Policy for Unrestricted Bequests

When we receive notice that we are the recipient of a bequest, the Director of Fiscal Services should work with the attorney for the estate of the decedent and ALA legal counsel as necessary to be sure that ALA rights are protected and that we have a clear and accurate record of the intent of the decedent regarding the use of the funds. Each bequest would be reviewed and approved by the ALA Executive Director prior to formal acceptance.

Regardless of size, every restricted and unrestricted bequest will be acknowledged appropriately via ALA publications and news releases from the ALA Public Information Office, unless publication of the bequest is restricted by the donor.

Any unrestricted bequests in excess of $15,000 will be routinely added to the ALA quasi-endowment funds that have been built from life membership contributions and receipts of property rental. These relatively large bequests will thereby provide a permanent source of income to be used for the general support of Association programs.

Unrestricted bequests of less than $15,000 will be invested by the Director of Fiscal Services. A separate record will be maintained of the principal of each bequest and of earnings that accrue. Allocation and administration of the funds will be handled as outlined below:

Receipt of bequests of less than $15,000 will be appropriately publicized within the Association, and any program or administrative unit of the ALA may prepare a proposal, including a proposed budget, for the use of all or some portion of those funds. Proposals are to be submitted to the Executive Board via the Executive Director. Based on their review of the proposals, the Executive Board will determine how the principal and interest of each bequest would be used.

A separate three digit department code will be assigned by the Director of Fiscal Services for each approved use, and each fund thus established would be administered in the same manner as the other separately budgeted activities of the Association.

Procedures adopted by Executive Board for recommendation to ALA Council as Policy
January, 1979
FOR ACTION

Item #1  ALA Policy 8.1.7 Unrestricted Requests. The Policy Monitoring Committee drew to the attention of the Endowment Trustees the reference to the "ALA quasi-endowment fund," which is not referred to in Article 9 of the ALA Constitution. The Endowment Trustees recommend that:

(1) The term "quasi" be replaced with Board-Designated

(2) The distinction of funds over and under $15,000 be eliminated

(3) That the Executive Board be informed of all undesignated gifts and bequests

(4) That the Executive Director be authorized to make a decision with respect to an undesignated gift or bequest, in the absence of Board action

(5) That the gift or bequest not be subject to bidding for use by units of the Association.

Accordingly, the Policy Monitoring Committee recommends that Policy 8.1.7 now read as follows:

Any unrestricted bequests will be routinely added to the ALA Board Designated endowment, the income from which may be used for the general support of Association programs. The Executive Board will be informed of all undesignated gifts and bequests. In the absence of Board action, the Executive Director is authorized to make a decision with respect to an undesignated gift or bequest's placement in the Board Designated Endowment.
8. FINANCES

Policy 8.1.7 Unrestricted Bequests

Any unrestricted bequests will be routinely added to the ALA Board Designated endowment, the income from which may be used for the general support of Association programs. The Executive Board will be informed of all undesignated gifts and bequests. In the absence of Board action, the Executive Director is authorized to make a decision with respect to an undesignated gift or bequest's placement in the Board Designated Endowment.

Policy 8.1.7 - Unrestricted Gifts and Bequests

Unrestricted gifts and bequests that exceed $20,000 will be routinely added to the ALA Future Fund. The Executive Director may recommend for Executive Board approval an alternate deposition of unrestricted gifts and bequests in excess of $20,000.

Background statement (to be part of operational practice):

After receiving notice that ALA is to be the recipient of a bequest, the Controller will work with the attorney for the estate of the decedent and ALA legal counsel, as necessary, to be sure that ALA rights are protected and that there is a clear and accurate record of the intent of the decedent regarding use of the principal and income and growth from the gift. Each bequest will be reviewed and approved by the ALA Executive Director prior to formal acceptance.

Regardless of size, each restricted and unrestricted bequest will be acknowledged by letter and through public media, as appropriate, unless publication of the bequest is restricted by the donor.