

CHAPTER 36: VILLAGE GIFT AND DONATION POLICY

Section:

- §36.01 Acceptance and Recognition of Gifts; Policy
- §36.02 Potential Donors Should Consult with Their Legal Counsel and Tax Advisers
- §36.03 Restricted and Unrestricted Gifts
- §36.04 Cash Gifts
- §36.05 Gifts of Real Estate
- §36.06 Gifts of Tangible Personal Property
- §36.07 Gifts-In-Kind
- §36.08 Gifts of Appreciated Securities
- §36.09 Life Insurance as a Gift
- §36.10 Bequests to the Village
- §36.11 Honorary or Memorial Gifts

§36.01 ACCEPTANCE AND RECOGNITION OF GIFTS; POLICY:

This Chapter shall and does hereby establish the Village's policy relative to acceptance of gifts and donations to the Village and shall be commonly known as the "Village Gift and Donation Policy":

- A. Although the Village accepts most, but not all, gifts that are offered by donors, it shall be by the authority of the Corporate Authorities of the Village, in their sole discretion, to accept by Resolution, or to not accept any gift proposed to be made to the Village. Acceptance of any gift identified in this Chapter and valued in excess of Five Hundred Dollars (\$500.00) shall be by Resolution of the Corporate Authorities. Cash gifts, and gifts which are readily or eventually convertible to cash (stocks, bonds, insurance policies, etc.), are the most easily accepted. Gifts of real property (land, buildings, etc.) and tangible personal property (artwork, jewelry, historical artifacts, etc.) are accepted on a case-by-case basis, but only after the Corporate Authorities of the Village, or their designee, has made a review of such factors as: fair market value, existence of restrictions, reservations, easements, other limitations, marketability of the property, clear title, location, environmental assessment, costs to the Village associated with ownership, and the likelihood of use for the Village's purposes and mission.
- B. All gifts of real estate and/or tangible personal property shall be made to the Village by the appropriate deed and/or bill of sale executed by the property owner and shall be recognized and accepted by a Resolution of the Corporate Authorities before such gift(s) shall become effective.
- C. Monetary gifts in excess of Five Hundred Dollars (\$500.00), and gifts of intangible personal property and/or gifts-in-kind with an apparent value of in excess of Five Hundred Dollars (\$500.00), shall be recognized and accepted by a Resolution of the Corporate Authorities before such gift(s) shall become effective.
- D. The "delivery date", or date of any such gift, shall be the date of acceptance by Resolution of the Corporate Authorities.

§36.02 POTENTIAL DONORS SHOULD ALWAYS CONSULT WITH THEIR LEGAL COUNSEL AND TAX ADVISERS

Before a donor makes any gift or donation to the Village, the Village recommends that the proposed donor first consult with his or her attorney and/or tax adviser to determine the income tax, inheritance tax, estate and gift tax implications, and all the legal implications, which may impact a donor by such a proposed donation.

§36.03 RESTRICTED AND UNRESTRICTED GIFTS:

- A. An “unrestricted gift” is a gift or donation that is given to the Village without any restrictions on its use.
- B. A “restricted gift” is a gift or donation earmarked by the donor for a specific fund, program, or purpose.
- C. The Village accepts both restricted and unrestricted gifts, but restricted gifts for a specific fund, program or purpose not previously established by the Village will require the prior approval, and/or other necessary action, by the Corporate Authorities of the Village prior to the Village’s acceptance of said gift.

§36.04 CASH GIFTS:

- A. A gift of cash is the most common way of making a gift to the Village and also is the simplest way to show your support for the Village and its programs and services. One of the advantages of a cash gift is that it allows the Village to make immediate use of the gift.
- B. Cash gifts may be made to the Village by check or money order payable to the “Village of Deer Park”.
- C. Corporate matching gift programs allow a donor to direct his or her employer’s matching dollars to the benefit of the Village. Donors are encouraged to contact his or her employer’s Personnel Department or Human Resources Department to determine whether his or her employer offers a corporate gift-matching program.

§36.05 GIFTS OF REAL ESTATE:

- A. Gifts of real estate will almost always require an appraisal which meets the requirements of the Internal Revenue Service. The appraisal fee will generally be the obligation of the donor. (Please refer to §36.02 above.)
- B. If a donor contributes a partial interest in real property, then the partial interest must be appraised. The appraisal fee will generally be the obligation of the donor.
- C. Gifts of real property (land, buildings, etc.) and tangible personal property (artwork, jewelry, historical artifacts, etc.) are accepted on a case-by-case basis, but only after the Corporate Authorities of the Village, or their designee, has made a review of such factors as: fair market value, existence of restrictions, reservations, easements, other limitations, marketability of the property, clear title, location, environmental assessment, costs to the Village associated with ownership, and the likelihood of use for the Village’s purposes and mission.

