

PUBLIC LIBRARY FOUNDATIONS RESOURCES FOR FLORIDA'S PUBLIC LIBRARIES

4. SETTING UP A LIBRARY FOUNDATION ARTICLES OF INCORPORATION, BYLAWS, MISSION STATEMENT

The JPL Foundation, Inc. is a 501(c)(3) private not-for-profit corporation created in 1986. The Foundation's mission is to provide the resources that enhance and enrich the Jacksonville Public Library. To this end, the Foundation encourages investments in the future of our library through a variety of giving opportunities, i.e., donations, grants, an endowment fund, Planned Giving programs and memorials.

The Foundation develops financial resources to enhance library facilities, purchase books, computers and media for children and adults, support the Library's Center for Adult Learning and bring thousands together for the annual book festival, Much Ado About Books. The Foundation also launched the capital campaign, "Perfect the Dream" which enabled the library to build an endowment fund to enable Jacksonville to perfect its dream of a world-class library system. Gifts to the Foundation provide tax benefits to the donors and benefit the library and its vital programs. None of these accomplishments would be possible without the generosity of corporations and individuals.

Jacksonville Public Library Foundation Mission

As a public library begins to work on the creation of a library foundation it must do three things:

- File Articles of Incorporation with the appropriate state agency.
 - In Florida, a nonprofit charitable and educational organization must register as a corporation with the Florida Department of State, Division of Corporations, and request the Florida Not-for-Profit Corporation Act booklet. They can be contacted by phone at 850.245.6045 or on the web at www.dos.state.fl.us/divisions/division_doc.cfm.
- A charitable organization intending to solicit donations and contributions from the public must register, on an annual basis, with the Florida Department of Agriculture, Division of Consumer Services. The division can be contacted by phone at 1.800.435.7352 or on the web at www.800helpfla.com.
- Secure a federal income tax exemption by filing with the Internal Revenue Service. The organization must apply for exemption and file reports as required. Organizations that meet the requirements of the Internal Revenue Code section 501(a) are exempt from federal income taxation. The IRS can be contacted by phone at 1.800.829.1040 or on the web at www.irs.gov. Special information for nonprofit organizations can be found at www.irs.gov/charities.

The first steps in setting up a library foundation require legal assistance. Often, when the first library foundation board is being established, an attorney who is willing to provide pro bono legal services is included as a member. If there is no pro bono assistance available, get a recommendation and hire an attorney who has experience in assisting nonprofit organizations to fulfill the legal requirements to establish a foundation. These requirements include the paperwork for the Internal Revenue Service (IRS) and any documentation that is required by state government. State charity registration offices can provide information about filing the state documents. These processes may take anywhere from five to six months. Notify the legal representative of the local political jurisdiction, i.e. county attorney's office, so that he or she is aware of the legal steps being undertaken to establish a foundation. There is no reliable

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way to estimate either the time needed for the paperwork to be finalized or the cost of legal services. There are a great many factors which can affect both time and cost.

The Foundation Center has created a website with valuable information about establishing and running a nonprofit organization. This website (<http://foundationcenter.org>) also points to many other web-based and print resources which are very helpful.

ARTICLES OF INCORPORATION

The articles of incorporation is the legal incorporation document for a library foundation and is filed with a state government agency. The articles of incorporation for the library foundation must include:

- The official name of the organization.
- The address of the headquarters of the organization.
- The organization's overall purpose or mission.
- Goals which should be broad and adaptable.

The above items must be determined prior to filing the incorporation papers. Take a look at other library foundation or nonprofit organization articles of incorporation. One way to see some samples is to search the web under "nonprofit articles of incorporation." There are a number of public libraries in Florida which have library foundations and may be happy to share samples of documents such as articles of incorporation, Foundation bylaws and memoranda of understanding. The Division of Library and Information Services and the Florida Library Association are excellent contacts and referral points. Remember, however, while it is good to look at some samples, the articles of incorporation drafted for your library foundation must fit its specific mission and goals.

TAX EXEMPT STATUS

The Internal Revenue Service requires that organizations wishing to achieve tax-exempt status under Section 501(c)(3) fill out the required forms. Once an organization is granted tax-exempt status, it is exempt from federal taxes, and contributions to that organization are tax deductible. Unless you are already an expert on the tax code, it is important to have legal counsel for this process. When the IRS approves the request for tax-exempt status, it will notify the organization with an official letter. This process can take from three to six months.

FOUNDATION BYLAWS

In addition to the legal documents described above, the library foundation will have to draft bylaws, the laws or rules which govern the internal affairs of the organization. The initial incorporators of the library foundation, together with the library director, should put together this document. There are many models of bylaws to use. Public libraries with their own foundations are usually very willing to share their bylaws. Bylaws need to include but are not limited to the:

- Name and purpose of the organization.
- Board of directors - their role, size and composition.
- Method of electing the board of directors.
- Meetings of the board and how frequently they occur.
- Terms of the board of directors.

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- Quorum for board meetings.
- Officers and duties of the officers,
- Vacancies on the board and how those vacancies may be filled.
- Resignation, termination and absences from the board.
- Executive director and duties of that position.
- Ways in which the bylaws may be amended.

