

# Library Friends and Library Foundations

# 24

## “Friends” Organizations

Friends of the Library organizations exist in many Wisconsin communities. Friends organizations are groups of citizens who join together to support, improve, and promote the library. Some are formally incorporated, not-for-profit bodies; some are informal groups of library supporters. (Information about establishing a Friends organization and ideas for Friends activities and projects is available from the Association of Library Trustees, Advocates, Friends and Foundations at [www.ala.org/united/friends](http://www.ala.org/united/friends).)

As volunteers who actively support the library, Friends can be extremely helpful to the library in a number of ways. Friends often offer financial support for a special library program or service, advocate for the library budget or library capital project, and volunteer assistance with children’s summer reading programs and other services.

While the library board and the Friends share a common vision, they are separate, autonomous bodies—each with a distinct role. The two groups work together most effectively if they respect the distinct role of each organization. Below are a few suggestions that may help create an effective working relationship:

- Friends recognize that they do not perform a decision-making role for the library.
- The library board values and encourages input and opinions from the Friends.
- The library board appoints a liaison to the Friends (often the library director or other library staff member).
- Friends decide how to spend their funds only after conferring with the library director and library board.
- The library board provides the Friends with a “wish list” of items not included in the budget, to aid the Friends in their fund-raising efforts.
- The Friends’ activities support library board strategic plans and policies.
- The library board expresses appreciation to the Friends for their support and service.
- The library board invites and welcomes Friends to library board meetings, especially when discussing issues that may be of interest to the Friends.

### In This Trustee Essential

- The role of Friends of the Library groups and library foundations
- How to develop a good relationship between the library board and support groups like the Friends of the Library or the library foundation
- Financial support from the Friends of the Library or the library foundation

## **Library Foundations**

Individuals in some Wisconsin communities have created library foundations to solicit donations to support the library. Library foundations are independent nonprofit organizations established according to the relevant state and federal regulations. A separate library foundation may have certain benefits, including greater political independence. Establishing a foundation normally requires the assistance of a lawyer. A lawyer and/or accountant may also be needed to comply with the IRS 501(c)(3) filing requirements for a nonprofit foundation.

Because library foundations, like Friends groups, are autonomous organizations, many of the same suggestions discussed above for working with the Friends also apply to developing a positive working relationship with a library foundation.

The primary distinction between a Friends of the Library group and a library foundation is that a library foundation will typically have a single purpose: to raise private funds for the support of the library, often including support for library building projects. Friends organizations also often raise money for the library, but, in addition, Friends groups typically support the library through volunteer work in the library and through organized library advocacy work.

## **Community Foundations**

Like a library foundation, a community foundation is a charitable organization described in IRS 501(c)(3); however, a community foundation has a broader purpose for the betterment of the community at large and not just the library. This type of foundation is generally used in the absence of a library foundation to help raise funds or establish an endowment on behalf of the library and to invest those funds legally and effectively.

## **Financial Support from Friends and Library Foundations**

It is important that library donations, including financial and material support from the Friends and any library foundation, be used to enhance or enrich library services. The availability of Friends' support should never be the occasion for reducing or replacing the community's commitment to public funding. Donors will quit donating and volunteers will quit working if they see that their efforts are resulting in reduced public funding for the library instead of improved service.

Often, Friends groups will underwrite a pilot project for a year or two until the value of the new service is proven in the community. They might provide assistance in the furnishing and/or decorating of the library building beyond bare necessities. They might make special collection enrichment gifts to help the library keep pace with an unanticipated increase in the need for special materials (to better serve Spanish-language residents or day-care centers, for example). In addition, Friends groups often provide financial support for special programming.

In many communities, the library donates withdrawn books to the local Friends organization for sale to the public. This practice probably falls within the authority of the library board; however, because public property is involved, special care should be taken. We recommend that the library board enter into a written agreement with the Friends that makes clear that all proceeds from sale of the books (and any other materials) be used to support the programs and services of the library.

## Donations to the Library

Under Wisconsin law, the library board itself may accept and manage donations on behalf of the library. Donations to a public library, like donations to any government organization, meet the IRS definition of a “charitable contribution” to a “qualified organization.” No application to the IRS is needed to get this status. According to the IRS publication on Charitable Contributions ([Publication #526](#)): “To become qualified organizations, most organizations other than churches and governments, as described below, must apply to the IRS.” The publication goes on to define as one type of “qualifying organization” any state or any of its subdivisions that perform substantial government functions. A public library established and operated according to Wisconsin Statutes Chapter 43 clearly meets that definition. See *Trustee Essential #9: Managing the Library’s Money* for options for the deposit and handling of gifts and donations to the library.

## Discussion Questions

1. Discuss the pros and cons of using donations from the Friends, a foundation, or another outside source to fund existing library services.
2. How can the Friends/foundation and the library board be sure that Friends/foundation expenditures provide the greatest benefit to the library?
3. What are the pros and cons of the establishment of a library foundation?

## Sources of Additional Information

- Your library system staff (See *Trustee Tool B: Library System Map and Contact Information*.)
- The Association of Library Trustees, Advocates, Friends and Foundations (ALTAFF) at [ala.org/united/friends](http://ala.org/united/friends) has information about establishing a Friends organization and ideas for Friends activities and projects. It also has information on establishing a library foundation.
- Wisconsin Library Trustees and Friends (WLTF) at [wla.wisconsinlibraries.org/wltf](http://wla.wisconsinlibraries.org/wltf)
- The Foundation Center has information on establishing a non-profit organization at [www.grantspace.org/Tools/Knowledge-Base/Nonprofit-Management/Establishment/Starting-a-nonprofit](http://www.grantspace.org/Tools/Knowledge-Base/Nonprofit-Management/Establishment/Starting-a-nonprofit)

*Trustee Essentials: A Handbook for Wisconsin Public Library Trustees* was prepared by the DLT with the assistance of the Trustee Handbook Revision Task Force.

© 2002, 2012, 2015, 2016 Wisconsin Department of Public Instruction. Duplication and distribution for not-for-profit purposes are permitted with this copyright notice. This publication is also available online at <http://dpi.wi.gov/pld/boards-directors/trustee-essentials-handbook>