**MEMORANDUM OF UNDERSTANDING—THE BASICS**

This document is a compilation of the following: Handbook for Friends of the TN Libraries; Handbook for Friends of the Fairfax VA libraries; NY Library Association, Friends of the Library Section; United for Libraries and Fact Sheet #25; and others.

**Why do Friends exist?**

From Wikipedia: “Friends of Libraries (also Friends of the Library and may be shortened to Friends) are non-profit, charitable groups formed to support libraries in their communities. Support from the Friends groups may be financial, political and cultural. Groups are separate from the libraries they support and made up of volunteers. Generally, groups are structured, handle finances and work closely with library management.”

“In contrast to nonprofit Friends groups, the use of Friends groups by governmental and quasi-governmental organizations is primarily structural. For these organizations, Friends groups provide a mechanism for overcoming some of the limitations faced by governmental and quasi-governmental organizations. Faced with declining state and federal support, governmental and quasi-governmental organizations in particular have been forced to look to nontraditional sources of support.” (Fundraising Through Friends Groups). If Friends were a typical nonprofit, they might just raise funds and then either hand the library a check or purchase items for the library’s use, but the majority of the Friends support their libraries in so many more ways including advocacy.

Some Friends’ mission statements includes addressing reading, literacy, lifelong learning opportunities in their community. While these issues do not directly support the library the Friends serve, they do help to ensure the continued relevance of the library by creating a community that values the library, and that in and of itself is supporting the library.

“To be effective, Friends groups must be structured and managed in a way that allows them to establish and maintain effective partnerships with the principal organization.” (Fundraising Through Friends Groups) A Memorandum of Understanding (MOU) helps to establish that structure. [Click here](http://lehmannstrobel.com/articles/fundraising-through-friends-groups/) to read Fundraising Through Friends Groups.

**What are the objectives of the Friends?**

Friends of the Library groups are organized with one or more of the following objectives:

1. To increase community awareness and use of the library;
2. To work for library legislation or appropriations (advocacy);
3. To encourage gifts, endowments, and memorials for the library;
4. To provide direct financial assistance;
5. To raise money and campaign for a new building, renovation, or expansion (if there is no Foundation or similar organization);
6. To sponsor programs and projects designed to add to the cultural life of the community;
7. To foster reading and life-long learning; and
8. To do volunteer work in the library on specific projects as designated by the Director.

**What is an MOU?**

According to Investopedia, “A Memorandum of Understanding (MOU) is a document that describes the broad outlines of an agreement that two or more parties have reached. MOUs communicate the mutually accepted expectations of all of the parties involved in a negotiation.” This is a very common vehicle used between a nonprofit and a governmental entity to spell out their relationship. Every public library is a governmental entity be it municipal, county or regional. Its purpose is to put in writing the respective roles, responsibilities, and fiscal relationship between the library and the Friends.

**Why might an MOU be needed by Friends of the Library?**

The Friends of the Tennessee Public Libraries has a handbook for Friends. It states, “The library’s Board of Trustees, Friends officers and volunteers, and library administrators have relationships that are very closely intertwined. Cooperation among these three partners is critically important to the success of Friends and the library itself. But it must also be recognized that the responsibilities of these three entities (Trustees, Friends, and library administrators) are truly separate and have different levels of authority. How will the Friends be ‘on the same page’ concerning the library’s goals and direction for services and programs for the community? An MOU is a written agreement that sets forth the principles and guidelines under which various parties promise to meet their goals. The MOU is a statement of commitments from each organization, the library and the Friends, giving consideration to the missions of both of these distinct groups.”

The American Library Association’s United for Libraries division, promotes the use of an MOU and provides a sample (Fact Sheet #25) on its website.

**Who are the parties to an MOU?**

The library board, the library director, and the Friends should be involved in the development of the points in this agreement. The MOU should be reviewed annually, but can be in effect for several years. If the parties change (e.g., Friends President, President of the Board of Trustees), it would be wise to sign a new agreement.

While one hopes that a written agreement will ensure cooperation, there are personalities involved on both sides of the equation. A piece of paper will not resolve those issues. It behooves all parties to work together for the benefit of the whole. If there are issues, both the State Library and the State Friends of the Library (if one exists) might assist in mediating concerns.

