



ohio library council

Promoting our libraries. Inventing our future.

Friends Across Ohio

Revised 2008

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Chapter 1 THE OHIO LIBRARY COUNCIL

ABOUT THE OHIO LIBRARY COUNCIL (OLC)

The Ohio Library Council is the statewide professional organization that represents the interests of Ohio's public libraries, their trustees, Friends, and staffs. Its members support the ideals of a strong and open public library system in Ohio. As a member-driven organization, the OLC encourages its members to provide input and to be actively involved in its programs, services, and activities and recognizes that its success depends upon member involvement.

Seeking diversity of opinion and respecting the varying perspectives of its members is a touchstone of the OLC. It is committed to making Ohio's public libraries the best in the nation by fostering openness to new and creative ideas.

Benefits of OLC Membership

Supporting Ohio public libraries. Members of the OLC support its very aggressive and productive efforts to influence decisions in the state legislature, the Governor's office, and other areas of the state government that impact the public funding of Ohio's libraries and the ability of libraries to serve library users in the community.

Adequate library funding is paramount to the OLC's work on behalf of Ohio's 251 public library systems. This effort includes the OLC staff's work at the Ohio Statehouse on behalf of its members and, more importantly, involving members in communicating the value of library service to their government representatives in Columbus and at home.

Growing the careers and skills of library staffs. The world of information science is developing at an ever-increasing pace, and librarians and library staff members need to keep up with the latest advancements and the needs of the local community. The OLC provides access to education activities, at a discounted rate, including:

- **Biennial Convention** – Conference where state and national library leaders share ideas on library trends and services.
- **Chapter Conferences** – Networking opportunities and programming focused on specific areas of library service held in the various geographic areas of the state.
- **Targeted training and development programs** – Focused training on various issues, programs, or library skills areas held throughout the year.

Keeping members informed. OLC members receive information that highlights the association's response to challenges that libraries face every day and the latest developments in information science in Ohio and around the country. Member publications include:

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- **Information by e-mail** - The quarterly newsletter is published specifically for library trustees.
 - **Access** - The monthly membership newsletter.
 - **The OLC Web site** – The OLC Web site is the online portal to the latest news and information, professional development and training information, and countless resources to help trustees, directors, Friends, and other library personnel (www.olc.org).

Opportunities for involvement and networking. OLC membership encourages members of library Friends organizations to be involved in events that foster networking opportunities with other library Friends organizations from around the state and enables those peers to work collectively to address the challenges of serving library users in each community throughout Ohio.

Membership Dues

Membership in the OLC is based on the calendar year (January through December). Friends organizations can join the OLC for \$25 each year. See membership dues rates and join online at www.olc.org.

The OLC Governance

The OLC is governed by a board of directors composed of three library employees who have an MLS or MLIS degree, three library trustees currently serving on library boards, and seven at-large members. Also involved in the governance of the OLC are the members who volunteer to participate in the activities of the association's committees, divisions, and chapters.

The OLC Mission

To serve as an advocate for public libraries and to provide opportunities for education and growth for library trustees, library Friends, library staff, and library-related personnel.

The OLC Vision

In the first decade of the 21st century, the Ohio Library Council focuses on the strong base of diverse public libraries in Ohio and its continuing capacity to provide equitable access and serve diverse needs.

The Ohio Library Council affirms its leadership role as the voice of Ohio's public libraries and the provider of choice for continuing professional development.

The Ohio Library Council uses its member-focused approach to provide relevant services and leading-edge information on issues important to the future of Ohio's libraries.

The OLC Strategic Plan

Responding to Members' Needs

- Advocating for continued state funding
- Providing effective communication to all members
- Advocating for intellectual freedom and equity of access

Promoting Professionalism

- Providing a full range of training and development opportunities
- Promoting high ethical standards
- Supporting lifelong learning

Incorporating Collaboration

- Providing networking opportunities
- Working cooperatively across boundaries of organizations, disciplines, and functions
- Respecting diversity of opinion

Focusing on Innovation

- Striving to make Ohio's public libraries the finest in the nation
- Fostering an environment of openness to new and creative ideas
- Maintaining a long-range visionary perspective

Contact Information

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Lynda Murray, Director of Government and Legal Services
Christopher Korenowsky, Director of Professional Development
Connie Riegel, Director of Finance and Technical Services
Jay Razon, Data Services/Accounting Assistant
Ronita Swanson, Technical Services Coordinator

Ohio Friends of the Library Membership

Membership in the Ohio Library Council is open to any Ohio library Friends group. All members of that group are eligible for member benefits, including registration for OLC conferences at member rates. Regular OLC publications are sent to the contact name designated by the group.

Each Friends group is entitled to one vote in the annual OLC elections.

Benefits of Friends Membership

- Information on fundraising, membership recruitment, and organization. Counsel is also available to people forming Friends groups.
- Workshops and seminars on topics of interest to Friends at each of the six regional conferences and at the statewide Ohio Library Council Conference. Members of OFL groups may register at reduced rates.
- Announcements and other mailings deemed of importance to Friends.
- OFL membership helps to support your local library by contributing to the efforts of the OLC in working for library legislation and funding and promoting Ohio's libraries.

Membership

Annual membership is for the calendar year. Membership is open to any Friends group supporting an Ohio public, academic, business, or special library or branch. For membership purposes, branch libraries are considered individual organizations and, therefore, their Friends groups must remit separate dues. Friends groups can find an application to join the Ohio Library Council on the OLC Web site (www.olc.org) or request an application by calling (614) 410-8098.

Dues.....\$25.00 per year

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Chapter 2 ORGANIZING A FRIENDS OF THE LIBRARY GROUP

ORGANIZATION

Because Friends groups are support groups, they are usually formed in response to a need at the library or in the community. There may be no library at all or the library may be too small, or in disrepair, or inadequately funded to serve the needs of its patrons. In communities where library size and the collection keep pace with public demand, it may be that citizens are not utilizing the library facilities to the utmost, and a program to promote awareness and usage is desirable.

The library board of trustees and director may invite public, spirited citizens to initiate a Friends movement. Individuals or a community group, such as a service club or the American Association of University Women, also may approach the library about starting a group.

The Pre-organizational Meeting

The formation of a steering committee signals the beginning of the formal organization of the Friends. The committee should be fairly small, no more than six to eight people. The library director and a member of the board of trustees should be on the committee as well as others interested in forming a Friends group and/or involved in other community activities. Try to find at least one person experienced in setting up and running a volunteer/non-profit organization, for instance someone from the PTA, Kiwanis, etc.

At its first meeting, the steering committee resolves "that a Friends of the [your] Library be formed to [accomplish certain aims]." Your goals can be stated in very general terms at this point. Select a chairman pro tem for the committee, as well as a secretary pro tem. The chairman should appoint a bylaws committee to prepare a constitution and bylaws and a nominating committee to draw up a proposed slate of officers. Other committees may be established as needed; you may want to appoint a hospitality committee to organize refreshments and decorations for the organizational meeting.

The steering committee may need to meet a number of times to accomplish its goals. Once the committee has a proposed constitution and bylaws, a prospective slate of officers, and an agenda planned, the group may set the date of the organizational meeting.

The secretary pro tem should post a notice of the meeting in the library and other places around town and send press releases to the local newspapers, school and church newsletters, city council, etc.—whatever is appropriate for your community. Since the library is a public institution open to all, everyone should be encouraged to join in this new effort. A Friends group is stronger with a diversity and depth of membership.

The Organizational Meeting

After the call to order, the chairman pro tem of the steering committee should outline the purpose of the Friends group and briefly mention the type of activities the group will undertake, such as running the book sale, helping with the literacy program, etc. (The chairman pro tem presides over the meeting until the new officers are elected; the secretary pro tem takes the minutes until the secretary is elected.) The chairman should speak to the need for a Friends group, quoting statistics and facts as necessary, but not at length. A member of the library board of trustees should be asked to say a few words, as should the library director.

