

Philanthropy in Australian Libraries

The State Library of NSW's website proudly proclaims that:

this year marks the centenary of the greatest single cultural bequest to the Australian nation. On his death in July 1907, David Scott Mitchell, an avid collector of Australiana, left to the Australian people his extraordinary collections of books, documents, maps and pictures. This formed the basis of the Mitchell Library.

While Australia does not have the same history of traditional philanthropy as, say, the United States, where names like Getty and Rockefeller are synonymous with some of the world's greatest collections in museums and art galleries, we are fortunate to have numerous examples of bequests of considerable significance to our cultural assets in libraries.

Bequests of physical material to libraries can be in a range of forms — books, manuscripts, maps, photographs, artwork, ephemera and music scores for example — and accepting them into your collection brings the responsibility of caring for the material appropriately, and making them accessible. First, you

should consider if the material fits with your library's/institutions' collection development policy. Also consider that the material/collection was given for the common good and to enable public access for perpetuity, so in accepting the material, you should have the: appropriate technical expertise and funds required to preserve and conserve the material; physical housing requirements — adequate storage/display possibilities/public access, and; expertise needed for cataloguing highly specialised material.

There are several common forms of bequests. The State Library of Tasmania's website at <http://www.statelibrary.tas.gov.au/who/aboutus/bequestsdonations/bequest> clearly describes these.

- **A Residual Bequest:** After making provision for others, such as family and friends, you may choose to leave what is left (the residue) as a bequest.
- **A Percentage:** Some people decide to share their estate among a number of beneficiaries and allocate a percentage to beneficiaries. This overcomes the need to review your will regularly to take account of changes in your estate or to compensate for inflation.

- **Gifts of Property:** Artwork, books, manuscripts may be gifted in your will.
- **A Specified Cash Sum:** While a specific amount of cash is a common form of bequest, it does not allow for inflation. The real value of the gift can prove to be substantially less than intended due to the effects of inflation between the time of making the will and the allocation of the assets. It is preferable to allocate your estate by one of the above methods.

The Role of the public trustee

There are public trustee offices/networks in each state and territory. Making a will with the public trustee as your executor is free of charge. Public trustees suggest that you reconsider or review your will at least every five years so that changes in your personal relationships and asset structure can be reflected in your will.

How to specify a bequest

Examples of wording for bequests to libraries can be found at <http://www.statelibrary.tas.gov.au/who/aboutus/bequestsdonations/bequest> and <http://www.sl.nsw.gov.au/foundation/bequest.cfm>. You could adapt the wording to include in a brochure or advice to potential donors to

ALIA Research Fund

A profession will grow and develop in as much as its members are prepared to commit to research and innovation so that the body of professional knowledge can continue to expand and lead to improved professional practice. As the peak professional body for the library sector, ALIA has a critical role in nurturing the advancement of the profession by fostering and supporting research activities to ensure ongoing excellence in library and information services.

ALIA's Research Fund was established to support research initiatives and, through the Research Awards program, assist members to undertake projects which they may have otherwise been unable to complete.

Why donate?

Donations to the Research Fund will benefit individual researchers and the library and information profession as a whole by enabling:

- research for innovative practice
- more opportunities for members to obtain grants through the Research Awards program to undertake research for innovative practice

- greater ALIA involvement in partnerships with educators, researchers and the workplace to encourage sharing of knowledge for mutual benefit
- support for ALIA member involvement in research thus creating a research culture within the profession
- scholarly, scientific and rigorous research in library and information science.

How can you donate?

- with your annual ALIA membership renewal
- by directing donations to the ALIA Research Fund
- contact ALIA personally to discuss bequests, endowment of research awards and other opportunities.

All donations over \$2.00 are tax deductible.

More information is available from Marie Murphy at marie.murphy@alia.org.au.

your library, but you should check with the relevant financial management area of your library/governing organisation/local government or council. Public trustees can also advise you on wording of bequests.

It is worth noting to potential donors that gifts bequeathed under a will or made by executors of deceased estates are not tax deductible under the Government's Cultural Gifts Program mentioned below.

Bequests of whole collections and physical material are, of course, not the only forms of philanthropy in libraries. It should be stressed that philanthropy is not the sole preserve of the extremely wealthy and does not have to involve money. The *Macquarie Dictionary* online defines philanthropy as: *love of humankind, especially as manifested in deeds of practical beneficence.*

Other types of philanthropy relevant to Australian libraries are mentioned below.

