

FRIENDS 101

WHAT EVERY FRIENDS GROUP NEEDS

- **Board** comprised of at least three to five members
 - No library staff
 - No relatives or spouses of staff or of each other
 - Diverse representation of community
- **Charter** with the State
 - Available at Secretary of State's website: https:/tnbear.tn.gov/Ecommerce/RegistrationInstr.aspx
 - Cost: \$100

Tax ID/EIN

- Application at IRS website: https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online
- Cost: free

> 501(c)(3) status

- Application at IRS website: https://www.irs.gov/charities-non-profits/application-for-recognition-of-exemption
- Cost: approximately \$275
- **Bank account** with two or three signers
 - Not library staff
 - Preferably not the treasurer
 - Two signers for all checks
 - Credit card for group or library use if needed
- ▶ Plan of action with library director
 - Role of Friends
 - Fundraising goals and plans
 - Communication procedures

► Clearly stated mission

- Serves as guidepost
- Available in print and/or online

Approved bylaws

- Organization name
- Mission statement
- Charter date
- Election of officers and board members
- Length of board terms and term limits (including re-election requirements)
- Filling midterm vacancies
- Voting procedure and privileges (library director should not vote)
- Associate members (advisors, library board chair, community partners) and voting privileges
- Quorum requirements
- Meeting schedule and notice of meetings (typically 2 weeks)



FRIENDS 101 (CONTINUED)

► Approved bylaws (cont'd)

- Agenda, prior meeting's minutes, and supporting documents to be distributed before each meeting
- · Removal of board member
- Duties of all officers, board members, and committee chairs
- Financial year and budget cycle (recommend aligning financial year with board terms)
- Financial oversight and spending limits
- Calling special meetings
- Parliamentary authority
- Conflict-of-interest statement
- Order of business
- Procedure for amendments and review of bylaws
- Dissolution

Approved, detailed budget

- Fundraising goals
- Expenses for Friends
- Expenses for library
- Capital projects
- Reserve

➤ Written policy outlining distribution of funds

- What will Friends fund? Library programming? Capital projects (e.g., technology, expansion, renovations)? Staff development? Community partnerships? Other?
- What is the process for releasing funds to the library?
- What spending level requires board approval?

▶ D&O and liability insurance

- Protection for board members and for organization
- What to consider: criminal insurance, general liability, bonding for anyone signing checks, and insurance to protect physical property if applicable

► Annual report with the State

- How to file: https://sos.tn.gov/charities/pages/how-to-use-the-charity-business-filing-system
- Current cost: \$10 per year (subject to increase)
- Current status available at any time on the Secretary of State's website
- ▶ IRS Form 990 filed every year

▶ Open and regular meetings

- Not subject to Sunshine Law, but what are we hiding?
- · Preferably meet at the library
- Schedule meeting dates for the entire year
- Always include the library director or their designee