The next agenda item is the chairman pro tem's recognition of a member of the audience (who has been briefed in advance) who will make a motion to establish the Friends of [your] Library for these [specific] purposes. The motion should be seconded, discussion should follow, and the resolution, possibly amended, is put to a vote.

Assuming you are now in business, the chairman of the bylaws committee should present the constitution and bylaws to the meeting and hear discussion. This document can be read at the meeting, or copies of it may be handed out to those present. The constitution and bylaws must be approved by resolution, and someone planted in the audience may be asked to move this action.

The nominating committee chairman may now be called on to place the prospective slate of officers in nomination. Nominations should also be sought from the floor. The nominations should be closed by resolution, and then the actual election of officers should proceed, again by resolution (the audience "plant" can also assist here, if needed). The newly elected president and secretary will assume their respective duties, and the meeting will proceed with any other matters on the agenda, ending with adjournment.

An alternate and more formal way of organizing the Friends group is to confine the actions of the pre-organizational meeting to a statement of why a group should be formed, and the appointment of a chairman and secretary pro tem who are charged with setting the date and agenda for the organizational meeting. At the organizational meeting the chairman pro tem will accept a resolution calling for the establishment of the Friends and then will appoint bylaws and nominating committees. This organizational meeting will be adjourned to a future time and place at which officers will be elected, committees appointed, and minutes of this present meeting read.

In any case, the meeting at which officers are elected and the constitution and bylaws approved is a pivotal one for your group. Plan to capitalize on the interest and enthusiasm of those present and the excitement generated by the launching of a new venture. One way to do this is to have a project in the works for people to get involved with immediately. This project should be a fun, inexpensive one with quick obvious results rather than a serious, time-consuming project. Some suggestions are a spring, autumn, or Christmas open house; a get acquainted reception for levy volunteers; a one-day mini book sale of "nearly new" titles or only fiction; or planting flower boxes or a small bed of annuals at the library entrance. This first project can be a fundraiser, as long as it's fun!

Constitution and Bylaws

The constitution and bylaws is the fundamental written document that establishes your organization, defines its purpose, and sets out the rules by which it will be run. The constitution outlines the general overall purpose and structure of your Friends group; the bylaws are the specific rules by which the group is governed. These two are easily dovetailed into one dual-purpose document, which should be titled "Constitution and Bylaws."

There is a reason why the term constitution should be included in the title of your organizing document. The Internal Revenue Service, which will rule on your group's request for exemption as a non-profit organization, requires a copy of your group's organizing documents. A constitution is an acceptable document; bylaws alone are specifically noted as unacceptable for this purpose.

The following Model Constitution and Bylaws are meant to be a guide only. Your group should adapt them to your own needs and circumstances. We would recommend making this document detailed enough to give your group guidance in the conduct of its affairs. At the same time, it should not be so detailed and restrictive that the Friends are frequently operating in violation of the constitution and bylaws or having to amend the document repeatedly. For example, it is a good idea to state that there will be dues for members and that the Friends board IS authorized to make changes as necessary in the dues structure. However, it would probably create problems if you put the specific dollar amount of dues in this document; you would have to amend the constitution and bylaws each time you changed dues structure.

The only article which you must include in the constitution and bylaws is one stating what happens to the assets of the organization if the group is dissolved. This dissolution clause is a vital element in establishing your non-profit status.

Another important article is the purpose statement. As its name suggests, this paragraph outlines the purpose of the Friends, often in relation to the community as well as your library. The Internal Revenue Service will look at this statement when determining your tax-exempt status. Even more important, it is the statement your group can review periodically in order to see whether it is fulfilling its proper role. It should serve as your group's guide in making gifts to the library, determining how best to use volunteers' time, and how to support most effectively your library in achieving its goals. You may want to look at purpose statements from a number of other Friends groups before finalizing yours. It also may be helpful to read through your library's purpose, or mission statement; remember, the Friends are not there to replace the library, but rather to support its efforts and goals in the community.

See Appendix A for a model constitution and bylaws.

Friends of the Library Statement

The library board of trustees may find it very useful for all parties to adopt a Friends statement as part of its written policy handbook. It can and should be adapted to the needs of your library.

See Appendix B for a sample Friends of the Library statement.

Employer Identification Number

Virtually every Friends group will need to get an Employer Identification Number (EIN). The only groups who won't are very informal ones with no dues or other cash transactions and which perform only volunteer services for their libraries.

Despite its name, the EIN has nothing to do with having employees. It is a nine-digit number assigned by the Internal Revenue Service to identify corporations, organizations, etc., in the same way that social security numbers identify individuals. The Friends will need an EIN to get a bank account and as an identification number for any forms that are filed with the IRS, the state, etc.

The EIN does not identify the Friends as a non-profit organization. Nor does it obligate the group to file any specific tax returns, forms, etc. However, because most entities seeking an EIN are employers, the IRS may send the Friends a form requesting information on wages paid and income and FICA taxes withheld. This will probably be a Form 941 Employer's Quarterly Federal Tax Return. If the Friends do not have any paid employees, return the Form 941 stating that fact on the form.

To apply for an EIN, visit the Internal Revenue Service Web site (www.irs.ustreas.gov/) or call the Internal Revenue Service Tax Forms number in your local telephone directory to retrieve Form SS-4, Application for Employer Identification Number. An individual's Social Security number (i.e., the president's, treasurer's, etc.) will be needed as a temporary identifier to secure the EIN on Form SS-4. However, only the EIN (and not the Social Security number) should be used for all other transactions such as opening accounts.

Tax-Exempt Status

Tax-exempt status for the Friends means that the profits or net income of the group are not subject to federal, state, or local income tax. In addition, groups filing under Section 501(c)(3) of the Internal Revenue Code have the right to represent gifts to the organization as tax deductible, charitable donations.

Most Friends groups file under Section 501(c)(3). This section covers most charities and non-profit groups. The IRS Code places restrictions on the amount and type of political activity a 501(c)(3) group may undertake. Friends groups which want to devote substantial portions of their money and volunteers' time to lobbying should consider applying under Section 501(c)(6). Lobbying activities are freely permitted for 501(6) groups, and these organizations are generally exempt from Federal, state, and local income taxes. However, contributions to 501(c)(6) organizations are not recognized as tax-deductible, charitable gifts for donors. (Under certain circumstances, these contributions can qualify as deductible trade or business expenses for donors.) A Friends group with 501(c)(6) status has the option of setting up a segregated fund which is administered separately and which can be recognized under Section 501(c)(3). Gifts to that separate fund would be tax deductible, charitable contributions for donors.

IRS Publication 557, *Tax Exempt Status for Your Organization*, is an excellent source of information for newly formed Friends groups and as a reference for groups that are already established. (Call the IRS Tax Forms number in your local telephone directory or visit www.irs.gov to obtain this and the other forms referred to in this section.) This booklet contains information on all types of 501(c) organizations, the application process, filing

requirements, the annual Form 990 information return, and the unrelated business income tax return.

Because most Friends file under Section 501(c)(3), the following discussion will focus on that type of group. (Requirements and form numbers for (c)(6)s are also outlined in Publication 557.) Gifts to government agencies, including most Ohio libraries, are tax-deductible contributions for donors under Section 170(c)(1) of the IRS Code. However, many donors prefer to give to charitable organizations, and some, such as certain employer matching gift programs and foundations, are required by their bylaws to give only to 501(c)(3)s. Thus, the Friends' non-profit status is a definite asset to your library.

Tax-exempt status is conferred in two forms: an automatic exemption or through a determination letter. Some groups which have all of the attributes of a charitable organization are granted an automatic exemption if their annual gross receipts fall below a certain level; in 2008, this level was \$5,000. Publication 557 outlines this automatic exemption and provides information on the gross receipts test, which determines when a group is required to apply for a determination letter from the IRS. The gross receipts test uses figures averaged over three years to determine a group's receipts level; this way, one extraordinary year (i.e., income over \$5,000) won't necessarily take away the Friends automatic exemption. Automatically exempt groups generally must annually file Form 990-N, a brief electronic notice, with the IRS.