**Here are some recommendations for the commitment points in an MOU:**

1. An introductory section naming the parties in the agreement, with the full name of the library and the official name of the Friends organization, along with the business (mailing) address of the library.
2. A statement that the Friends are a separate entity and not part of the library.
3. A statement on the Friend’s use of the name and logo of the library and vis-a-versa.
4. How the library administration will include the Friends in the library’s planning process.
5. How the library will support the mission of the Friends (e.g., donation of surplus materials, staff assistance, web page or link, use of electronic resources, use of library equipment, use of meeting facilities, posting of notices, space for recruitment brochures, storage, use of library mailing address, use of library as registered agent, etc.).
6. A plan for regular communications through ex officio appointments of liaisons between the two boards (e.g., a library liaison to the Friends, a Friends liaison as an ex officio member of the Library Board). If there are more than one Friends group for a library system that has only one Library Board of Trustees, then the Friends groups may be asked to elect a single representative to the Board of Trustees. These liaisons do not vote on business before either board.
7. A broad statement on how funds raised by Friends will be used by the Friends.
8. Assurance that the funds provided to the library by the Friends designated for a specific purpose (e.g., summer reading program, equipment purchase, etc.) shall be used solely for that purpose and that there should be identifiable financial accounting of those funds. This is to ensure donor integrity.
9. That the library will present a wish list to the Friends prior to the end of the Friends’ fiscal year for consideration in the Friends’ budget for the coming fiscal year.
10. An agreement that the Friends will publicly support library policies and advocate on behalf of the library.
11. The library will have the final say on accepting or declining gifts to the library.
12. Assurance that the Friends will take the steps necessary to maintain their nonprofit status by complying with appropriate local, state and Federal guidelines and laws.
13. A statement on a succession plan for the Friends organization if the current volunteers step down and the group becomes inactive.
14. A statement that any remaining assets of the Friends group upon dissolution will benefit the library.
15. Dates of the term of the MOU.
16. Process for early termination of the agreement.
17. Process for modification of the agreement.
18. This MOU shall not be abrogated, changed or modified without the written consent of all parties.
19. Process for dispute resolution.
20. Confidentiality.
21. How notices, reports and other documents to be furnished under this MOU are to be sent and to whom.
22. Signature and date lines for the President of the library’s Board of Trustees and the Friends President. The parties sign on behalf of their entire individual boards.

Some agreements might call for evidence of liability insurance, volunteer screening, volunteer accident insurance, event insurance, and/or Directors & Officers Insurance (D&O).

**Supplanting vs. Supplementing**

The biggest issue seen when negotiating an MOU is related to this statement from United for Libraries Fact Sheet #25 (Sample MOU): “The Friends agree that any and all monies raised will be spent exclusively for library programs, services, and other Library defined needs unless otherwise agreed to by both the Friends and the Library.” One needs to better understand how public libraries are funded and how those funds are managed.

County and municipal libraries are primarily funded by the controlling government. For example, Anywhere, County’s library may have a fiscal year budget of $900,000. The library director controls the spending of those funds. Any funds not spent or encumbered by the end of the fiscal year revert back to the coffers of the governmental entity and don’t roll over for use by the library in the coming fiscal year. So, it behooves the library director to spend the total amount budgeted or as close thereto as s/he can get. Same goes for a municipal library. A regional library budget may be handled a little differently. The bulk of the budget is given to the regional library by participating counties and/or municipalities, but it is still up to the library director or manager to spend the funds allocated to the library (unless the regional library is set up differently).

Many of those entities awarding grants do not want the awarded funds to supplant other funds. Friends likewise should not want the funds they give the library to supplant the provided governmental funding. Supplant means “take the place of.” Remember the explanation of how the funding works: use it or lose it. Think about this, suppose your Friends reviews the library’s budget for the last fiscal year and you see that the library had a surplus of $50,000 at the end of their fiscal year. You look at your financial report and see that your Friends gave the library $25,000 in that same period. What that means is that your $25,000 supplanted $25,000 of the government funding allocated to the library. While you are happy that the library made good use of those funds, the county or municipal manager might look at the numbers and say that the library got too much money and then reduce the budget for the library in the next fiscal year. This might be disastrous in a future year if for some reason (like COVID-19) the Friends could not provide the level of support that the library had come to depend on. **You want your Friends funds to supplement, not supplant library funding. This is why it is so critical to carefully draft the use of funds statement on the MOU.**