§36.06 GIFTS OF TANGIBLE PERSONAL PROPERTY:

- A. “Tangible personal property” commonly is an asset that can be touched and moved. Examples of tangible personal property would include artwork, jewelry, collections, automobiles, furniture, rare coins and stamps, boats, books, antiques, etc.
- B. A gift of tangible personal property may be an appropriate gift to the Village and, in addition, such a gift may generate a charitable tax deduction for the donor.
- C. A gift of tangible personal property may be subject to certain Internal Revenue Service rules regarding the charitable deductions and may often require an appraisal which meets the requirements of the Internal Revenue Service. The appraisal fee will generally be the obligation of the donor. (Please refer to §36.02 above.)
- D. Whether or not a particular gift of tangible personal property will be accepted and actually put into service by the Village will be based on a decision of the Corporate Authorities of the Village, after receiving the recommendation(s) of the Village Administrator, or his or her designee, and shall be based upon several factors, including but not limited to the age, serviceability, utility, and cost(s) of maintenance of the item.

§36.07 GIFTS-IN-KIND:

“Gifts-in-kind” are non-cash donations of materials or long-lived assets that support and serve the mission of the Village. Such gifts may include like equipment, software, printed materials, works of art, and equipment, may be subject to certain Internal Revenue Service rules regarding the charitable deductions, and may often require an appraisal which meets the requirements of the Internal Revenue Service. The appraisal fee will generally be the obligation of the donor. (Please refer to §36.02 above.)

§36.08 GIFTS OF APPRECIATED SECURITIES:

Gifts in the form of common stock or other publicly traded securities may also be accepted by the Village. (Please refer to §36.02 above.)

§36.09 LIFE INSURANCE AS A GIFT:

Residents and other friends of the Village may make significant financial commitments to the Village by using life insurance as a means of giving. The use of a new life insurance policy, where the Village is named owner and beneficiary, may be an acceptable method of donation to the Village. (Please refer to §36.02 above.)

§36.10 BEQUESTS TO THE VILLAGE:

- A. As an expression of dedication and generosity to the Village, individuals may pledge parts of their personal estates in support of the Village, by which such individuals are providing, in perpetuity, support of the Village’s programs and services. (Please refer to §36.02 above.) The Village may, at the sole discretion of its Corporate Authorities, accept donation such bequests.
- B. Types of charitable bequests to the Village may include:
 - (1) General Bequest: The most familiar typical type of bequest is the general bequest, which specifies that the Village will receive a designated sum of money from the estate. This type of bequest would be considered a primary charge against the estate from which it is made.

- (2) Percentage Bequest: The percentage bequest states that the Village will receive a certain predetermined percentage of an estate.
 - (3) Specific Bequest: When making a specific bequest, the donor is directing that one or more particular property(ies) be transferred to the Village, such as for example, a certain piece of real estate, the stock from one specific company, or some other specific property. A specific bequest can be satisfied only with the property designated.
 - (4) Residuary Bequest: A residuary bequest directs that the Village receive either everything remaining in the donor's estate or a designated percentage of the donor's estate after all necessary costs, all general bequests, and all specific bequests are satisfied. The Village would receive only as much, or as little, as is left after all primary obligations are satisfied.
 - (5) Contingent Bequest: A contingent bequest is "contingent" on some event. For example, a primary bequest can be made for a relative, with the contingency that if that relative is not living at the time of the donor's death, the bequest would pass to the Village.
- C. The Village may accept such bequests, subject to the other terms and conditions of this Chapter, but strongly encourages those persons considering such a bequest to the Village to discuss their intentions with the Village Administrator, or his or her designee, in advance of making or arranging for such a bequest in order to assure the maximum effective use of each bequest.

§36.11 HONORARY OR MEMORIAL GIFTS:

- A. "Honorary gifts" recognize individuals, anniversaries, or special events.
- B. "Memorial gifts" recognize lifetime accomplishment of individuals who have passed away.
- C. Honorary or memorial gifts can be unrestricted or designated for use in a particular Village fund, purpose, or program. All such gifts are recognized with a card sent to the honoree or family of the memorialized individual by the Village President or the Village Administrator.

(Ord. 2010-14, Passed 08/16/10)