Groups with an automatic exemption may wish to apply for a determination letter anyway. A written document specifically identifying your group as a 501(c)(3) provides more convincing proof of your non-profit status, and it assures donors that their contributions are tax-deductible at the time of the gift. It would be unfortunate for the Friends and the library to lose a contribution because a potential donor could only give to a 501(c)(3) and required a determination letter from the IRS as documentation. The IRS also points out that a determination letter is required for non-profit mailing privileges.¹

Groups with annual gross receipts above a certain level, as well as those automatically exempt groups that are interested, should obtain Package 1023, *Application for Recognition of Exemption under Section 501(c)(3) of the Internal Revenue Code*. This package contains instructions as well as two copies of the application form, Form 1023.

Form 1023 should be completed within twenty-seven (27) months after formal organization of the Friends. Groups which have been relying on an automatic exemption are required to file Form 1023 within 90 days of the close of the tax year in which the group loses that exemption. Not meeting these deadlines could result in your group's losing its tax-exempt status for certain periods of time during which you were in operation but which will not be covered by a determination letter.

Note that many of the schedules included in the formidable-looking Package 1023 do not apply to Friends groups. The application asks for information on the group's activities, officers, and finances. Newly formed groups will use projected figures for income, expenses, etc. Several attachments, most notably your group's constitution and bylaws, are required. A copy of the Friends' Articles of Incorporation is requested if your group is incorporated.

¹ Package 1023. *Application for Recognition of Exemption under Section 501(c)(3) of the Internal Revenue Code*, p. 9.

The IRS also requires that a check be included with the application. The user fee is based on the group's anticipated income and is less than \$750.

After approving the Friends application for tax-exempt status, the IRS will send your group a determination letter. This is a basic organizational document, and the original should be placed in the Friends permanent file. If the determination letter is lost or destroyed, the IRS will provide another letter attesting to the Friends non-profit status.

Other Tax Issues

There are several tax forms that a Friends group may be required to file. Some are information returns; that is, they require information only and no tax is paid. Other forms are required only if a group's receipts are above a certain level. One type of return is due only if the group engages in sales activity.

If a group will be liable for filing one or more of these returns, it is useful for the Friends treasurer to review the previously filed returns for the group or obtain a sample return at the beginning of the fiscal year. Different returns ask for the same information in many different formats. It may be easier to collect this data as transactions occur through the year rather than to reorganize a year's worth of figures at tax return time.

Sales Tax

Ohio Friends groups are required to charge, and forward to the state, sales tax on items the group sells. Section 5739.02 of the Ohio Revised Code deals with the state sales tax. Although many non-profit groups are exempt from collecting sales tax, Friends are not included in the definition of non-profit organizations operated exclusively for charitable purposes in Sec. 5739.02 (B)(12). Nor does the casual sales exemption cited in Section 5739.02 (B)(8) apply to Friends; a casual sale is a sale of tangible personal property obtained by the person making the sale for his own use in Ohio. This exemption does not apply if the person selling the item obtained it for the purpose of resale.²

The Ohio Department of Taxation publishes a booklet entitled *Ohio Sales and Use Tax Guide*, which is an excellent reference for Friends groups.

This tax guide includes information on vendor's licenses, which are required for any group making retail sales. A Regular Vendor's License is good for one year. A Limited Vendor's License can be used for a single event lasting no more than 20 days. Vendor's licenses are obtained from the local county auditor. There is a nominal cost for application and renewal. After getting a vendor's license, a group is required to file returns reporting the amount of sales and the taxes collected. The taxes collected are paid with the return. Groups with Regular Vendor's Licenses are required to report quarterly by filing a return every quarter, even those in which there are no sales and therefore no taxes collected.

Friends groups which have obtained a written letter of exemption under Section 501(c)(3) of the IRS Code may claim exemption from paying sales tax on ALL items purchased by the

² *Baldwin's Ohio Revised Code Annotated Title 57 Taxation*, 1994, p.700.

group. Friends groups, which have an automatic exemption under Section 501(c)(3), but no written letter of exemption, and groups organized under another section of the IRS Code may claim exemption from sales tax ONLY on items purchased for resale by the group. Thus, all groups can purchase items for resale, such as gift shop inventory, without paying sales tax. Groups with a written letter of exemption under Section 501(c)(3) also may claim exemption from sales tax on all other purchases, including office supplies, equipment, paper goods, etc.

State of Ohio Registration and Annual Report

Chapter 1716 of the Ohio Revised Code deals with charitable organizations. Section 1716.02 covers registration requirements for non-profits. In general, all groups with gross revenues of more than \$25,000 a year are required to register with the state; contact the Charitable Foundations Section of the Attorney General's office for the proper form. There is a nominal registration fee based on the amount of contributions to the group; groups with less than \$5,000 in contributions pay no registration fee. The registration fee is the only cost involved; there are no income taxes paid on the group's profits.

Groups that are required to register with the Attorney General must also file an annual financial report. If the group files a federal tax return, a copy of this may be used to satisfy the state's reporting requirement. Section 1716.03(E) generally exempts Friends groups with gross revenues of less than \$25,000 from registering with the Ohio Attorney General and filing annual financial reports. If a group's revenues in a given fiscal year exceed \$25,000, the group must file a registration statement within thirty days of that occurrence.

Federal Tax Returns

Form 990, *Return of Organizations Exempt from Income Tax*, is an information only return. Form 990EZ is a short form return for groups with annual gross receipts between \$25,000 and \$100,000 and assets of less than \$250,000. Groups with gross receipts under \$25,000 are not required to file Form 990 or 990-EZ but generally must electronically file a Form 990-N, also known as the e-Postcard. Form 990-N provides the IRS and donors with basic organizational information. A tax-exempt organization which is a governmental unit or an affiliate of a governmental unit that is not required to file a Form 990 or 990EZ also is not required to file Form 990-N, however. Groups that are not required to file a Form 990 or 990EZ may wish to do so anyway and, in such case, do not have to file Form 990-N. Some donors, particularly foundations, may want a copy of the Form 990 or 990EZ, whether or not it is required by the IRS. Contact the IRS using the number from the local telephone directory or visit www.irs.gov for Form 990 or 990EZ; visit www.irs.gov to electronically file Form 990-N.

Very few groups may be liable for unrelated business income tax. Unrelated business income is income from a trade or business, regularly carried on, that is not substantially related to the charitable, educational, or other purposes constituting the basis for the organization's exemption.³ IRS Publication 598, *Tax on Unrelated Business Income of Exempt Organizations*, contains more information on this subject.

A Friends group with one or more paid employees generally is also liable for withholding and depositing federal, state, and local income taxes, and employee and employer FICA. Circular E, Publication 15, *Employer's Tax Guide*, is available from the IRS. The Ohio Department of Taxation and the local city treasurer can provide information on state and local withholding.

³ Internal Revenue Service, *Publication 557 Tax Exempt Status for Your Organization*, 1992, p.9.

Incorporating the Friends Group

Incorporation is the process by which an entity with a written charter is recognized by the State of Ohio as a corporation. Corporations may be for-profit or non-profit. Certain documents must be filed with the Secretary of State at the time of application and periodically thereafter to maintain the entity's status as a corporation.

Friends organizations are not required to incorporate, but there are advantages to doing so. Corporate organization formalizes the group's status and provides centralization of control and management. The Ohio Revised Code provides a body of law which can be used to answer questions and resolve differences not addressed in the group's governing documents.

A corporation can sue and be sued as an entity. In general, incorporating clarifies the officers' scope of liability and provides a shelter against financial responsibility for debts of the organization. (Individual officers may be sued for personal torts or wrongs which are alleged to be under their direct control.) This protection is the primary reason for even small Friends groups to strongly consider incorporating. Unincorporated groups may subject their members to a greater risk of personal liability for the activities of the organization.

Along with the benefits of incorporating come some responsibilities. A corporation is required to operate in a business-like fashion, to maintain records of its proceedings, activities, and financial affairs, and to have regularly scheduled meetings. A corporation must provide evidence that it is engaged in continuing activity and, therefore, a viable entity.