**Format of MOU**

There are two forms that an MOU can take:

1. A resolution
2. An agreement

A resolution begins with a series of “whereas’s” which state point-by-point the reasons for the MOU and then launches into the “therefore, the parties agree as follows” which covers the who will do what, when and how. Generally, there is one section for the library and one section for the Friends. Other sections include: Term of the agreement, modification, governing law, enforceability, dispute resolution, notices and then the signature section. This is the format that local governments (municipal, county and regional) are most familiar with.

An agreement format just has sections that address the same information.

While either format is acceptable, the resolution format does begin with a recitation of the points that the two parties agree upon (e.g., their purpose, mission and values) and why the MOU is needed. This is a good starting point. Remember that most trustee groups have one or more appointees who are elected officials so this format is more familiar to them.

**Drafting the MOU**

In an addendum to this document are examples using the two aforementioned formats. There is a third, less complex example intended for small and/or rural libraries. Below are links to MOU resources and sample MOUs, some of which are in handbooks. It is up to you to choose the format and the points to be made in the MOU. Yours should reflect your unique circumstances—**AND NOT JUST BE COPIED AS IS**. Reviewing the examples will help you select provisions and the language that works best in your situation. You can pick and choose the commitments as one size will not fit all.

**Just remember that while putting an agreement in writing may help especially when leadership changes, it is ultimately the spirit of cooperation that will carry the day—with or without an MOU.**

**Resource links**

“Fundraising Through Friends Groups” This article helps to understand how “Friends of…” differ from other nonprofits. [Click here.](http://www.lehmannstrobel.com/articles/fundraising-through-friends-groups/)

United for Libraries MOU web page. [Fact Sheet #25](https://mnlibraryfriends.org/files/2315/0879/3006/25_Sample_Memorandum_of_Understanding.pdf)

New York Library Association, Friends of the Libraries Section. A primer on Friends operating agreements. [Click here](https://www.nyla.org/userfiles/2018%20Conf.%20Materials/FLS_Making_Difference_MOU.pdf)

Friends of the Pembroke Public Library MOU. [Click here](http://pembrokelibrary.ca/wp-content/uploads/2018/07/Edited-Friends-Memorandum-of-Understanding.pdf)

Friends of the Library Handbook Fairfax County, VA. [Click here](https://www.fairfaxcounty.gov/library/sites/library/files/assets/documents/pdf/friends-handbook.pdf)

Friends of the Tennessee Libraries—Tool Kit. [Click here](https://www.friendstnlibraries.org/wp-content/uploads/Final-Sept2015FOTL-TOOL-KIT-for-Building-a-Library-Friends-Group-REV-Sept2015.pdf)

Friends of the Williamsburg Regional Library Foundation, VA. [Click here](https://vpl.virginia.gov/wp-content/uploads/sites/67/2018/05/2018-MOU-BOT-FWRLF-SIGNED.pdf) (This is a hybrid of the two formats)

Resolution format. Timberland Regional Library (State of Washington) and the undersigned Friends of the Library group. [Click here](https://www.trl.org/sites/default/files/attachments/Friends%20of%20the%20Library%20Memorandum%20of%20Understanding%20MOU.pdf)

Resolution format (as presented for ratification to the municipal body). Mountain View, CA. [Click here](http://mountainview.granicus.com/MetaViewer.php?view_id=2&clip_id=356&meta_id=22595)

**SAMPLE MOU—RESOLUTION FORMAT**

MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ LIBRARY AND FRIENDS OF THE \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

This Memorandum of Understanding is dated for identification this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_ in the year of \_\_\_\_\_\_\_\_ and is made by and between the \_\_\_\_\_\_Library whose address is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ hereinafter LIBRARY and FRIENDS OF THE \_\_\_\_\_\_\_\_\_\_ a nonprofit 501 (c)(3)organization whose address is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ hereinafter FRIENDS. This MOU replaces any earlier agreements, MOUs, etc. that may have been entered into.

