

Houston Public Library Foundation

Gift Acceptance Policy

October 1, 2025

1.0 Purpose and Policy Objectives

The Houston Public Library Foundation (the "Foundation") is dedicated to inspiring transformative philanthropic support for Houston Public Library programs and services which advance literacy and lifelong learning, foster workforce development, preserve world class collections and spaces, and strengthen civic engagement for the betterment of our community and the wider world.

Charged with promoting and securing charitable gifts to the Library, we act as both a catalyst and partner on strategies that energize innovation and experimentation, leverage emerging opportunities, and respond to community needs in changing times. The Foundation was established to supplement, but not supplant, funding from governmental and other sources, including the City of Houston.

Gifts to the Foundation may be used for capital improvements, for designated programs or projects, or as unrestricted funds. However, gifts are not intended to replace the Library's usually available operating funds deriving from governmental sources in a given year.

This Gift Acceptance Policy is intended to provide guidance to prospective donors and their advisors, and to establish a fair and consistent approach to stewardship of gifts in a way that honors the charitable intent of the donors while ensuring that all gifts are accepted and administered in the best interests of the Foundation and in a manner consistent with the Library's mission, values and status as a public institution.

This policy establishes the Gift Acceptance Committee which shall consist of the President, Director of Finance, and, as needed, the Director of the Houston Public Library, as well as any other Houston Public Library Foundation and Houston Public Library representatives, as needed.

2.0 Responsibility

Overall responsibility for assuring compliance with the requirements of this policy is assigned to the Foundation's President, in coordination with the Gift Acceptance Committee, and subject to the concerns noted in Section 8.5 below. Foundation staff shall screen all gift proposals initially. In select cases, as the President determines are appropriate and consistent with this Gift Acceptance Policy, gift proposals shall be further vetted by the Gift Acceptance Committee, legal or accounting counsel, the Board Chair, the Finance Committee Chair, and/or the Director of the Library.

3.0 Gift Acceptance Principles

Our goal is to encourage support of the Library without encumbering the Foundation or the Library with gifts which may prove to generate more liability than benefit, which are restricted in a manner not in keeping with the Library's goals or with applicable law, or which otherwise may have a negative impact (including financial, legal, or reputational) on the Foundation or on the Library.

Below are some guiding principles for acceptance of gifts.

3.1 Gift Rejection.

We cannot accept a gift if:

- i. The property donated was acquired by other than legal means.
- ii. The gift is restricted to a purpose or subject to a requirement that is inconsistent with the mission or the priorities of the Library.
- iii. The gift would be inconsistent with any law applicable to the Library or any agreement between the Foundation and the Library.
- iv. Because of purpose restrictions or otherwise, acceptance of the gift would endanger the Library's funding from governmental sources.

3.2 Additional rationales for rejection.

We may decline to accept a gift for any reason, including because we determine that the costs or risks outweigh the benefits of acceptance, because the purposes or restrictions imposed are unduly burdensome, or because acceptance could inflict damage to the reputation, standing or mission of the Foundation or the Library.

3.3 Acceptance Implications.

The acceptance of a gift does not imply nor mean that the Foundation or the Library endorses or approves of the donor's views, opinions, businesses, or activities.

4.0 Types of Gifts Accepted

4.1 Liquid Gifts.

We will accept gifts of cash and unrestricted securities that are traded on a recognized stock exchange. From time to time, we may also accept other liquid gifts of a non-security nature.

4.2 Distributions.

We also welcome distributions from foundations, donor-advised funds, and retirement plans.

4.3 Illiquid Gifts.

We will consider illiquid gifts, including real estate, tangible personal property, closely-held securities or private equity interests, and life insurance on a case-by-case basis. Acceptance of any illiquid gifts must be approved by the Gift Acceptance Committee, after review and consideration of the nature of the asset, of any potential risks and costs of accepting or holding the asset, and of options for liquidating the asset.

As a general rule, we will sell donated property as soon as practicable upon receipt, and no representative of the Foundation may promise that the Foundation or the Library will keep illiquid gifts for any period of time without the consent of the Gift Acceptance Committee. Acceptance of objects and materials that are intended as permanent gifts to the Library's special collections are in the Foundation's gift acceptance purview and but must be reviewed and accepted by the Library first, subject to their policies and procedures, which include the potential costs to process, maintain, and preserve such contributions.

4.4 Pledges and Planned or Structured Gifts.

We welcome unconditional pledges and commitments for future gifts, as well as planned and structured gifts, including gifts in trust, bequests, and remainder

interests in retirement plans and insurance policies. We encourage donors to coordinate with us to ensure that a planned or structured gift is one that we can appropriately accept in support of the Library, and to ensure that we have information (including copies of the relevant pages of wills, trust instruments, and beneficiary designation forms) sufficient to allow us to execute the gift when the time comes. We may decline to accept a planned gift or bequest for any reason. For example, restrictions on the bequest may be too onerous or may be inconsistent with the mission or priorities of the Foundation or the Library. We may also decide that declining a bequest may best protect the reputation and mission of the Foundation or the Library.