Friends groups planning to incorporate will benefit from the counsel of an attorney. A lawyer can prepare the documents needed for incorporation as well as provide assistance in getting an Employer Identification Number and applying for non-profit status with the Internal Revenue Service.

Unincorporated Friends groups are governed by their constitution and bylaws. Groups that incorporate will use their constitution and bylaws as the base for two documents required by the Ohio Revised Code—the Articles of Incorporation and the Code of Regulations. The Articles are equivalent to the constitution portion and the Code is analogous to the bylaws. For incorporated groups, the Articles and Code replace and supersede the previous constitution and bylaws. Groups incorporating at the time of organization can omit writing a constitution and bylaws; these groups will prepare the Articles of Incorporation and the Code of Regulations using the same information which would have appeared in a constitution and bylaws. See Appendix A for a model constitution and bylaws.

The Articles of Incorporation are required by ORC Sec. 1702.04. Four items must be included in the Articles: the name of the corporation, the place in this state where the principal office of the corporation is to be located, the purpose or purposes for which the corporation is formed, and, finally, the names and addresses of not less than three natural persons who are to be the initial trustees. Sec. 1702.04 states that other items such as membership qualifications and classifications, a dissolution clause, etc., may be included in the Articles. In general, though, the Articles of Incorporation are brief. This document must be filed with the Secretary of State.

ORC Sec. 1702.06 (A) and (B) require each corporation to designate a statutory agent to receive any process, notice, or demand required or permitted by statute to be served upon

a corporation.⁴ This agent is often the group's attorney. This designation must accompany the group's Articles of Incorporation when it is mailed to the Secretary of State.

The Code of Regulations is concerned with the rules or regulations for the government of the corporation, the conduct of its affairs, and the management of its property.⁵ ORC Sections 1702.10 and 1702.11 refer to the Code of Regulations as "regulations, whether designated a constitution or rules, or by some other term" and specify the contents and procedure for adopting the Code.⁶ The Code of Regulations include information on the qualifications, dues, rights, etc. of members, meetings, trustees, officers, etc. This is a broader document, which sets out the guidelines by which the organization is run. The Code of Regulations must be approved by the incorporators, as noted in the Articles of Incorporation, or by the group's voting members. The Code of Regulations does not have to be filed with the Secretary of State.

⁴ *Baldwin's Ohio Revised Code Annotated Title 17 Corporations Partnerships*, 1994, p. 317.

⁵ *Ibid.*, p. 322.

⁶ *Ibid.*, p. 323.

3 Chapter 3

ROLE OF A FRIENDS OF THE LIBRARY GROUP

Working Together: The Friends, the Library Director, and the Board of Trustees

Every library, and its Friends group, is highly individual, reflecting its own community. The library board, director, and Friends each have varying levels of responsibility and involvement in the library's activities, but all three are committed to the success of the institution. Each of the three must understand and respect the unique roles and responsibilities of the others.

The library board of trustees is made up of volunteers, just like the Friends. They have legal authority for the overall operation of the library. Their tremendous responsibilities include obtaining sufficient funding, setting the budget, long-range planning, setting policies, and hiring the director.

The library's director implements the policies developed by the board and runs the library on a day-to-day basis. The director usually has an advanced degree in library or information science; this education and his or her work experience makes the director an expert in library matters in general and your library in particular. The director hires and supervises the staff, guides development of the library's collection, and directs community programming.

The Friends are a volunteer support group. They look to the board and the director for guidance, inspiration, and leadership. The Friends give both tangible and intangible aid in the form of money, volunteer time, and expressions of support for library policies. What the Friends say and do does reflect on the library. The key word is support! If a group isn't behind the board's and director's goals and policies for the library, it isn't really a support group.

The board and the director can use the Friends as a convenient source of community opinion and in determining the community's library needs. While Friends can provide library officials with valuable feedback and advice, they must also understand that Friends have no final role in setting policy, hiring personnel, selecting library materials, etc.

Friends have a responsibility to develop and carry out their own projects. Activities must be discussed with and cleared with the library director. The director is the paid expert on what is needed or appropriate for your library, and he or she will be the person fielding the public's questions, comments, and complaints about any activity connected with the library, including the Friends.

It is essential that Friends recognize that the library staff is there to provide library services to the public. Although the Friends are working for the benefit of the library, the staff is not there to do the Friends' work. Some groups are fortunate to have a library staff member whose job it is to work with the Friends. This employee is often a community or public relations specialist. He or she serves as a liaison for the group.

The library board of trustees and the director should understand that Friends are a separate legal entity with responsibilities to the membership and to the principles underlying its non-profit status. The Friends must operate in a businesslike fashion within the law and spend the group's donated and raised funds responsibly and in keeping with the Friends purpose statement and the library's needs.

Friends need and should get input regarding the library's current needs for financial support. Once a year, the Friends and the director should meet to set a budget for major gifts to the library. Ideally, the director will be able to furnish a number of items for the Friends' consideration, and the Friends will have time to make their choices. Other requests can be made during the year, often as an unforeseen opportunity or need arises, but the major requests for support should not be last minute demands pushed through without time for consideration or planning for adequate fundraising.

The Friends are giving their time and/or money to the library, and these donations should be treated with respect. The Friends shouldn't be seen as a "blank check," nor should the group insist on giving money for things the library doesn't need or want! It's reasonable for the Friends to know how the money they donate to the library is used; by the same token, a penny-for-penny accounting for funds given in support of the summer reading club, art materials, etc. probably isn't necessary.

The Friends should be thanked for their donations. If a patron contributed \$500 to the library, he would get a letter of appreciation and a receipt. The Friends deserve no less. (A letter and/or a receipt also provides the Friends with the written evidence the group must have to prove its status as a non-profit supporting the library.) A letter from the library board and/or director to the editor of the local newspaper expressing appreciation for the Friends' efforts and donations is also a courteous and appropriate gesture.

Some library boards find it useful to appoint a member to act as liaison with the Friends. Others ask the library director to serve in that role.

4 Chapter 4 THE FRIENDS BOARD

OFFICERS AND COMMITTEES

The Friends governing board, often called the executive board, the board of trustees, or the board of directors, is empowered to act for the organization as a whole. Board members are bound to carry out the mission or purpose of the group as stated in the organization's constitution and bylaws. The board's authority and composition also derive from this document.

In most cases the board includes the officers, the heads of standing committees, and certain ex-officio members. Ex-officio members are on the board by virtue of their job or political office. For example, the library director, whoever he or she is, may be an ex-officio member of the Friends board. Unless otherwise stated in the bylaws, ex-officio members have all the privileges of other board members, including the right to vote. However, they are not included in the count to determine a quorum, nor are they required to attend meetings. The exact composition of the board will depend on the individual group's size and activities.

Friends groups will find *Robert's Rules of Order* helpful in answering questions about boards, officers, and committees. Each group is encouraged to use *Robert's* as a guide in developing an organizational structure and procedures, which serve its own needs.

Officers

The officers usually include the president, vice president, secretary, and treasurer. Sometimes the terms chairman, chairwoman, and chairperson (and their equivalents) are used for president and vice president. Groups may also choose to designate the vice president as the president elect. Sometimes several vice presidents are named to carry out specific duties of office. In some organizations the offices of secretary and treasurer are sometimes combined.

The President. The most obvious duty of the president is to preside over all meetings except committee meetings. *Robert's Rules of Order: The Modern Edition* cites a lengthy list of other presidential responsibilities, including the following: to call meetings to order at the scheduled time, to verify that a quorum exists, to proceed through the business of the meeting in a logical and efficient manner, to state and put all motions to a vote, to direct debate by recognizing members who wish to speak, to remain impartial, to try to alternate between those in favor of and those opposed to a question, to maintain order, to have at hand any documents or resources needed to conduct the meeting, and to declare meetings recessed or adjourned.⁷

The president's greatest challenge is to moderate debate, balance the discussion, and, at the same time, restrain him- or herself from expressing a personal opinion. The president

⁷ *Robert's Rules of Order: The Modern Edition*, 1989, pp.110-111.

must be able to control a meeting with tact and sensitivity. In particular, he or she must make sure that all voices are heard. Both vocal and reticent members can and do have strong feelings and good ideas about the matter under discussion.