**RECITALS**

WHEREAS FRIENDS purpose as more fully expressed in their bylaws is to foster close relations between the \_\_\_\_\_\_\_\_\_\_ Library and the citizens of \_\_\_\_\_\_\_\_\_\_ and environs to promote knowledge of the functions resources services and needs of LIBRARY to aid in the development of a program for the extension of LIBRARY services and to aid in the development of additional funding for LIBRARY and

WHEREAS FRIENDS is exempt from taxation under Section 501 (c)(3) of the Internal Revenue Code and

WHEREAS LIBRARY depends on the relationship and funding support of FRIENDS for programs and services provided by the LIBRARY and WHEREAS the parties enter into this Memorandum of Understanding to establish the roles and responsibilities between FRIENDS and LIBRARY.

**AGREEMENT**

1. OBLIGATIONS OF FRIENDS
	1. Fundraising
		1. The primary purpose of FRIENDS is to raise funds to help support LIBRARY programs and services.
		2. FRIENDS and LIBRARY agree that all of FRIENDS fund raising efforts shall be under the direction of FRIENDS and that LIBRARY shall not have any responsibility for or control over the actions of FRIENDS. FRIENDS agree to act in a manner that is prudent and reasonable.
		3. Friends will provide donors with letters of acknowledgement as required by law.
	2. Nonprofit Status
	During the entire term of this MOU FRIENDS shall take the steps necessary to maintain their nonprofit status by complying with appropriate local, state and Federal laws and rules as well as reporting and licensing requirements.
	3. Reporting on Use of Funds and Examination of Documents
		1. FRIENDS Board of Directors will approve a budget at the beginning of its fiscal year and provide LIBRARY with a copy of the proposed budget and a written annual report for the prior fiscal year identifying the amount and source of funds generated or received reserves expense and the amount and purpose of funds given to LIBRARY.
	4. Insurance
	The Friends acknowledge that the Friends is not covered by the Library insurance policies. The Friends agree to consult with its own insurance agent to determine and obtain appropriate insurance coverage based on the Friends structure and activity.
	5. Indemnification
	FRIENDS shall hold Library its officers, employees, and agents harmless from any liability for damage or claims of same including but not limited to personal injury, property damage and death which may arise from FRIENDS or FRIENDS contractors, subcontractors, agents, volunteers, or employees.
	6. Adherence to LIBRARY Policies
	FRIENDS will follow LIBRARY policies and procedures regarding communication with LIBRARY staff, access to LIBRARY building and areas thereof, use of equipment, fundraising activities and other events while utilizing LIBRARY space. The Librarian or Library Manager has sole responsibility for developing and enforcing such policies and procedures and shall provide FRIENDS with any amended policies or procedures.
	7. Storage
	FRIENDS will adhere to all applicable building and fire codes regarding storage on Library property.
	8. Community Awareness
	FRIENDS will strive to increase the community awareness of LIBRARY through publicity and fundraising efforts. Such efforts should reflect LIBRARY in a positive way and be coordinated as appropriate with LIBRARY staff.
	9. Volunteers
	Should members of the Friends volunteer at the LIBRARY or at events sponsored by the LIBRARY, said volunteers will follow the procedures established by the LIBRARY for volunteers.
	10. Access
	With the exception of the designated FRIENDS storage and work areas FRIENDS are not permitted in the nonpublic areas of LIBRARY. FRIENDS volunteers are required to sign in and out of LIBRARY using a log sheet provided by LIBRARY. FRIENDS shall vacate LIBRARY by closing time.
2. OBLIGATIONS OF LIBRARY
LIBRARY will provide reasonable support and space for all FRIENDS activities as long as the actions do not interfere unreasonably with LIBRARY operations or become an expense for LIBRARY
	1. FRIENDS Work Area
	LIBRARY agrees to permit FRIENDS to use FRIENDS designated Work Area to receive, store, organize, and prepare donations of used books and other items for sale and conduct online sales for these books and items. In the event LIBRARY requires this space for its own storage needs LIBRARY shall provide FRIENDS with at least ninety 90 days-notice of the need to remove its material from the area.
	2. Retail Space
