

Hello Friends,

As FONCPL continues to consult with Friends on various concerns, we have identified some issues that need to be addressed. We want to bring these to your attention in case you might have a similar situation. Additionally, we want you to understand how to assess your situation and why these situations need to be corrected.

Situation 1: The library staff is moderately to heavily involved in the maintenance of the Friends. This might include: managing your finances, taking/receiving your dues, selling tickets (raffles/events), selling books, performing duties generally assigned to your secretary, creating agendas/minutes, etc. If the library's auditor has not yet issued the library an audit exception for handling your money—they will at some point. Only the Friends should handle Friends money and financial information. Library staff should NEVER handle or use the Friends' credit card. Using the library staff routinely as non-paid help is not appropriate. They have their own work to do. But the overriding reasons to separate the Friends from the Library is so that you maintain your independent status. That's hard to prove if the library staff is doing the bulk of your work.

#### Situation 2: Lacking or incorrect organizational guidance documents.

If your Friends are **NOT** incorporated as a nonprofit in the State of NC **and/or** if your Friends are **NOT** a 501(c)(3) nonprofit, your guidance documents are your constitution AND your Bylaws. If your Friends **ARE** incorporated as a nonprofit in the State of NC **and/or** if your Friends **ARE** a 501(c)(3) nonprofit, your guidance documents are your articles of incorporation AND your Bylaws. You should never have all three.

#### Situation 3: Your Friends are a 501(c)(3) nonprofit and you did not file the required 990 form.

Unfortunately, we came across one group that had been approved by the IRS three times and three times had the designation revoked due to not filing the 990 for a three-year period. Each time they applied, they had to pay a new filing fee (currently \$275 for a 1023EZ form). If you want to check on your Friends, type into Google "IRS lookup 990 filing" and click on the first entry. On the IRS page, click on "Tax Exempt Organization Seach Tool." On the next page click on the bar "Search for Tax Exempt Organizations." The easiest search term is your EIN number. Then click on the organization's name. Click on "final letters" and entries in the auto-revocation list—if any—and then click on the link(s) to see the document(s).

Situation 4: Friends were going to change their fiscal year because they were under the impression that their fiscal year had to match the library's fiscal year.

The library cannot dictate such things to the Friends and there is absolutely no requirement or need for the two fiscal years to be the same.

Situation 5: Friends not having either a Charitable Solicitation License from the State of NC OR an Exemption from a Charitable Solicitation License from the State of NC.

Every Friends group should have one or the other AND both must be renewed yearly.

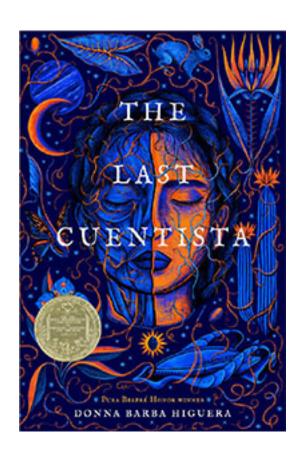
FONCPL Board members are available to consult with member Friends groups. We highly recommend you use this member benefit if you have concerns or questions about your operations or other issues. We are here to help!

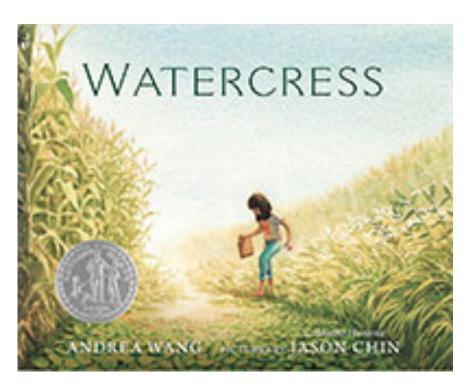
### For your information & entertainment....

### **2022 Youth Media Award Winners**

John Newbery Medal for the most outstanding contribution to children's literature:

The Last Cuentista, written by Donna Barba Higuera, is the 2022 Newbery Medal winner.





### Randolph Caldecott Medal

for the most distinguished American picture book for children:

Watercress, illustrated by
Jason Chin, is the
2022 Caldecott Medal winner.
The book was written by
Andrea Wang and published by
Neal Porter Books,
Holiday House.



# \*\*NC CHARITABLE SOLICITION LICENSE OR EXMPTION: DO WE NEED TO APPLY? \*\* by Judy Hills, FONCPL President

This is a subject that a number of Friends groups have debated, this includes my own Friends group as well as the FONCPL. We also have had one inquiry this past month on this topic. We hope this article will help clarify this issue and help your group make an informed decision on the need to apply.