There is more latitude for presidents of smaller boards to take an active role in debate. In addition, the president of any board has the option of vacating the chair to put forth his or her comments on a question. In any case, the president must guard against using the intrinsic power of the office to dominate debate and decision-making.

The Friends president must be dedicated to the success of the organization and the library. He or she should understand the mission of the library in the community and have a sense of vision about the role the Friends play in supporting the library.

The ability to communicate with the membership, board members, library officials, and the community is vital for the successful president. From a practical standpoint, it is helpful if the president likes to use the phone or e-mail and has the time to do so.

The Friends presidency is a time-consuming role. The ability to organize work and delegate tasks will make it more manageable and will involve more people in Friends activities. And, of course, the president must be able to share the credit when due and acknowledge other members' efforts.

Finally, the president should be comfortable representing the Friends in front of a group. The president may be called upon to say a few words at a dedication ceremony or reception, introduce a program speaker, or talk about the Friends and the library before a community group. A gracious impression by the president will benefit both the Friends and the library.

The Vice President. The one requirement of this office is that the vice president acts in the absence of the president. This may be a temporary happenstance such as during the president's absence from a particular meeting. If the president vacates his or her office by reason of resignation, incapacity, or impeachment, the vice president assumes the presidency.

Robert's Rules of Order: The Modern Edition makes the specific point that the vice president is not automatically the president's assistant.⁸ Some Friends groups find that a cooperative, teamwork approach by the two people holding these offices works very well. It's important that the vice presidency not be viewed as a dumping ground for all the duties the president does not like.

Some groups designate the vice president as the president-elect. In this case, he or she automatically succeeds to the presidency at the end of the current president's term. This approach ensures a smooth transition. Also, the vice president/president elect knows, usually a year in advance, that he or she will become president. This gives the individual time to think seriously about the Friends and to set goals for his or her term as president.

Linking these two offices can also have a negative impact. An excellent vice-presidential candidate may not be able to make a two-year commitment, or the individual may not want to serve as president except as required by temporary or emergency circumstances. There also can be problems if a group designates its vice president/president elect as chair of a standing committee, for example, ways and means. The perfect ways and means chairman

⁸ *Ibid.*, p. 113.

may not want to succeed to the presidency; conversely, a great vice president/president elect may be awful at fundraising.

Adding committee responsibilities to the vice presidency is one way to increase the value of this office to the organization. This occurs more often in larger groups, and sometimes there will be more than one vice president to accommodate several committee assignments. Ways and means and membership are excellent choices for the vice president/committee chair. These are major committees whose activities are vital to the group. In addition, they bring chairmen into contact with other board members, Friends, library officials, and the community. Experience in these areas and the relationships built there will be invaluable if the vice president/committee chair ever does become president.

The Secretary. A Friends group may have one secretary or two. If there are two, one is usually designated the recording secretary and the other the corresponding secretary. In a very small group with a minimal amount of activity or a very large group where the actual work is performed by several volunteers or paid staff, the offices of secretary and treasurer may be combined into one position.

While most terms of office are set at one year, many groups designate the secretary's term as two years. There are many duties and details involved in the secretary's job, and a two-year term maximizes the benefit to the group of the time needed to learn the ins and outs of this office.

The Recording Secretary. The first duty of the recording secretary is to record the minutes of the group's meetings, including the board and membership meetings, but not committee meetings. The recording secretary is responsible for maintaining a permanent record of those minutes. The permanent minute book should be housed at the library. The secretary may also want to keep copies of more recent minutes in his or her working notebook. A simple index to the minutes, citing major topics such as bylaws, dues, gifts to the library, etc., can be very useful.

Minutes should focus on the facts and actions of the meeting rather than what specific individuals said. The following items should appear in the minutes: name of the group; type of meeting; time, date, and location of the meeting; name of the person presiding; all motions made and the actions on them; the receipt of reports; elections; and the time of adjournment. Those attending the meeting should be listed in the body of the minutes or as an appendage to the minutes. Decisions made by consensus should be recorded as should notation of anyone volunteering for a specific task. Appointment of any ad hoc committees should also be reported in the minutes.⁹

The minutes are the official record of the organization. They should be typed and signed by the secretary. Minutes should be grammatical, punctuated correctly, and free of spelling and typographical errors. It is especially important to spell proper names correctly. Because it is so easy to read exactly what you think you wrote, it may be wise to have someone else proofread the minutes for spelling, punctuation, errors, etc.

Minutes should be sent to board members before the next meeting. The agenda for an upcoming meeting may be posted in the library, but minutes should not be made available until they have been approved by the board.

⁹ Ibid., p. 115.

The recording secretary is also responsible for maintaining the permanent file of the Friends organizational documents, 501(c)(3) determination letter, Articles of Incorporation, contracts, reports, etc. The treasurer is responsible for adding the group's financial reports and information and tax returns to this permanent file. These records should be maintained at the library with copies as necessary in the secretary's and treasurer's working files. The secretary is responsible for making copies of these documents as needed and authenticating them, if required. If Friends members, library officials, or members of the public request access to group records, the secretary is the person responsible for making them available.

The secretary should have a current membership list at all times; this can be provided by the membership committee or the treasurer depending on how the group handles this responsibility.

The secretary maintains a list of the group's committees and their members. The secretary also usually prepares a list of the board members with addresses, phone numbers, etc. for the board's and library director/liaison's use.

Finally, *Robert's Rules of Order: The Modern Edition* places upon the secretary the responsibility of conveying the board's instructions to committee heads who are not present when decisions or assignments are made.¹⁰

The Corresponding Secretary. The corresponding secretary handles the board's written communications. This can include anything from sending a get well card to an ailing library staff member to e-mailing the board about a special meeting. The secretary must be able to express him or herself clearly in print. Correct grammar, punctuation, and spelling are essential. The secretary should also have the skill and equipment to produce an attractive letter, notice, etc. The library may be able to give the secretary access to a typewriter, word processor, or computer on which to work if equipment is available.

The corresponding secretary is responsible for sending out meeting notices, including the agenda, minutes, and any other materials to be included in the board meeting packets.

This secretary also prepares correspondence for the chairman's signature. These communications may be dictated by the chairman or composed entirely by the secretary.

The Treasurer. The treasurer's term is another office that the Friends may want to set at two years. Like the secretary, the treasurer is responsible for many activities, and there is a benefit to having a person serve more than one year in this office.

Depending upon the complexity of the group's finances and fundraising activities, the treasurer may need a formal accounting background. Groups with large treasuries and/or endowment funds may also need someone with investment knowledge who can work with the board's finance committee.

Smaller and medium-size groups often do very well with a simple, cash-basis accounting system maintained by a treasurer whose financial background is limited to successful management of his or her own household finances. Bookkeeping instruction books are available at the library to assist the novice treasurer. Rookie treasurers may also find it helpful to talk with the outgoing Friends treasurer or the treasurer of another local non-profit, such as the PTA or Kiwanis.

¹⁰ Ibid., p. 115.

The most important quality in a treasurer is honesty. Bonds can be purchased at reasonable rates from insurance agents to protect the Friends from theft and embezzlement losses. Groups with significant treasuries are strongly encouraged to seek bonding for the treasurer and anyone else authorized to sign checks. Even with this safeguard, the very best protection for any Friends group is a treasurer with integrity.

The treasurer must have an aptitude for detail work and the ability to communicate well with other board members and the membership about the group's finances. He or she should be readily available to answer questions and to receive monies for deposit and to make payments for expenses.

The treasurer deposits all monies in a bank or other depository designated by the board. Receipts should be written for all income. Receipts should be pre-numbered; smaller groups may find that this is an unreasonable expense.

