



## WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

**2011 Wisconsin Act 163**  
[2011 Assembly Bill 224]

**Gifts and Grants to  
Libraries and Schools**

Current law governs the disbursement of gifts, bequests, or endowments made to *public libraries*. Among other options, a library board may pay or transfer a gift, bequest, or endowment to a charitable organization described in s. 501 (c) (3) of the Internal Revenue Code and exempt from federal income tax if the purpose of the charitable organization is to provide financial or material support to a public library.

Current law provides that a *school board* may receive, accept, and use gifts or grants of money, furniture, and other property. The school board must use or invest the gift or grant as specified by the donor. If the donor does not specify how the gift or grant must be used, the school board may determine the use or invest any money in accordance with the laws that are applicable to trust investments.

2011 Wisconsin Act 163 provides that a library board may pay or transfer a gift, bequest, or endowment to a charitable organization or to a community foundation if specified conditions are met. The Act defines “community foundation” as a charitable organization dedicated to encouraging and assisting charitable activities and enterprises in a designated community in Wisconsin and having expertise in finance, fund development, and grant-making. The organization must be a charitable organization described in s. 501 (c) (3) of the Internal Revenue Code and exempt from federal income tax.

A gift, bequest, or endowment may be transferred to a charitable organization or to a community foundation under the Act only if each of the following applies:

- The charitable organization or the community foundation agrees to make disbursements from and of the gift, bequest, or endowment to the library board upon the written request of the library board.
- The library board retains control over the manner in which any such disbursement is used.

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This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature’s Web site at: <http://www.legis.state.wi.us/>.

- The library board's use of any disbursement made by a charitable organization or a community foundation must be consistent with the intent of the donor of the gift, bequest, or endowment and with the agreement between the library board and the charitable organization or community foundation.
- The library board exercises its right over the use of each such disbursement made in accordance with the laws applicable to trust investments and the statutory chapter governing libraries.

The Act also gives school boards the authority to transfer a gift or grant to a community foundation under the same conditions as the Act provides for library boards.

***Effective date:*** 2011 Wisconsin Act 163 takes effect on April 12, 2012. The Act specifies that its provisions first apply to a gift or grant made to a school district and to a gift, bequest, or endowment made to a public library on the effective date of the Act.

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