



Policy 5.8

Use of Prizes and Incentives for Library Programs and Events

Adopted by the Library Board of Trustees
03/27/2014

I. Policy statement

NOLS-sponsored library programs are critical tools to advance the NOLS strategic plan and strategic initiatives. They serve an important public purpose when they provide education and enrichment opportunities on topics of community interest for people of all ages, especially young children and teens, promote and encourage public literacy, empower the public to make the most of Library resources, and foster creative social interaction by providing a Third Place in which the community comes together. In connection with some programs, services or events, NOLS uses public funds and/or private donations to purchase and distribute small items of *de minimis* value as prizes or incentives to encourage participation in and reward completion of NOLS-sponsored programming. NOLS finds that purchase of such prizes or incentives with public funds serves a public purpose, provided that the items are not intended as a device for the transfer of public funds to private individuals.

2. Use of public funding

To ensure that prizes and incentives purchased with public funds meet the tests of “public purpose”, NOLS requires that such items are of a *de minimis* value and that program publicity clearly identifies the origin or donor of the items. NOLS does not use public funds to purchase prizes or incentives of value, including gift cards.

3. Use of private funds and donated items

NOLS uses private donations and grants to purchase prizes and incentives only as approved by the grantor or donor. Accordingly, if any NOLS grantor or donor forbids the use of grant funds for the purchase of prizes or incentives for Library programs, NOLS complies with this prohibition. Conversely, if any private grantor or donor specifically permits its funds to be used for purchasing prizes and incentives for Library program participants, this permission eliminates any public purpose issue.

NOLS may also use as prizes and incentives donated items of *de minimis* value provided by publishers, associations, vendors, and other private companies without specifying the origin of the items. These items, for example a small toy, are typically provided as an accompaniment to a children’s book but cannot be circulated to the public due to a choking hazard, an inability to process the item, or because of space considerations.

4. Distribution of Library prizes or incentives

NOLS may distribute prizes or incentives through the use of drawings when the number of items available is not sufficient to provide them to all program participants who qualify, provided that participants are not required to pay a fee or make any other contribution to join or participate in the program. For example: The names of children who complete summer reading program objectives are entered into a general drawing for a grand prize. For the purpose of distributing such prizes, NOLS authorizes the drawing of names of Library program participants from a hat or some other receptacle. NOLS does not consider such drawings to be a lottery under state law because program participants do not have to pay any fee to join the program, or make any payment or contribution for the privilege of participating in the drawing.

5. Employee and Board of Trustee members receipt of prizes or incentives distributed in connection with NOLS-sponsored events

NOLS staff and members of the NOLS Board of Trustees may not receive prizes or incentives distributed in connection with NOLS-sponsored events, even if such staff and Board members are directly involved with implementation of the program, or if they wholly participate in the program, and even if such prizes or incentives are of *de minimis* value.

This policy does not apply to NOLS volunteers.