Receipts for dues should be returned to the membership committee for mailing to members. The treasurer should make sure that the proper acknowledgement letters are sent for gifts of \$250 or more at any one time. (This subject is discussed more fully under Chapter 5: Funds for Friends.) The membership committee or the secretary may actually prepare the letters, but the treasurer should be certain that this is done.

The treasurer is responsible for paying out monies as the organization requires. All expenditures should be made by check, except for the petty cash fund, if one is needed. A custodian is appointed for the fund. It can be the Friends treasurer, or, if it is more convenient, the library director/liaison. Replenishment of petty cash is made with a check to the custodian of petty cash.

The board may require written approval from the president and another officer or the library director/liaison for any disbursement or for disbursements over a certain amount. The board may also require board approval for all expenditures or expenditures over a certain amount and/or all gifts to the library. The board can also require two signatures on all checks; the signators are usually the treasurer and either the president or the library director/liaison.

All of these procedures are good business practice, and the more rigorous the restrictions, the greater internal control the group will have. (Internal control is an accounting term for the system of procedures put in place to safeguard the group's assets.) A larger group with more funds will want to have a formal system of internal control with a written policy manual. A small group will usually have a less structured system, but since a loss can hurt a small group as much as a large one, there must be a set of guidelines in place. The board should put its guidelines in the minutes or in a separate document, which is approved by resolution and attached to the minutes. This protects both the board and the treasurer.

A good compromise which balances the benefits of internal control and the cost of volunteer time and effort is to require board approval of expenditures over a certain amount and of all gifts to the library. Require two signatures on all checks and written documentation for all expenditures. This system makes the board responsible for all major expenditures and those which fulfill the mission of the Friends. It also involves more than one person in the check writing process. An additional simple and effective means of internal control is to have the group's bank statements mailed to the library; the library director/liaison opens the statement and looks at the checks to see that they are all logical expenditures. The treasurer who balances the statement is the second check against fraudulent use of Friends funds. And, of course, the board's audit committee will examine the financial records once every year.

The treasurer must maintain documentation of all gifts to the library. This may be in the form of a receipt from the library's fiscal officer, a sales receipt for a specific purchase, and/or an acknowledgement letter from the library board or director. Proper documentation is the only way the board can be sure it is fulfilling its responsibility to the membership to use Friends money to benefit the library. (Full documentation also protects the group if the Internal Revenue Service ever audits its records.)

Friends Groups which are tax exempt under IRC 501(c)(3) also have an obligation to provide receipts (or other written substantiation of the gift) to donors of gifts of more than \$250. Without this receipt, the donor will not be able to claim a charitable deduction.

The treasurer prepares financial statements on at least a quarterly basis for presentation to the board. The board may request more frequent reports or reports on specific activities such as fundraisers. At the end of the fiscal year, an annual financial report is prepared for presentation at the annual meeting of the membership. The treasurer will place copies of at least the annual reports in the Friends permanent files maintained by the secretary.

The treasurer works with the president preparing budgets for the Friends. The treasurer updates these budgets through the year and keeps committees informed of their expenses to date and remaining funds.

The treasurer is responsible for preparing the group's tax and information returns. This includes federal and state returns as required, as well as personal property tax, sales tax, and any other local returns. If your group has paid employees, the treasurer will also prepare payroll tax reports, such as W-2s and quarterly reports and withholding deposits.

Because most groups have treasuries under a certain dollar limit and no employees, reporting is often limited to an annual information return to Ohio, an annual personal property tax return, and sales tax, if applicable. Groups with more complex operations and more money may find it cost efficient to have a certified public accountant prepare their returns. In this case the treasurer's responsibility is to provide the accountant with accurate information on a timely basis. The treasurer must provide copies of the group's annual tax and information returns for the Friends permanent files.

Finally, the treasurer must keep up-to-date with current tax and other laws affecting non-profit organizations and their donors.

Committees

Boards may delegate some of their responsibilities to committees. This includes research and evaluation tasks as well as the day-to-day operations of the group. The most successful boards do most of their work in committee, bringing only recommendations to board meetings. This improves the quality of board meetings tremendously, and it allows more people to participate in the Friends through the committees.

The Friends standing committees are specified in the group's constitution and bylaws. They usually include many of the following: membership, ways and means, program, hospitality, publicity and public relations, book sale, newsletter, art, gardening, and development. Temporary, or ad hoc, committees may be appointed to accomplish specific tasks; these committees are disbanded when their work is through. The nominating and audit committees also are discharged upon completing their assignments.

Develop written job descriptions for committees. These should include a general description of each committee's purpose and a list of the specific responsibilities involved. Is the membership committee supposed to redesign the Friends brochure, should the publicity and public relations committee do this, or is it a joint project? A written assignment prevents misunderstandings about who is to do what. It also assures that projects of a continuing or recurring nature move forward. Goals may be included in the job description, if appropriate. Examples of goals would be a percentage growth in membership or setting a certain number of programs to be presented each year. The board may give committees additional instructions regarding a particular question or task. These instructions should be clearly stated in advance of the committee's work, so that the members understand what is expected of them.

Committee chairs are usually appointed by the board president. Chairs should be knowledgeable about the work of their committee with a positive commitment to its achievement. The chairman should be able to communicate well, stimulate and inspire others, recruit committee members, be patient, fair, and able to mediate, if necessary, follow-up with people, express appreciation, and share credit for the job done. Skill at planning, scheduling, and delegating tasks is also key to the successful chairman.

Committees should be given specific budgets. This aids in planning and prevents misunderstandings. Using a budget also puts the relative costs and benefits of a project in perspective before you begin it.

When requesting a committee to perform a certain task, the board should set a deadline for completion. Again, this results in better planning, and it helps the group move forward on a project, particularly a large or complex one. After putting knowledgeable chairmen in place and setting guidelines on the budget and time to be expended on a task, the board should respect the expertise and efforts of the committees and resist any urge to micro-manage. They should give committees the right to do preliminary evaluations and make choices preparatory to making a recommendation to the board.

As the Friends' elected representatives, board members reserve the right to make final decisions, especially on contracts which entail a legal obligation, and on matters which could materially affect the group's finances or standing with the library and the community. In general, though, the board should be willing to accept its committees' recommendations unless they are wildly unreasonable. And they should accept them without prolonged discussion of all the various options previously examined by the committees. Discussions about prices for book sale paperbacks and pink vs. white nut cups for the author luncheon should take place at the committee level, not at board meetings.

Committee meetings should proceed along a written agenda, and a clerk should be appointed to take notes of what occurs. The chairman leads the discussion, but committee meetings are usually more casual in atmosphere and allow for greater give and take in the discussion. Committee meeting discussions are confidential. The chairman may invite people not on the committee to a meeting, but it is also proper for him or her to limit attendance to committee members. Once a decision has been reached by the committee, the chairman should solicit consent from all those present.

When the chairman takes the committee's recommendation to the board, minority opinions are not usually mentioned. Dissenting committee members may submit a separate minority report if they wish. In general though, the board relies on the committee to be the experts in an area and to have explored all the options before making an informed recommendation to them.

5 Chapter 5 FUNDS FOR FRIENDS

FUNDRAISING

Most organizations have membership dues to cover the basic operating expenses of the group. Dues also may provide funds to be donated to the library. Setting a number of dues levels, for instance, Individual, Family, Patron, Sustaining, and Youth, will bring in more income to the group. By keeping several categories at a modest level, the Friends will ensure that everyone can afford to join, but at the same time encourage supporters who are able to make larger contributions. You can establish business and organization memberships to widen participation in the Friends and, by extension, support of your library. Your dues certainly should reflect your community and its economic structure. However, don't forget that the Friends are there to support the library, and raising money is often an integral part of that support. (Some Friends groups are organized primarily to provide volunteer work at the library; for these groups, dues and fundraising are a minimal concern and the dues structure should reflect that.)