	LIBRARY agrees to permit FRIENDS to use a portion of the lobby space known as FRIENDS Lobby Shop (book store) for retail sales. FRIENDS understands and agrees that the nature of the use of this space is a nonexclusive revocable license for the term of this MOU. However, either party may terminate the use of the retail space without cause by giving the other party written notice which clearly expresses the party’s intent to terminate the agreement. The termination shall become effective no less than ninety 90 calendar days after the other party receives such notice.
	3. Use of Other LIBRARY Space
		1. FRIENDS may hold monthly meetings of its Board of Directors and one annual meeting of the membership in LIBRARY’s Community Room at no charge. Dates and times for such meetings shall be mutually agreeable to FRIENDS and LIBRARY. FRIENDS are subject to the same rules and regulations for use of LIBRARY as other nonprofit organizations.
		2. FRIENDS may use the LIBRARY Community Room and other areas of LIBRARY for events at no charge. Events may not interfere with normal LIBRARY operations.
	4. LIBRARY Facilities and Equipment
		1. LIBRARY will maintain LIBRARY space and equipment that is provided for the use of FRIENDS in good working order and at a level comparable to the rest of LIBRARY building.
		2. LIBRARY will provide regular cleaning on the same schedule and level as the other spaces in LIBRARY at no charge.
		3. LIBRARY will provide a mailbox, phone, Internet access, reasonable use of copy machine, and other equipment to FRIENDS at no charge.
		4. LIBRARY will provide use of the poster printer to FRIENDS at no charge for their publicity purposes.
	5. LIBRARY Liaison
	LIBRARY will maintain a liaison to FRIENDS either the Librarian or designee who will attend board meetings and maintain effective communication and operations between LIBRARY and FRIENDS.
	6. Publicity
	LIBRARY will publicize FRIENDS events using a variety of publicity channels including LIBRARY’s web page, indoor signage, lobby monitor, outdoor digital signage, in house flyers, etc.
3. TERM OF MEMORANDUM OF UNDERSTANDING
	1. This Agreement shall commence on \_\_\_\_\_\_\_\_ and terminate \_\_\_\_\_\_\_\_\_\_. Thereafter this MOU may be extended by written amendment upon mutual agreement for an additional three 3 years.
	2. Termination
	This MOU may be terminated in the event of dissolution of FRIENDS or by either party without cause with sixty (60) days advance notification to the other party in writing.
4. MISCELLANEOUS PROVISIONS
	1. Amendment
	This Agreement may be amended in writing and signed by both parties.
	2. Notices
	Any notice required to be given by this Agreement shall be sufficient if hand delivered, mailed, or sent prepaid by commercial overnight delivery services as follows or to such other addresses as the affected parties shall specify in writing:
		1. To LIBRARY
		2. To FRIENDS \_\_\_\_\_\_\_\_\_\_
	3. Assignment
	This Agreement is specific to the identified FRIENDS and shall not be assigned by FRIENDS at any time without the express written consent of LIBRARY. Neither shall FRIENDS assign any of its rights hereunder without such consent. LIBRARY retains the rights to approve or deny such an assignment in its sole and absolute discretion.
	4. Authorized Signatures
	Unless otherwise specified in this Agreement , Librarian or Library Manager or his/her written designee shall be the sole party authorized to act on behalf of LIBRARY with regard to this Agreement. Unless otherwise specified in this Agreement, FRIENDS President or his/her written designee shall be the sole party authorized to act on behalf of FRIENDS.
	5. Entire Agreement
	This Agreement contains the entire understanding between the parties with respect to the subject matter herein. There are no representations, agreements, or under standings whether oral or written between or among the parties relating to the subject matter of this MOU which are not fully expressed herein.

IN WITNESS WHEREOF this Agreement is executed by the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and by FRIENDS OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_.

IN WITNESS WHEREOF, the Board, the Friends, and the Library have caused this Memorandum to be executed as of the date appearing by its signatures.

Friends of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

BY \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

BOARD OF TRUSTEES OF THE \_\_\_\_\_\_\_\_\_\_\_\_\_ PUBLIC LIBRARY

BY \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_, Chairman

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_ PUBLIC LIBRARY

BY \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Director

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Appendices:

Here list any attachments to this agreement.

