CONTENTS**

- A. Definitions**
- B. Purpose of the Library donor recognition policy**
- C. Best practices in Donor Recognition**
- D. Recognizing Cumulative Giving**
- E. Annual giving and Capital Campaign giving**
- F. Gift Clubs and Major Gifts**
- G. Who is recognized**
- H. Anonymous Donors**
- I. What is recognized**
- J. Recognition of Capital Gifts in Kind**
- K. Recognition of Services (Volunteer) Gifts in Kind**
- L. Planned Gifts**
- M. Commemorative Gifts**
- N. Pledged Gifts**
- O. Designated Gifts**
- P. Naming policies**
- Q. Canada Revenue Agency Guidelines**

**A. Definitions:**

1. *Donor acknowledgement*: the actions taken immediately upon receipt of the gift by the Library privately to the Donor
2. *Donor recognition*: the public and private actions taken to recognize and celebrate the gift
3. *Donor Stewardship*: the actions taken to inform the donor about the use and impact of the gift
4. Donor recognition is about more than recognizing what a donor has done in the past. It is part of a continuum of building a relationship that promotes long term support from a Donor. All of the above comprise Donor Relations. This policy addresses some aspects of each element.

**B. Purpose of the Library donor recognition policy:**

1. To recognize and honour Donors who have provided financial and material support
2. To celebrate and motivate increased giving to the Library both by sustaining and increasing levels of giving by current donors and to attract new donors who are influenced by the giving of others
3. To ensure Donors are treated fairly and with consistency
4. To facilitate a series of “automatic” actions by staff and volunteers in response to Donors at various stages of their relationship with the Library – to create operational efficiencies.
5. The Library Donor Recognition Policy will be reviewed and amended on a regular basis in response to changing circumstances, particular learning incidences and changing giving standards/patterns.

**C. Best practices in Donor Recognition:**

1. Delivering on best practices in Donor Relations will give the Library a competitive advantage over other organizations seeking support.
2. Donors will receive prompt acknowledgement of their gifts. Best practice is an initial thank you within 1 week of receipt of gift. Ideally this thank you includes the charitable receipt but if this is not possible the thank you note should not be delayed.
3. Donors will be informed of the destination and intended use of their gifts at a gift level to be determined from time to time by the Board
4. Donors will receive meaningful information about the impact of their gift(s) prior to being asked for another gift
5. Personalized communications with donors will separate gift recognition and stewardship from requests for support

#### **D. Recognizing Cumulative Giving**

1. Cumulative giving is the most accurate portrayal of the support being enjoyed by any institution since it is an accurate and fair depiction of total support. The Library will recognize the cumulative giving by its donors.
2. The Library will maintain a public recognition vehicle or vehicles (e.g. a donor wall and/or an annually published list) that recognizes cumulative giving. This vehicle necessarily changes annually and will be designed accordingly.
3. Cumulative recognition does not make one form of giving more important than others. All gifts are counted (annual, capital, gifts-in-kind, special, etc.) and included regardless of their purpose.
4. Cumulative recognition will encourage the Library to foster a continuing relationship with its donors. Quite unwittingly institutions can fall over themselves to attract new donors while failing to recognize the value of the gifts of their historic supporters. The cumulative gift approach helps put gifts from donors, current and potential, in perspective. It is a major step towards better stewardship of supporters.
5. When donors graduate from one giving level to another they will receive an acknowledgement and congratulatory letter from the CEO and Board Chair depending on the amount noting also that their name will be moved to a new position on the donor wall.
6. Gift categories will be established within relatively broad ranges, the dollar amounts will not appear anywhere on the “wall” itself, the visual appearance, size or positioning will convey the different gift levels.
7. Cumulative recognition does not preclude other forms of recognition, as donations are contributed, such as announcing donations in reports or other publications. There is still lots of room for creativity.

#### **E. Annual giving and Capital Campaign giving**

1. For capital campaigns a special donor recognition program may be established. For example special receptions for capital campaign donors and a special donor wall in new buildings directed specifically to those donors who contributed to a capital campaign.
2. However, capital campaign donors will be recognized in the overall Donor Recognition program as well. This will ensure that they remain part of an ongoing Donor Relations program.

#### **F. Gift Clubs and Major Gifts**

1. Each organization has a “breakthrough” gift level at which the number of donors falls sharply from the previous level. For the Library this level is now \$500.00. This indicates what can be considered a “major gift” for the Library. Organizations will usually do something celebratory when a Donor reaches this level – for example making the Donor part of a “club” the members of which receive an increase in attention from the library.
2. Donors who achieve major gift status (the definition of which may change as giving standards change) will be congratulated and thanked for their achievement and contribution and will receive special recognition for this achievement and contribution.

3. This special recognition will be developed as part of the overall Donor Recognition Program and, like all aspects of the program, will be reviewed and updated on a regular basis as giving standards and opportunities evolve.
4. At defined major gift levels the “rule of seven” will apply – find seven ways to thank or recognize the Donor over a period of time.

**G. Who is recognized:**

1. All individuals, corporations, service clubs, community organizations, foundations and government entities providing special support grants in response to a library request.
2. The giving of Friends groups (e.g. Friends of MacTier) will be recognized in the same way as the groups mentioned above.

**H. Anonymous Donors**

1. Donors will be encouraged to have their support publicly recognized, as this will highlight public support for the Library, an important consideration for maintaining and attracting both public (Township) and private support.
2. That being said, Donors have the right to choose to remain anonymous and decline public recognition. In lieu of placing a name on any public listing of donations, the word “anonymous” will be inserted in place of the donor’s name.