N.C. General Statutes Chapter 131F addresses Solicitation of Contributions. For the purpose of this chapter, a "person" includes an organization or group.

#### Definition of Solicitation according to NCGS Chapter 131F

"Solicitation' means a request, directly or indirectly, for money, property, financial assistance, or any other thing of value on the plea or representation that it will be used for a charitable or sponsor purpose or will benefit a charitable organization or sponsor. "Solicitation" may occur by any of the following methods:

- a. Any oral or written request.
- b. Any announcement to the press, radio, or television, by telephone or telegraph, or by any other communication device.
- c. Distributing, posting, or publishing any handbill, written advertisement, or other publication that directly or by implication seeks to obtain any contribution.
- d. Selling or offering or attempting to sell any good, service, chance, right, or anything of value to benefit a charitable organization or sponsor. The selling or offering or attempting to sell is a 'solicitation' whether or not the person making the solicitation receives any contribution.
- e. Placing or maintaining a collection receptacle in public view for the purpose of collecting donated clothing, household items, and other items for resale." (Copied from state website)

So "to directly solicit" is any attempt to raise funds from an individual, group of people, or the public at large. You are soliciting when you ask for donations (face to face, digital advertising, websites, emails, social media posts, blog pages, donation forms, "click here to donate" buttons, direct mail campaigns). If you do any of those things, you are soliciting. If you collect books to resell—you are soliciting. If you sell books to benefit your Friends—it is solicitation.

#### **Definition of a Contribution**

131F-2(5) "Contribution is defined as including a promise, pledge, grant of any money or property, financial assistance, or any other thing of value in response to a solicitation. "Contribution" includes, in the case of a charitable organization or sponsor offering a good or service to the public, the excess of the price at which the charitable organization or sponsor or any person acting on behalf of the charitable organization or sponsor sells the good or service to the public over the fair market value of the good or service" (Copied from state website).

#### Are membership dues considered "contributions"?

NO. Per the law: "'Contribution' does not include bona fide fees, dues, or assessments paid by members if the membership is not conferred solely as consideration for making a contribution in response to a solicitation." (Copied from state website)

#### Who does this law apply to?

This law applies to nonprofits in the State of North Carolina and includes those incorporated in the State of North Carolina, those with a 501 (c)(3) designation AND those non-incorporated entities.

#### Who needs a Charitable Solicitation License from the State of North Carolina?

"Generally, any organization or person that intends to directly solicit contributions in North Carolina, or intends to hire a person or business to solicit contributions in North Carolina, must first obtain a license from the Charities Division." (Copied from the state website)

If an organization requires a license but operates without one, that organization may be subject to administrative penalties or fines in addition to civil and/or criminal prosecution.

If you hire a person or business to solicit contributions, you must apply for this license.

#### Who needs to apply for an Exemption from Charitable Solicitation Licensing?

"There are several statutory exemptions to this requirement. A person that qualifies for an exemption does not have to obtain or maintain a license. North Carolina General Statute 131F provides for a number of exemptions from the law. To obtain an exemption from the statute, a charitable or sponsor organization may submit to the Department a written request for exemption with supporting documentation. Upon approval of the exemption request, the charitable organization will receive a letter of exemption from the Department. The Department has the authority to review and/or cancel an exemption at any time." (Copied from the state website)

131F-3(3) "Any person who receives less than twenty-five thousand dollars (\$25,000) in contributions in any calendar year and does not provide compensation to any officer, trustee, organizer, incorporator, fund-raiser, or solicitor." (Copied from the state website)

#### What does it cost?

The amount for the Charitable Solicitation License will vary depending on your situation between \$50 and \$200 per year with a late fee. The Exemption is free.

#### How often must the license OR the exemption be renewed?

An organization must renew its Charitable Solicitation License each year to maintain the status.

The exemption requires an annual review of an organization's financial information by the Department.

#### **BOTTOM LINE**

Every nonprofit that solicits from the citizens in the State of North Carolina needs either the Charitable Solicitation License or the Charitable Solicitation License Exemption and that status needs to be renewed yearly.

#### Resources:

NC General Statutes Chapter 131F in its entirety

NC General Statutes Chapter 131F—Solicitation of Contributions

NC Secretary of State webpage on Charitable Solicitation License

NC Secretary of State webpage—Charitable Solicitation License Exemption List

Article on topic by E. Knox Proctor, V an attorney with Ward & Smith, PA

License Form (applicant received \$25,000 or more in contributions in the prior fiscal year)

Exemption form (applicant received less than \$25,000 in contributions in the prior fiscal year)

# So Clever For Gardeners in June!!



# Constitution, Articles of Incorporation, Bylaws: What is Required? By Judy Hills, FONCPL President

There appears to be some confusion about these three documents. Let's review the basics.

