

# PUBLIC LIBRARY FOUNDATIONS RESOURCES FOR FLORIDA'S PUBLIC LIBRARIES

## 7. LIBRARY FOUNDATION ORGANIZATIONAL ISSUES

How a library foundation is organized and how it operates are, of course, important issues. These issues, some of which are covered in other sections of the resource guide and a number of which will be covered below, include but are not limited to:

- Developing the mission statement, articles of incorporation and bylaws.
- Putting together the initial board of directors.
- Filing the necessary legal documents – state and federal - with the aid of an attorney.
- Understanding and supporting the library's fundraising goals and objectives.
- Creating a case statement for fundraising purposes.
- Securing startup funding, if necessary.
- Working closely with the library and library director on items such as staff support, office space, supplies, technology needed, communications, etc.
- Hiring staff, if appropriate.
- Determining the type(s) of fundraising efforts necessary and resources needed for each type.
- Investigating, and if appropriate, selecting an investment advisor or establishing a fund in a community foundation.
- Keeping scrupulous financial records and selecting an auditor for an annual financial audit.
- Keeping abreast of all laws and requirements for nonprofit organizations in Florida and adhering to these.
- Working to establish a mutually beneficial and complementary relationship with the Friends of the Library group, if one exists.

All of the items on the above list do not have to be done when a new library foundation is first initiated. Many of them can be dealt with as the new foundation grows and prospers. It is the basics – who is going to do what, for what purposes and what will it cost – that need immediate attention.

### **Startup Funding**

There are costs associated with incorporating a library foundation. These costs can include:

- State and Federal government filing fees.
- The services of an attorney, if one is not enlisted to do the work in a pro bono capacity.
- Legal and accounting advice for the operation of the foundation.
- Office supplies, stationery, computers and fundraising software.
- Consultants, if needed, on fundraising strategy, case statement development and campaigns.
- Donor cultivation (lunches and dinners).
- Marketing and public relations campaign.
- Salaries and benefits for staff for the foundation.
- If desired, the cost of establishing a fund in the local community foundation.

These costs can be kept to a minimum if services are donated, the library provides space for an office with related office supplies, phone and computers, and no staff is hired at the start.

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It is unwise to make a ball park guess at what these costs might be. They depend on the local area's fee structure and market for professional services (accounting, law, investments, public relations, etc.) and the current local salary structure for development personnel. The foundation may also be able to attract and receive donated services and materials. It is safe to say, however, that there is a cost involved of several thousand dollars, at a minimum.

A solution to the need for startup funding is to find a generous donor, individual or foundation, who is willing to fund the first year (or maybe two) of operations for a new library foundation. This could be positioned as a capacity-building opportunity, donating funds to help establish the long-term success of private funding for the library. If you can create a compelling case for establishing a library foundation, donors and prospective board members will be more likely to become involved.

### **Creating the Case Statement**

The case statement is the articulation of the vision of a fundraising campaign and the explanation of why an organization needs and deserves philanthropic support. It should be clear, concise and convey a sense of excitement, possibility, and immediacy. It should incorporate, in one or two pages:

- A brief description of the library.
- A brief description of the library foundation.
- What makes the library distinctive and unique.
- What needs to be achieved.
- How the fundraising campaign will help the library achieve its goals.
- How the donor can participate and why the donor should give to this effort.

The case statement is both an internal and external document. Externally, its audience is library supporters, current and potential donors, and government officials, where appropriate. Internally, the case statement can be a rallying point for staff, board members, friends and volunteers.

The opening paragraph and goal section of a case statement for the fictional Sunset Rays Library follow (in italics):

*The Sunset Rays Library has a long history of providing exceptional library service to the 85,000 people living in Sunset Rays County. Established in 1931, the Sunset Rays Library is an historic building that is a center for learning and education. With its mission of providing free and open access to lifelong learning, culture and educational support, the Sunset Rays Library touches the lives of all the residents of the County; 95% of these residents have a library card and use the library on a regular basis.*

*The Sunset Rays Library Foundation is being incorporated as a tax-exempt nonprofit organization to assist and support the Sunset Rays Library in reaching its goals. It will supplement but not replace the Sunset Rays Library's public funding. The Sunset Rays Library Foundation will work to raise funds for these two critical programs and, in the future, other programs, services, capital projects and operations that are the priority of the Sunset Rays Library.*

*The Sunset Rays Library has set two important goals that the Sunset Rays Library Foundation will help it achieve:*

- *Establishing an Early Childhood Literacy Center for preschool age children and their parents. This early childhood literacy center will hold workshops for children and their parents and caregivers, build a special targeted collection, integrate age-appropriate technology and focus on the importance of reading as the basis for a good education. (Cost - \$45,000)*

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- *Creating a homework help center for middle school and high school students. This center will contain print, media and electronic information for young people that complements the materials available at middle and high school libraries. A tutoring program led by volunteers will occur on weekday afternoons and Saturday morning. The online tutoring service "Homework at the Library" will also be available to all students from the library. (Cost - \$70,000)*

In preparing for fundraising, the case statement is very important. Taking the time to review the library's needs and plans and set down a case for support helps clarify and focus the fundraising process. And, for a new library foundation, a case statement provides a clear understanding of why the individuals involved are raising money and providing financial support.

### **Types of Fundraising Campaigns**

There are a number of types of fundraising campaigns that a new or growing library foundation may undertake. While it is not recommended to undertake multiple kinds of campaigns at first, the library foundation can certainly build on its successes and add to its mix of fundraising efforts as the foundation matures, staff is added and support grows.

Florida library foundations use various methods and types of campaigns to raise money. The most frequently used campaign is an annual membership in the foundation, followed by special events such as author dinners.

### **How Florida Library Foundations Raise Funds**

A brief overview of the major types of fundraising campaigns includes:

- Capital Campaign - a major, time-limited effort to meet a specific financial goal for a special project such as a building, development of new technology infrastructure, or furnishings and equipment.
- Annual Fund – the fund drive to solicit contributions on an annual basis. This may also be utilized as an annual membership drive with donors becoming members of the library foundation at a variety of funding levels with related benefits for each level.
- Direct Mail – solicitation of new and renewal donors through a mail campaign and, recently, through email solicitation. This could be a part of an annual fund drive and/or also utilized for special, targeted fundraising efforts, i.e. new materials for children, a teen center, etc.
- Special Events – funds raised through attendance (ticket sales) for author dinners, auctions, etc. These events usually entail a great deal of work to plan, oversee and sell tickets.
- Planned Giving – raising funds through bequests and estate planning in the form of charitable annuities, insurance, etc. Engage an expert in this field to assist the foundation as it considers establishing a planned giving program.
- Endowments – funds that are donated to the institution are invested rather than spent outright. A portion of the income produced by those investments provides ongoing and long-term support.

In general, most library foundations begin their efforts through annual fund drives with related membership categories. Some establish endowments right from the start to build a longer term funding base while others prefer to develop funding to meet the immediate needs of the library. Determining the right type(s) of campaigns for each library will be a function of the library's leadership in partnership with the leadership of the library foundation.