An acknowledgement, in the form of a letter or even a simple pre-printed card, and a receipt should be sent to each member. For Friends groups which are 501(c)(3) organizations, donors of more than \$250 at anyone time must receive a written acknowledgement stating the amount of the donation and whether or not there were goods and services received in exchange for this contribution. Newsletters, book sale discounts, and other small, so-called *de minimis* benefits are not considered goods and services for this purpose. If your group gives members more substantial gifts such as mugs, bookbags, etc., you should note the retail value of such items or, conversely, the tax-deductible amount, in the acknowledgement regardless of the total amount of the donation. For instance: "Of the Patron membership dues, \$45 is tax-deductible as provided by law."

Matching gifts for dues (and other gifts to the Friends) are a wonderful source of almost "free" money (i.e., requiring little effort to obtain). Many large corporate employers establish foundations, which match their employees' gifts to non-profit organizations. The employee must obtain a Matching Gift form from his or her personnel department, fill it out, and send it along with the dues or gift to the Friends. The Friends treasurer will fill out certain information confirming the gift to the Friends and then return the form directly to the company. The company in turn sends a donation to the Friends, which matches the employee's donation. This benefits the donor, because he can double his donation at no cost to him; the company, because it is putting money back into the local community, and, of course, the Friends. Be sure that your membership brochure includes a line to the effect of: "Does your employer have a Matching Gift program? If so, please obtain a Matching Gift form from your employer's personnel department." When you receive a Matching Gift form, it is a nice gesture to express appreciation to the donor for doubling his gift through this program; when the gift comes in from the company, you also may want to send a very brief note letting the original donor know you have received the match.

Gifts are a special source of income to a non-profit organization. Gifts may be solicited for a specific project or purpose such as an annual fund for the purchase of library materials. Or gifts may come from people who simply want to express their appreciation and support for

the library. The Friends may wish to set up a separate savings or money market account to accumulate gifts not earmarked for a specific purpose. Donors should receive an acknowledgement and receipt for their gifts in keeping with the guidelines above.

The Friends may establish memorial funds for contributions in memory of an individual. The family of the deceased should be consulted regarding the use of this money. As always, the library director should be involved and will be able to provide the family with suggestions based on the library's needs.

Some memorial funds accumulate over a period of time. Often the money is kept in a separate bank account, and interest earned on the money accrues to the fund. These funds may be in memory of one person or in a general memorial fund honoring many people. Because there is usually more money involved, there may be a formal committee comprised of Friends, the library director, and board of trustees to determine how the money is spent. (Family members should be consulted if the fund is in memory of an individual.) These funds are often used for the purchase of major items of enduring value or for building and grounds improvements. Memorial funds may also be designated as endowment funds, in which case the principal of the account is preserved, but the income earned on the principal is available for expenditures, often on specified items, such as books, furniture, etc.

Donors to memorial funds should be sent acknowledgements and receipts as noted above. In addition, a list of the donors (with addresses, but not dollar amounts) should be forwarded to the family of the deceased. The same general concept of donations to remember a special person can be used to solicit donations in honor of a local citizen, to mark a special birthday, or even an anniversary. (A donation to the Friends is the perfect gift for people who have everything!)

Grants are another potential source of income for Friends. Although gifts to your library are tax-deductible under Sec. 170(c)(1) of the Internal Revenue Service code, foundations and businesses are sometimes reluctant to make grants to libraries because most are government agencies supported by tax money. The Friends' tax-exempt status under Sec. 501(c)(3) of the IRS code opens the door to this money source. There is an art to writing a foundation grant proposal and indeed even identifying the foundations to approach. However, most successful requests are simple, straightforward proposals with a clear, concise statement of the need, the specific supplementary information requested by the foundation, and a suitable sponsor to bring the proposal to the foundation's attention. This is within the capability of any Friends group. There are a number of books on this subject, and you may be able to find someone in your community who has experience in this area and is willing to provide this expertise to your group.

Fundraising efforts can take many forms requiring various amounts of effort and yielding different returns. Book sales and the sale of book bags, bookmarks, etc. are traditional moneymakers for Friends. A community cookbook can be fun and profitable. Events such as flea markets, reverse raffles, concerts, auctions, dances, and pig roasts may be successful in your community. There are many books available on fundraising. Take the ideas you find and adapt them to your community and to your Friends group.

6 Chapter 6 MAKING NEW FRIENDS

RECRUITING NEW FRIENDS MEMBERS

Promoting Friends membership is a continuous process. The Friends group will want to recruit new members and to retain current ones. In essence, recruiting is marketing a product to new, potential customers and convincing established customers that the product is still valuable to them. Fortunately, Friends groups have the best product in the world—the library! People think libraries are great, even if they haven't been in one in years. Friends are able to tap into those positive feelings about all libraries, the community's own library, and to a sense of civic responsibility and the value of charitable giving.

What can Friends groups do to increase and sustain membership in order to support the library and also to keep the members happy and active? The list of activities is endless; here are just a few. Sponsor book reviews, a film series or creative writing and poetry contests; host library or book-related teas or luncheons; organize a day trip to historical libraries or sites, museums, parks, zoos, or a Christmas light display; help with the summer reading program; serve as a library docent; volunteer work with the library staff; or help with the local literacy program. This is, of course, in addition to fundraising activities!

When planning programs and activities, the Friends should strive to develop worthwhile projects, which use volunteers' time wisely and profitably. Sponsoring a variety of activities will draw participants; a book sale, a reverse raffle, and an all-age fun run will appeal to more and different people than just one type of event. Projects with varying time requirements or which can be done away from the library will allow more people to participate.

Try to get people of all ages involved as well as different segments of the community. For instance, develop a joint venture with the local PTA to benefit the library's children's room. Ask a local service group to match the Friends fundraising effort for a specific project. Plan a social event like a dance to involve men and couples. Generate a strong, positive image for the Friends and the library; everyone likes to be associated with success.

In addition to honoring members' time with worthwhile activities, make sure that meetings are productive and well-organized. Use a printed agenda, start meetings on time, and limit the length of the meeting. Delegate responsibility to committees so they can make preliminary choices and present a recommendation to the Friends board. Selecting good leaders for the Friends board is also essential. Officers and committee chairs and members should be enthusiastic, willing to work on a team, and committed to the library and the achievement of its goals.

Finally, recognize that not all members want to participate in activities. Let those people give through their membership dues and gifts. Make them feel good, because they are making an important contribution to the success of the Friends and the library, too!

Organizing a Junior Friends

Junior Friends are children and young adults who like the library and want to support it just as adult Friends do. The Junior Friends may be a membership division of the Friends or a separate organization. Junior Friends can support a public or a school library. While there are some differences in approach because of this group's age, it is still essential that their volunteer efforts be rewarded with meaningful projects that truly help the library. Their participation and contribution of time and, if applicable, money, should be recognized and rewarded just as adult volunteers are rewarded.

The reasons for forming a Junior Friends and the expectations for the group will be different from an adult group. Junior Friends is a way to encourage children and young adults to be involved with the library, and there's a greater emphasis on having fun, sometimes learning, and developing a life-long love for libraries. While young people can participate in very successful fundraisers, the major focus for Junior Friends is on activities in the library, including volunteer jobs.

There are a number of natural sources for Junior Friends members. Children's librarians will know youngsters who are regular library patrons. Summer reading club participants and program attendees are also good prospects. Teachers can recommend children who might be interested. Printed materials and public relations efforts ranging from flyers in books being checked out to a press release to the local newspaper and school newsletter can pay off.

Any Friends group must have a good relationship with the library director and staff. While adult Friends will work on their own in coordination with the library, it is unreasonable to expect this same level of responsibility from children. Junior Friends will need continuing leadership, guidance, and organization from a library staff member or Friends volunteer. The Junior Friends leader or liaison must enjoy the company of young people, be creative, patient, and able to adapt to their differing abilities and sophistication. This is especially critical when working with teenagers and pre-teens.

Volunteer activities can include any of the following: helping during summer reading club, story hour, or craft programs for younger children; decorating bulletin boards or creating library displays; working on the book sale; sorting, folding, and counting tasks, such as bundling fliers or collating materials; preparing name tags for story hour; and straightening books and other materials on the shelves.