**I. What is recognized**

1. Donations can include gifts of cash for which charitable receipts are issued; documented and signed pledges; documented and signed bequests; gifts of life insurance and other gift arrangements that the trustees may approve.
2. Capital and service gifts in kind will be accepted and recognized within certain parameters.

**J. Recognition of Capital Gifts in Kind**

1. Gifts in Kind include capital property, depreciable property, personal-use property, a right of any kind (e.g. a licence, a share).
2. The value of the Gift in Kind will be determined and documented by a professional, written, third party appraisal. This may be provided by the Donor or by the Library but basically the person who determines the fair market value of the Gift in Kind must be competent and qualified to evaluate the item(s). For example, in the case of the MacTier building project, the Project Manager or the Construction Manager may provide this evaluation.
3. Gifts in Kind will be recognized in the same ways as other donations based on this appraisal.
4. Further, the fair market value of a gift in kind as of the date of the donation must be determined before an amount can be recorded on a receipt for tax purposes for the Donor.
5. Item(s) of little or only nominal value to the donor will not qualify as a gift in kind. Used books would be an example of a non-qualifying contribution.

6. If a taxpayer transfers merchandise or supplies to the Library in exchange for a right, privilege, material benefit such as promotion or advertising for the taxpayer's business, then the transfer would not be a gift but a business expense. This usually applies to sponsorships, for example.

#### **K. Recognition of Services (Volunteer) Gifts in Kind**

1. The Library achieves its mission to a large extent based on the work of volunteers including the Trustees, the Friends, professional advisors and service providers.
2. Volunteers will be recognized for their services in a variety of ways as described in the volunteer recognition policy (TBD as at 11/07)
3. Except in the circumstances described in K4, volunteer services will not be assigned a monetary value. Volunteer services will not be recognized within the same framework as charitable gifts which receive tax receipts and gifts in kind which receive business receipts.
4. Volunteer services will be recognized within the framework of the donor recognition policy when an exchange of cheques has taken place within these circumstances:

The volunteer and the Library agree on the service to be provided including the scope of the work and the fees associated with it and the amount of the fees the volunteer intends to donate. Upon conclusion of the work the volunteer submits a properly constituted invoice. The volunteer and a representative of the library meet to exchange cheques whereby the Library provides a cheque to the volunteer and the volunteer provides a cheque to the Library for all or part of the services rendered as arranged by prior agreement between the Library and the volunteer.

5. The volunteer has now become a donor to the Library and their gift is recognized within the framework of the donor recognition policy. The donor must, in such an arrangement, account for the taxable income that would be realized recognizing that this will add to their taxable income.

#### **L. Planned Gifts:**

The names of individuals who have informed the Library in writing that they have included a bequest of a minimum amount (e.g. \$500.00, the Library's major gift category) to the Library in their will, life insurance policy will be listed where other donors are listed as "Heritage Donors" or by some other name to be determined. By providing the opportunity for recognition during their lifetime the Library is in a position to be able to establish an ongoing relationship with the donor. This gives the donor the satisfaction of knowing their gift is appreciated. This in turn makes it all the more likely that the gift will be realized. As always, being able to recognize such gifts during the donor's lifetime serves as encouragement to others to follow their example.

#### **M. Commemorative Gifts:**

Donors making gifts of at least the Major Gift category in the memory of individuals will be identified along with the individual memorialized.

#### **N. Pledged Gifts:**

1. Gifts that have been pledged, but not received will be recognized with other gifts based upon a document signed by the Donor describing the size and timing of the gift. If Pledges remain unpaid by that date the Donor's name will be removed from files/lists after notification.
2. Pledge gifts will not be accepted for capital or service gifts in kind. Capital gifts in kind will be recognized upon receipt not before.

**O. Designated Gifts:**

Donors may choose to designate their gifts and this will be accommodated by the library to the fullest extent possible. If the requested gift designation is not possible or problematic the library will take the time to explain this carefully to the donor, seek to redirect the gift, and in all instances respect the donor wishes even if this includes not being able to accept the gift.

**P. Naming policies**

1. Naming opportunities will include areas within the existing branches as well as new capital items. Buildings, rooms, equipment, furnishings, grounds as well as programming initiatives can all be named (with some restrictions on building names as noted below).
2. The Library will maintain an inventory of naming opportunities and assign a dollar value to each naming opportunity. Dollar values will relate to: the actual value of the capital item; the amount of visibility the item has to the public; the perceived prestige of the item.
3. Each naming opportunity will have a lifespan which will be communicated to the Donor in writing. The continuum of possibilities may include: in perpetuity; until replacement; for 20 years; for 10 years; for 5 years. The original donor or family will be offered the opportunity to replace the item.
4. The Library may reserve the right to offer new naming opportunities when old capital items including equipment, furnishings and buildings are replaced with new capital items.
5. The Library reserves the right to "un-name" any item associated with a discredited Donor for example a Donor convicted of breaking a law.
6. The Library branches themselves, as public and publicly funded spaces, if named, will be named for the promotion of civic sensibilities, for example: civic heroes, geographically appropriate names, writer/book oriented names, names illuminating the mission/mandate of public libraries. The lead donor(s) to a capital project like a new library branch or major renovation to an existing branch (whose gift is at the right level) will be encouraged to be involved in the name selection process working within the guidelines provided above and in consultation with Council in the case of Township owned buildings.

**Q. Canada Revenue Agency Guidelines**

The Library Donor Recognition Policy is guided by Canada Revenue Agency Guidelines regarding various types of gifts and receipts. However, Donor Recognition is not a legal construct. The Board may exercise discretion on Donor Recognition to meet the purposes of Donor Recognition as outlined above.