Some sample language for bylaws is included below. The language is merely illustrative and is shown as an example. Library foundation bylaws should be tailored to local needs and situations.

BYLAWS OF THE SUNSET RAYS COUNTY LIBRARY FOUNDATION

ARTICLE I NAME AND PURPOSE

Section 1: The name of the organization is the Sunset Rays County Library Foundation.

Section 2: The Sunset Rays County Library Foundation was formed to assist the Sunset Rays County Library in securing private funds to enhance library services and to advocate for the Sunset Rays County Library in the community.

ARTICLE II BOARD OF DIRECTORS

SECTION 1: Role of the Board. Size and Composition. The board is responsible for the policy and overall direction of the Sunset Rays County Library Foundation. It shall have a maximum of 40 members and no fewer than 10 members. Of the 40 members, a maximum of two members shall be appointed by the Sunset Rays County Commission Chairman and one member shall be appointed from the Friends of the Sunset Rays County Library Board by the president of that board. The Director of the Sunset Rays County Library shall serve as a full voting member of the Foundation board of directors. The board will receive no compensation for its service. The day-to-day operations of the Foundation will be delegated by the Foundation board to the executive director of the Foundation.

SECTION 2: Meetings. The board shall meet quarterly at an agreed upon time and place.

SECTION 3: Board elections. The board shall hold an annual meeting at which elections for membership to the Board will take place.

SECTION 4: Terms of Board Membership. All board members shall serve four-year terms and are eligible for re-election to one additional four-year term.

SECTION 5: Quorum. The business of the Board may not be transacted unless there is a quorum of at least 50 percent of eligible board members present.

ARTICLE III OFFICERS AND DUTIES

SECTION 1: There shall be four officers of the board and they shall be elected at the annual board meeting. The officers shall consist of a Chair, a Vice-Chair, a Secretary, and a Treasurer. (Duties of each position may be included here.)

SECTION 2: Vacancies. Nominations for new members may be made to the board's governance committee who will present a slate of prospective board members and officers to the board at its annual meeting or at another meeting convened for that purpose.

SECTION 3: Resignation and Termination. Resignation from the board must be presented in writing to the secretary of the board. A board member may be terminated from the board if that member has three unexcused absences from Board meetings in a one-year period of time.

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ARTICLE IV COMMITTEES OF THE BOARD

SECTION 1: The board may create committees as needed. The board chair shall appoint all committee chairs. There will be four standing committees of the board — the executive committee, the finance committee, the investment committee, and the governance committee.

SECTION 2: The Executive Committee. The officers of the board shall serve as the executive committee. The executive committee shall assume all the powers of the board of directors between meetings of the board. The executive committee shall annually review the performance of the executive director and recommend compensation to the full Board. (Other committee responsibilities should be spelled out in this section.)

ARTICLE V EXECUTIVE DIRECTOR

SECTION 1: Executive Director. The executive director is hired by the board and has day-to-day responsibility for the operations of the library foundation within the board policy and goals framework. The executive director will attend all board meetings and carry out all duties as described in the job description written for that position. The executive director is responsible for managing the staff of the organization.

ARTICLE VI AMENDMENTS

SECTION 1: These bylaws shall be amended as necessary by a majority of the board of directors. Proposed amendments to the bylaws shall be sent to board members no later than two weeks before a scheduled meeting.

MISSION STATEMENT

All of the legal and detail work to set up a library foundation must support an articulate and clear vision for the organization. What is it set up to do? Why? How does it fit in with the mission of the library?

The mission statements of several library foundations are included below as well as throughout this resource guide. It is important to keep in mind that library foundations and the libraries they serve are locally-based institutions and the mission statement should, if possible, reflect that as well.

SOME EXAMPLES

Fine libraries everywhere exist with public funds, but it is through private funds that they flourish. The Broward Public Library Foundation was incorporated in 1982 to provide books and materials that go beyond what is available through tax base funding.

The nonprofit Foundation is the catalyst in sparking private funding and endowments to ensure that a state of excellence is achieved throughout the Broward County System.

Broward Public Library Foundation Mission Statement

The Library Foundation was created as a nonprofit corporation in 1992 to encourage private support for the benefit of the Los Angeles Public Library. Foundation funding complements, but does not supplant, the city's responsibility for library operations.

Library Foundation of Los Angeles (California) Mission Statement

Note that the Library Foundation of Los Angeles' statement specifically mentions that charitable giving is not a substitute for public funding and that the local jurisdiction has a responsibility to support the library.

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The following mission statement is a bit different. In Saint Paul, Minnesota, the Friends of the Saint Paul Public Library undertakes the role of a quasi-library foundation.

The Friends of the Saint Paul Public Library:

- a. Increases the use of the Library through public awareness and cultural programming.*
- b. Advocates for strong public funding of the Library; and*
- c. Provides private funding to enhance Library services.*

Through this work, the Friends serve as a national model for its unique, comprehensive support of the Saint Paul Public Library.

Again, note that the mission clearly delineates the importance of "strong public funding" in partnership with private funding.