**SAMPLE MOU—AGREEMENT FORMAT**

**MEMORANDUM OF UNDERSTANDING BETWEEN THE \_\_\_\_\_\_\_\_\_\_\_\_ PUBLIC LIBRARY**

**BOARD OF TRUSTEES AND THE FRIENDS OF THE \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ LIBRARY**

This Memorandum of Understanding (MOU) is among the \_\_\_\_\_\_\_\_\_\_\_\_ Public Library Board of Trustees (Board), the Friends of the \_\_\_\_\_\_\_\_\_ Library (Friends), and the \_\_\_\_\_\_\_\_\_ Public Library system (Library). The Board, the Friends, and the Library (together, the “Parties”) are entering into this agreement to foster a cooperative and productive relationship to the benefit of the Library and the Friends. This MOU replaces any earlier agreements, MOUs, etc. that may have been entered into.

The Library Board encourages and supports Friends of the Library groups. Friends of the Library groups are civic-minded men and women who know that quality library service is important to the economic and social fabric of the community and who organize into groups to support, improve and promote the library as well as reading, literacy and life-long learning within the community. Friends of the Library groups are independent and separate legal entities apart from the Board and the Library, but which the Board supports with donations of materials and resources. Friends of the Library groups are organized with one or more of the following objectives:

• To increase community awareness and use of the library;

• To work for library legislation or appropriations;

• To encourage gifts, endowments, and memorials for the library;

• To provide direct financial assistance;

• To raise money and campaign for a new building, renovation, or expansion;

• To sponsor programs designed to add to the cultural life of the community; and

• To do volunteer work in the library on specific projects as designated by the Director.