Foundations can require much consideration and planning as well as a substantial capital sum. There are several types of foundations, including Prescribed

Private Funds, Private Charitable Trusts, and Ancillary or Public Funds. One of the most common ways to establish a foundation in Australia is leaving money in a will for its establishment — a testamentary foundation. A foundation can have a defined life (perhaps for the length of a generation) or can have the advantage of perpetuity. If you are involved in discussions about establishing a perpetual foundation, consider the ongoing administration and other costs involved. With foundations and bequests of monies, managers must ensure the funds are not only spent for the purpose for which they were specifically donated, but that prudent investment and appropriate financial management is in place to ensure the viability of the foundation.

Grants — libraries may be a provider and/or recipient of grants. An example is the Cultural Heritage Grants Program, administered by the National Library of Australia for the Australian Government. In winning a grant, a library is obligated for such things as: using the monies for the project specified by the grant documentation; using the monies within

a specified time or return the funds; providing progress reports on the project.

Friends of libraries — see page 20 for information on Friends groups.

A **patron** can raise the profile of your institution or specific cause, undertake broad advocacy through attracting publicity, and encourage fundraising. It is important to approach/accept a patron who is the appropriate person, and genuinely enthusiastic, for your cause/library.

Volunteers — volunteering and volunteer management are discussed in detail in later pages of this issue of *inCite*.

Mentoring — see page 28 for more information.

Tax incentives for philanthropy

Libraries may be eligible to participate in the the Cultural Gifts Program, administered by the Department of Communications, Information Technology and the Arts (DCITA). The scheme encourages gifts of culturally significant items from private collections to public

continued on page 22

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Philanthropy in Australian libraries continued

galleries, museums, libraries and archives, through the gift provisions of the income tax law which, in summary, provide for: the market value of the gift to be fully tax deductible (subject to exceptions); donors to elect to spread their tax deduction over five income years, and; exemption from capital gains tax.

Australian tax law also allows for tax deductions for donations made to charities and to institutions identified as Deductible Gift Recipients (DGRs). The 2006–07 Budget sought to encourage philanthropy through tax deductions for donations of small parcels of shares and streamlining compliance requirements for DGRs. The ATO provides a free email subscription — the Non-Profit News Service — which keeps you up-to-date on key tax issues affecting the non-profit sector.

Consider compiling an information sheet in your library about philanthropy in libraries for donors. In it you could refer potential donors to the websites of the ATO, the Public Trustee in your state or territory, DCITA, and Our Community. Also, the Philanthropy Australia's website has, amongst a wealth of other information, a list of professional advisors on legal matters of philanthropic activities.

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Sources and further reading

Christopher Bantick, 'The Remarkable Benefits of Philanthropy', in *National Library of Australia News*, Feb 2007

Centre of Philanthropy and Nonprofit Studies, Queensland University of Technology, *Philanthropy, Development and Fundraising in Arts/Culture and Sport: Scoping the International Environment: A Literature Review and Examples in Practice* (Canberra: Australian Government. Department of Communications, Information, Technology and the Arts, 2005)

Penelope Layland, 'Cultural Gifts', in *NLA News*, Vol XIV, No. 4, Jan 2004

Vanessa Meachen, *A Guide to Giving for Australians* (Melb.: Philanthropy Australia, 2006)

Denis Tracey, *Giving it Away: In Praise of Philanthropy* (Melb.: Scribe, 2003)

<http://www.ato.gov.au/nonprofit>

<http://www.dcita.gov.au/cgp>

<http://www.ourcommunity.com.au/advocacy>

<http://www.philanthropy.org.au>

<http://www.slsw.gov.au>

<http://www.statelibrary.tas.gov.au>

<http://www.volunteeringaustralia.org.au>

Philanthropy reference resources

Routledge Reference publishes several directories on philanthropy:

- *The Europa International Foundation Directory 2007*. ISBN 978-1-85743-430-9. This is a global guide to over 2,550 foundations, trusts, charitable and grant-making NGOs.
- *European Foundations and Grant Making NGOs*. ISBN 978-1-85743-268-8. This directory lists over 1,950 foundations and organisations.
- *The International Directory of Corporate Philanthropy*. ISBN 978-1-85743-147-6. This directory profiles 1000 international corporations that make charitable donations.

For more information, see <<http://www.routledge.com/reference>>.

Living Library project receives national funding

Congratulations to the Lismore City Council and the Lismore City Library on receiving \$150,000 in government funding to enable a national rollout of the Living Library initiative. ALIA will be assisting the The National Living Library Implementation Strategy project in a number of ways, and will be keeping you up to date with the activities of the project. The Australian Government, through its Living in Harmony program, has provided \$150,000 in funding for this project. Stay tuned to *inCite* and *aliaNEWS*. More information available from <<http://trtl.nsw.gov.au/>>.



CIVICA

Thank you to Civica for donating \$5000 to the ALIA ISO RFID Data Model Project <<http://www.alia.org.au/rfidproject/>>

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December: Online services

Please note these are **advertising** themes. **Editorial** themes are on page 30.

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