Other activities focus more on fun. A speaker or program just for the Junior Friends is a special treat. Invite someone from outside the library—maybe a speaker from the zoo or local park—or use the resources already available at the library, such as a book talk on baseball or horses. Field trips to local attractions are also nice for Junior Friends. Craft programs, holiday projects such as a gingerbread library at Christmas, puppet shows, and movie matinees are popular.

Fundraising opportunities are somewhat limited for Junior Friends. Selling is always a possibility, whether it's popcorn at the movie matinees or candy bars at a community festival. Collecting pennies is another good project, and it can yield a surprising amount of money. The Junior Friends also may be able to help out on adult Friends projects, such as the book sale, for a share of the profits.

Items purchased with Junior Friends fundraising proceeds should be selected by the group, preferably from a list put together by the library director or children's librarian. Be sure that

the Junior Friends gift is acknowledged with a thank you letter and with a plaque or bookplate, if appropriate. Also, be sure that the gift is publicized in the Friends newsletter; send a press release to the school newsletter and to the local newspaper.

Parents' support will be important to the success of any Junior Friends group. In communities where parents must drive their children to the library, it will be vital. Make sure that parents understand the purpose of the Junior Friends group, what type of activities are involved for young people of different ages, and the time commitment. At regular intervals recognize parents for their role in making the Junior Friends a successful organization.

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RESOURCES

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American Library Association
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Chicago, IL 60611
1-800-545-2433
www.ala.org

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1422 Euclid Ave. Suite 1600
Cleveland, OH 44115
216-861-1933
<http://foundationcenter.org/cleveland/>

A **Appendix A** **MODEL CONSTITUTION AND BYLAWS**

MODEL CONSTITUTION AND BYLAWS

ARTICLE I Name

The name of this organization shall be the Friends of the John and Mary Doe Memorial Library.

ARTICLE II Purpose

The purpose of this organization shall be to maintain an association of persons interested in books and other information sources and libraries; to focus public attention on the Doe Library's services, facilities, and needs; to encourage the gifts of books, magazines, and other library materials, desirable collections, endowments, scholarships and bequests to the library; to work with the director and board of trustees on matters which relate to major development projects, including building programs; to sponsor programs and exhibits and promote library-sponsored activities and services; to support library development and legislation generally; and to support the policies established by the board of trustees.

ARTICLE III Membership

Section 1. Membership in this organization shall be open to all individuals in sympathy with its purposes, and to representatives of organizations and clubs when such representation is desired, in which case dues shall be paid by the organization.

Section 2. Each individual and organizational member shall be entitled to one vote.

ARTICLE IV Officers and Committees

Section 1. The officers shall be a president, a first vice president/program chairman, a second vice president/membership chairman, a secretary, and a treasurer. The term shall be for one year, and, with the exception of the secretary and treasurer, no person shall serve for more than two consecutive one-year terms.

Section 2. The standing committees shall be as follows: Hospitality, Exhibits, Publicity, Program, Membership, Gifts and Bequests, Fundraising, and Volunteers.

Section 3. The officers and standing committee chairs, plus four members-at-large, shall constitute the board of trustees and shall serve as the governing body of this organization. The library director shall serve as an ex-officio member of the board of trustees. The board shall meet at the call of the president.

Section 4. The direction of affairs of this organization shall rest with the board of trustees. The president shall serve as chairman and appoint the standing committee chairmen, excepting the program and membership chairmen who are elected officers, with the approval of the board. A majority of the members of the board shall constitute a quorum for the transaction of business.

Section 5. Such other committees, as may be necessary from time to time, shall be appointed by the president with the approval of the board.

Section 6. Each year, the president, with the board's approval, will appoint a three-member audit committee to examine the organization's financial records. The treasurer may not be named to the audit committee.

Section 7. Nominations for officers and the four members-at-large shall be presented by a nominating committee of three, to be appointed by the president with the board's approval. Nominations shall be posted in the library at least two weeks before the annual meeting. At the annual meeting, nominations from the floor will be invited; no one shall be nominated without his or her consent.

Section 8. The president is an ex-officio member of all committees with the exception of the nominating and audit committees. The library director is an ex-officio member of all committees.

Section 9. Vacancies arising on the board shall be filled by appointment made by the board of trustees.

ARTICLE V Meetings

Section 1. This organization shall hold its annual meeting in January for the purpose of election of officers, to receive various reports, and to enact any other business. A written notice shall be mailed to each member at least two weeks before the date of the meeting. In addition, notice of the date, time, and place of the annual meeting shall be posted in the library at least two weeks before the meeting.

Section 2. A special meeting of the general membership may be called by the president with the consent of the board of trustees. The membership shall be given at least two weeks, written notice of the time, place, and subject of any such special meeting. A similar notice shall be posted in the library at least two weeks before the meeting.

Section 3. All meetings shall be open to the public.

ARTICLE VI Dues

Section 1. Dues will be set by the board of trustees from time to time.

Section 2. The fiscal year of this organization shall begin on January 1 of each year and end on December 31 of the same year. Annual dues shall be payable for the year as specified.

ARTICLE VII Funds

Section 1. The treasurer shall be responsible for maintaining adequate books of accounts and presenting financial reports to the board and the membership at least annually.

Section 2. No funds shall be disbursed without the written authority of the president and treasurer.

Section 3. Expenditures of \$500 or more must be approved by resolution of the board of trustees.

ARTICLE VIII Amendments

The constitution and bylaws may be amended at any annual or special meeting of this organization by two-thirds vote of the members present, provided that notice of the proposed amendment(s) shall have been mailed to all members at least two weeks before the said meeting. A written notice of the proposed amendment(s) shall also be posted in the library at least two weeks before such meeting.

ARTICLE IX Parliamentary Authority

All meetings shall be conducted according to *Robert's Rules of Order: The Modern Edition*, except when in conflict with this constitution and bylaws or with the laws of the State of Ohio or the United States of America.

ARTICLE X Property and Dissolution

The interest of a member in the property of the organization is limited to its use for organization purposes. If the organization is dissolved, all its property not needed for the payment of its debts and expenses shall be transferred or conveyed to one or more organizations that engage in activities related to library improvement or development and that qualify for exemption under Section 501(c)(3) of the Internal Revenue Code of 1954 (or similar statutes hereafter enacted). The board of trustees shall select the organizations to which such transfer or conveyance is made and shall determine how the property is apportioned among them. In the absence of such a selection or determination by the board, it may be made by a court of competent jurisdiction.

(NOTE: An alternative to the above wording is as follows: The interest of a member in the property of the organization is limited to its use for organization purposes. If the organization is dissolved, all property not needed for the payment of its debts and expenses shall be transferred or conveyed to The John and Mary Doe Memorial Library, or its successors.)

B Appendix B **FRIENDS OF THE LIBRARY STATEMENT**

SAMPLE FRIENDS OF THE LIBRARY STATEMENT

Friends of the John and Mary Doe Memorial Library

The board of trustees of the John and Mary Doe Memorial Library looks upon the establishment of the Friends of the Library as a worthwhile community endeavor, which will benefit the Doe Library and libraries collectively.

All Friends of the Library projects should be undertaken only with full knowledge and approval of the library director and the library board of trustees.

It is the wish of the board of trustees to receive information about Friends meetings, officers, plans, and purposes. This may be done through the library director.

The Friends of the Library is distinct and separate from the library board of trustees and cannot assume the duties of the trustees.

Since Friends are volunteers, distinct and separate from library personnel, library staff members may act only in advisory capacities for Friends activities.

Operating expenses of the library are provided through allocation of public funds, which are audited by the State Auditor. Friends funds and library funds cannot be integrated except through gifts by Friends to the library.

Public relations work by Friends on behalf of the library should be coordinated through the library director or the library's public relations department. The public relations office may share ideas, offer suggestions, and do preliminary work on news releases for the Friends. The public relations office also may work with the Friends publicity director in an advisory capacity.