**Understandings and Agreements:**

1. Communication and Coordination
	1. The Parties acknowledge the joint goal of good communication and transparency among the Board, the Library and the Friends.
	2. The Library Director or designee agrees to meet at least annually with the Friends to discuss Library issues of importance to the Friends, which may include goals, concerns, strategic planning initiatives, and funding priorities, in order to work collaboratively toward the goal of supporting the Library. The Librarian/Manager or his/her designee, shall assign a staff member to attend Friends’ board meetings.
	3. The Friends President or his/her designee may attend the Board meetings. The Board invites members of the Friends to address the Board at its meetings, which are open to the public pursuant to state law and Board policy.
	4. The Library agrees to provide the Friends a detailed financial report annually at the close of its fiscal year. Monetary donations made by the Friends over the previous year will be identified separately on this report.
	5. The Library agrees to engage in a prompt manner with the Friends on its proposals and requests, to the extent possible.
	6. The Friends agrees to designate a point of contact for communication and coordination of activities with the Library. Unless advised otherwise, the President of the Friends will be the point of contact. The Library agrees to designate a point of contact which will typically be the Library Director or Branch Manager.
	7. The Friends agrees to self-report to Library Administration on an annual basis financial information to include revenue, donations, expenses, cash/bank account balances and reserves. The Friends may self-report using any format, including the financial reports prepared for the Friends meetings. For some groups, the IRS 990 filing, if it includes the information listed above, would be sufficient. Questions regarding self-reporting can be directed to the Library Director or Branch Manager.
2. Use of the Name of Library and Library Logo
	1. The Board agrees that the Friends may use the name and logo of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Library in connection with its charitable fund-raising activities.
	2. The Parties agree that they desire to resolve any issues which may arise concerning use of the name or logo.
	3. If issues arise concerning use of the name or logo, the Library, in consultation with the Board, shall meet with the Friends to resolve issues.
	4. The Board has the right to revoke permission for use of the name or logo.
3. Resources
	1. The Library may make donations to the Friends of library materials that are discarded from the Library collection. The Parties agree that they desire to resolve any issues which may arise concerning donations described above. If issues arise concerning donations described above, the Library, in consultation with the Board, shall meet with the Friends to resolve issues. The Board has the right to cease making donations or providing resources to the Friends if the Board determines that the provisions of this MOU are not being met.
	2. The Friends acknowledges that the Board has selected it as the recipient of such donations and resources because the Friends promotes and supports the Library.
	3. The Parties agree that money received by the Friends should be used primarily to support a Library branch or the Library system when those funds supplement and not supplant public funding. Although the funds should primarily be directed to a Library or the Library system, the Friends use the money raised to:
		1. meet its organizational needs.
		2. maintain reserve funding to take advantage of an unexpected opportunity (e.g., a grant requiring a monetary match) or economic downturn.
		3. at its own discretion, establish endowments.
		4. develop its own projects and programs within its stated mission.
		5. support the Library Foundation (if one exists),
		6. support a regional library project or program (if part of a regional library),
		7. support other reading, literacy, life-long learning or education-based nonprofits—including other Friends groups, and
		8. support other community activities as the Friends determine.
4. Any agreed upon distribution of Friends’ funds to the Library should be distributed promptly. The Library may create a yearly “wish list” of funding needs to assist the Friends with budgeting and planning.
	1. Nothing in this MOU shall prohibit the Friends from receiving donations of materials or money from individuals or groups other than the Board and the Library, provided that those donations are used in accordance with section 3 c) above and are handled as prescribed by applicable law.
	2. The Library agrees to provide (here list things like record storage, staff assistance, web page or link, web hosting, use of electronic resources, use of library equipment, use of meeting facilities, posting of notices, space for recruitment brochures, storage, using library mailing address, using library as registered agent, etc.)
5. Organization of the Friends
	1. Incorporation: The Parties understand that the Friends is to be incorporated with the State of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as a nonprofit corporation.
	2. Governing Documents:
		1. The Friends agrees to operate in accordance with its Articles of Incorporation and Bylaws.
		2. The Friends agrees that its Articles of Incorporation and Bylaws shall provide that, in the event that the Friends elects to dissolve, or have no remaining members, all remaining assets of the group, after necessary expenses are paid, will go to the benefit of the Library, or to the \_\_\_\_\_\_\_\_\_\_\_\_, or to another Friends of the Library group to be used for the benefit of a Library.
	3. Tax Exempt Status: The Friends agree to comply with all requirements of the Internal Revenue Code to become and remain an approved 501(c)(3) charitable tax-exempt organization. The Friends shall promptly advise the Board if its 501(c)(3) status changes. The Friends understands that it needs to maintain copies of financial records, in paper or electronic form, as required for its charitable tax-exempt status. The Friends agrees to make such records available to the Board upon request on an annual basis. The Parties understand that nothing in this MOU requires any Party to conduct an audit (although audits should be conducted as needed/required by each individual organization).
	4. Sales Tax: The Friends understand that sales are subject to \_\_\_\_\_\_ Sales and Use Tax requirements unless it has obtained an exemption.
	5. Insurance: The Friends acknowledge that the Friends is not covered by the Library insurance policies. The Friends agree to consult with its own insurance agent to determine and obtain appropriate insurance coverage based on the Friends structure and activity.
6. Term and Termination
	1. This Memorandum shall continue in effect for \_\_\_\_\_ years from the date of execution unless terminated before that date. The Parties may agree to extend this Memorandum of Understanding for additional \_\_\_\_-year periods on such terms and conditions that may be mutually agreeable. The Parties agree that this Memorandum of Understanding may be amended upon the consent of the Parties during the term of the Memorandum of Understanding.
	2. The Board or the Friends may terminate this Agreement upon three months (90 days) written notice to the other party.
	3. Should this Memorandum of Understanding be terminated for any reason; the Friends shall promptly separate its activities from the Board and the Library and revise its governing documents appropriately.
7. Additional Provisions
	1. Charitable Solicitations: The Parties understand that the Friends needs to comply with state and local laws regarding charitable organizations and the solicitation of charitable contributions.
	2. Abrogation: This MOU shall not be abrogated, changed or modified without the written consent of the Friends and the Library Board.
	3. Public Communication: The Friends agrees not to represent itself as an agency of the Library or \_\_\_\_\_\_ government. The Friends agrees that the Library is authorized to use the name and logo, if any, of the Friends for purposes relating to this MOU.
8. Enforceability
If any term, covenant, condition or provision of this MOU is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.
9. Confidentiality
The Library, a public entity, is subject to public records and public meetings laws, among other federal, state, and local laws. The Friends as a private entity, is not bound by such legal and regulatory requirements are committed to donor confidentiality and the privacy of its business. Accordingly, in undertaking their mutual obligations as stated herein, both entities will protect that confidentiality to the fullest extent allowed by law.
10. Dispute Resolution

In the event of a dispute between the Library and the Friends concerning the interpretation of any provision of this MOU or the performance of the terms of this MOU, such matter or matters in dispute shall be submitted to a mediation in a manner to be mutually agreed upon.

