Library Board of Trustees ad hoc MOU Committee Meeting
May 30, 2017 10:00 AM Government Center, Room 4/5

In attendance
Miriam Smolen, Chair

Minutes

Committee Chair Smolen opened the meeting at 10:00 AM. One committee member was present and Library Director Hudson was in attendance.

Chair Smolen welcomed members of the Friends of the Library (FOL) groups and the public to the meeting. She affirmed that the purpose of the meeting was to share information about high level research for an update to the MOU between the Library Board of Trustees and Friends groups. There were three key factors related to an update of the current MOU:

1. Governance/Structure
2. Liability and Risk Management
3. Other areas of interest

Chair Smolen presented to all in attendance the PowerPoint that was present to the full Library Board at their May 10, 2017 meeting (attached). The main high level areas include:

- Permission to Solicit/VA Code
  - The Library allows the use of its name for the purpose of activities in support of the Library. The Friends groups’ purpose as written in their establishing documents is to support the Library. VA State Code provides the framework for donations of materials from the Trustees to the Friends’ groups.

- Organization of FOL
  - Friends groups must be incorporated, filed with the SCC have proper incorporation papers and bylaws to include standard dissolution instructions, register as a 501(c)3, and have general liability insurance. The Friends’ groups must also file to obtain the waiver from Virginia sales tax.
  - Director Hudson talked at more length regarding insurance requirements, as the County insurance does not cover FOL groups and Board members can potentially be personally liable.

- Making Donations to FCPL
  - With few exceptions, money should typically be routed through Library Financial Services and comply with County procurement requirements.

- Accounts
  - FOL groups should maintain appropriate fiscal records as 501(c)3 organizations.
  - Discussion around a holding limit as a multiplier of an FOL group’s annual contribution with exceptions provided for specific programs or long-term projects.

- Reporting
  - Make records available to library on an annual basis.
• Licensing
  o Complete a lease agreement with the County.
• Indemnification
  o Indemnify and hold harmless.

Director Hudson also provided some background information on what went into the high level areas. Staff researched other local jurisdictions, large library systems across the nation, and reviewed national charitable giving websites. Fairfax County specific items were also reviewed included the recently updated County’s Animal Shelter MOU with its FOL group that has many of the same high level areas. Other local library systems have a variety of formats and structures regarding FOL groups and MOUs.

After Chair Smolen completed her presentation, comments were solicited from the attendees. Attached to the minutes is a document that highlights specific questions or requests for information that came from attendees, as many comments fell into the same areas. Concerns and questions focused on fund retention, what would happen to excess money, responsibilities of Friends groups as independent 501(c)3 organizations whose purpose is to solely to support the County Library system, and insurance obligations.

Committee Chair Smolen thanked audience members for their feedback and for the time and passion they all feel for the library. A next committee meeting date has not yet been set, but all Friendg presidents will receive an email alerting to the time and location when it is selected. Chair Smolen closed the meeting at 11:28 AM.