Any concerns about accepting a bequest should be discussed with the Gift Acceptance Committee, and with legal counsel, to ensure that any disclaimer of the bequest is legally effective. Alternatively, in appropriate situations and to the extent allowed by law, we may accept a bequest subject to modification (generally by a petition in court) of any restrictions or requirements imposed upon the bequest.

4.5 Purpose Restricted Gifts.

Certain programs and projects require special attention and special funding efforts. Restricted gifts that are designated by a donor for a particular purpose, consistent with the mission of the Library, are welcome. Acceptance of restricted gifts may require approval of the Library Foundation's Board of Directors.

4.6 Endowment Gifts.

A gift is an endowment gift if we may expend only the income (or an appropriate amount or percentage in lieu of income) of the gift annually. Endowment gifts may have purpose restrictions, as well. Endowment gifts will be administered in accordance with Chapter 163 of the State of Texas Property Code adopting the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and acceptance of such gifts may require approval of the Library Foundation's Board of Directors.

5.0 Naming Rights

The Foundation may agree to the naming of endowment funds as appropriate, subject to this Gift Acceptance Policy and to the consent of the Gift Acceptance Committee, and when necessary, the consent and approval of the Library.

Opportunities are available for the naming of spaces, programs, positions or centers within the purview of the Library. In considering proposals for such naming opportunities, the Foundation and the Library shall exercise judgment with regard to whomever the proposal is intended to honor. We cannot approve proposals for naming where, in our judgment, doing so is not aligned with the mission of the Foundation or the Library, or where doing so may inflict damage on the reputation, standing, or integrity of the Foundation or the Library.

All naming rights are subject to the provisions of this Gift Acceptance Policy and to any requirements, policies or limitations imposed by law, the Foundation Board, or the Library. Please contact the President to discuss particular naming opportunities.

6.0 Gift Agreements

Gifts with restrictions (including endowment gifts) or conditions (including naming rights) \$25,000 or more must be made pursuant to a gift agreement, which must be approved in advance by the Gift Acceptance Committee.

Each gift agreement must expressly state that the gift agreement is subject to this Gift Acceptance Policy. Note that the Foundation does not have the authority to deviate from requirements or restrictions arising from applicable law or from any agreement with the Library.

7.0 Variation from Restrictions or Conditions

We reserve the right to vary from the terms of any gift agreement (including naming opportunities) or to transfer any gift to one or more other charitable organizations to the extent that (i) the terms of the gift become impossible, impracticable or wasteful to fulfill, (ii) doing so is necessary to comply with legal or ethical requirements applicable to the Foundation or the Library from time to time, or (iii) failure to do so will significantly undermine the charitable purposes of the gift or the mission, reputation, or governmental funding of the Library. In effecting any such variance

or transfer, we will exercise reasonable best efforts to find a solution that adheres as closely as is practicable to the conditions of the gift agreement while adequately addressing the concern that required the variation or transfer.

8.0 Other Provisions

8.1 Transfer Documents and Expenses.

The donor is responsible for supplying and signing all legal documents necessary or advisable in connection with the transfer of any property to us, and for payment of all expenses required to complete the transfer.

8.2 No Tax, Financial or Legal Advice.

We cannot provide tax, financial, or legal advice to donors. We strongly recommend that donors seek advice from professional financial advisors or attorneys. Any tax deduction or income tax projections sent to donors should include a disclaimer noting that the information provided is for illustration purposes only, and that each donor should confirm with his or her tax advisors what the actual tax impacts of any gift would be in the donor's particular circumstance. The responsibility for reporting any gift to the Internal Revenue Service in a manner consistent with federal tax rules belongs to the donor. Under federal tax law, donors must be responsible for payment of costs necessary to secure qualified appraisals of donated property for tax reporting purposes, where required.

8.3 Administrative Costs.

We reserve the right to allocate administrative costs (also referred to as Program Enhancement Fees), including overhead expenses, to a gift or fund to the extent that such costs are reasonably attributable to that gift or fund.

8.4 Acknowledgement Letters.

Where appropriate, we will issue the donor a written acknowledgement letter with IRS-required substantiation information, guidelines for which can be found in IRS Publication 1771.

8.5 Confidentiality and Anonymity.

To the greatest extent permitted by legal and ethical requirements, we will take reasonable efforts to maintain the confidence of donors and honor requests for anonymity. However, a gift will not be treated as anonymous with the purpose of shielding the Foundation or the Library from damage to its reputation or disguising a gift which it would not otherwise have accepted. Donors should be aware that because the Library is a public entity, all communications with the Library or with any other governmental employees are subject to disclosure per the Texas Public Information Act.

Approved and adopted by the Board of Directors on September 24, 2025 and effective October 1, 2025.