1. Notices

Notices, reports and other documents to be furnished under this MOU should be sent to:

* 1. the Friends:
	2. the Board:
	3. the Library:

Electronic format is acceptable to convey inconsequential communications.

IN WITNESS WHEREOF, the Board, the Friends, and the Library have caused this Memorandum to be executed as of the date appearing by its signatures.

Friends of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

BY \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

BOARD OF TRUSTEES OF THE \_\_\_\_\_\_\_\_\_\_\_\_\_ PUBLIC LIBRARY

BY \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_, Chairman

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_ PUBLIC LIBRARY

BY \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Director

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Appendices:

Here list any attachments to this agreement.

**SAMPLE MOU: SMALL AND/OR RURAL LIBRARY**

The following will constitute an operating agreement between the Friends of the \_\_\_\_\_\_\_\_\_ Library (Friends) and the \_\_\_\_\_\_\_\_\_\_ Public Library (Library). It will stand until and unless it is modified by mutual agreement of the Friends executive board and the Library administration. The Friends mission is to support the services and programs of the Library through fundraising, advocacy, and mutually agreed upon direct assistance. Additionally, Friends support the library by helping to create a community of readers and life-long learners. As a non-profit, 501(c)(3) organization, however, the Friends group is a legally distinct entity and is not a part of the Library.

The Library agrees to:

* include the Friends in the planning process to ensure that the Friends are aware of the goals and direction of the Library.
* share with the Friends the library’s strategic initiatives at the beginning of each fiscal year and discuss with Friends how their resources and support might help forward these initiatives.
* supply the Friends with a “wish list” each year that indicates the anticipated needs for Friends support.
* provide negotiated logistic services needed by the Friends (insert list here—e.g., public space for Friends membership brochures and promotional materials, space in the Library for book storage and sorting, book sales, office needs, etc.).
* offer discarded library materials first to the Friends.
* include a member from the Friends’ Board as a non-voting presence at all Library Board of Trustee meetings and to allow room on the agenda for a Friends’ report.
* Account for the Friend’s funding separately in the Library’s financial reports so contributions can be tracked and tied back to specific expenditures.
* Provide a copy of the Library’s financial report to the Friends at least quarterly as well as the End of the Year Financial Report.

The Friends agree:

* to publicly support the Library and its policies.
* to include a member from the library’s administration as a non-voting presence at all Friends’ meetings and to allow room on the agenda for a library report.
* that the library administration has the final say in accepting or declining any and all gifts made to the library.
* to engage in advocacy efforts on behalf of the Library under the guidance of the Library and the Library’s Board of Trustees.
* that if the Friends group dissolves, that the remaining funds and assets will benefit the library.

The Library and the Friends agree that:

* money received by the Friends should be used primarily to support a Library branch or the Library system when those funds supplement and not supplant public funding.
* the Friends require funds to support to its organization.
* the Friends may maintain reserve funding to take advantage of an unexpected opportunity (e.g., a grant requiring a monetary match) or economic downturn.
* at its own discretion, Friends may establish endowments.
* Friends may develop its own projects and programs within its stated mission.
* Friends may support
	+ the Library Foundation (if one exists),
	+ a regional library project or program (if part of a regional library),
	+ other reading, literacy, life-long learning or education-based nonprofits—including other Friends groups, and
	+ other community activities as the Friends determine.

IN WITNESS WHEREOF, the Board, the Friends, and the Library have caused this Memorandum to be executed as of the date appearing by its signatures.

Friends of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

BY \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

BOARD OF TRUSTEES OF THE \_\_\_\_\_\_\_\_\_\_\_\_\_ PUBLIC LIBRARY

BY \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_, Chairman

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_ PUBLIC LIBRARY

BY \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Director

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Appendices:

Here list any attachments to this agreement.