**Constitution:** If the nonprofit (Friends or other) is not incorporated in the state of North Carolina, it may have a constitution which establishes the organization. <u>Click</u> here for an article on how to draft this document.

**Articles of Incorporation:** If the nonprofit (Friends or otherwise) is incorporated in the state of North Carolina it had to complete Articles of Incorporation as part of its application. <u>Click here</u> for the NC Articles of Incorporation for a nonprofit.

The IRS has a sample Articles of Incorporation. <u>Click here</u> for that template. The organization could select wording from that document to respond to the requirements of the NC incorporation form (e.g., distribution of the assets upon dissolution or other provisions).

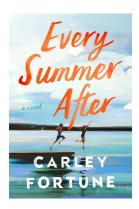
**Bylaws:** Bylaws lay out the guidelines or rules for the organization on how it will operate. They are considered a legal document that dictates how the organization will govern itself. The tendency with bylaws is to get overly specific. Nonprofits can create various manuals (e.g., Board, Finance, Operations) that define policies and procedures that the group agrees to follow. These manuals are easily modified where Bylaws are not.

Together the Constitution and Bylaws <u>OR</u> the Articles of Incorporation and the Bylaws are the organizing documents for the nonprofit. You do not need all three.

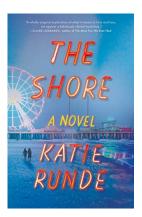
Beyond this, we encourage every Friends group to periodically review their Bylaws to ensure that the group is in compliance with them. If not, then amend the Bylaws to bring them into compliance with actual practice. We also recommend one or more manuals that cover the "how to" issues need for an organization to run effectively and efficiently.



### **Top 4 Beach Reads for 2022**









### **Every Summer After** by Carley Fortune

When Sam and Percy meet the first summer at the lake, they become inseparable for the next six summers as friendship blossoms into something more. But, now, a decade later and Percy hasn't been back to the lake since the summer she made a mistake that led her to never coming back and their friendship torn apart. But now, all these years later, Percy heads back to the lake for the weekend to attend the funeral of Sam's mother and confront all she ran away from all those years ago (and the one man she'd never have imagined living without for this long).

### **Book Lovers by Emily Henry**

A cutthroat literary agent agrees to go with her sister to a small town in North Carolina (the setting of a romance novel from one of Nora's clients and that her sister loves) for a month-long sister vacation to get away from the city for a bit and hopefully get out of the ruts they are in. Her break from the city takes an unexpected turn when she runs into her rival — a brooding editor back in the city whom she can't stand and who passed on that same romance novel years ago.

### The Shore by Katie Runde

It tells the story, from the POV of the mom and her daughters, about a family going through the unthinkable (and sadly something I went through with my mom's brain tumor/cancer) — the husband and father of the family is diagnosed with a brain tumor. Throughout the summer, they navigate change, grief, impending loss and unearthed secrets.

### Counterfeit by Kirstin Chen

This one looks like a fun page-turner to get lost in! I mean — " a story of two Asian American women, former classmates in college, who band together to grow a counterfeit handbag scheme into a global enterprise—an incisive and glittering blend of fashion, crime, and friendship."



## 15 Best Summer Reads of All Time

	TITLE	AUTHOR	
1	American Royals	Katherine McGee	
2	Beach Read	Emily Henry	
3	Cover Story	Susan Rigetti	
4	The Grace Kelly Dress	Brenda Janowitz	
5	The Guest List	Lucy Foley	
6	The Happy Ever After Playlist	Abby Jiminez	
7	The Last Thing He Told Me	Laura Dave	
8	The Mother-in-Law	Sally Hepworth	
9	The Perfect Couple	Elin Hilderbrand	
10	Pretty Things	Janelle Brown	
11	Queen Bee	Dorothea Benton Frank	
12	The Seven Husbands of Evelyn Hugo	Taylor Jenkins Reid	
13	Sex and Vanity	Kevin Kwan	
14	Summer Wives	Beatriz Williams	
15	The Unhoneymooners	Christina Lauren	



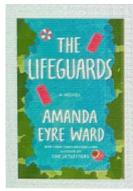
Why it's a great beach read: It's a totally escapist, hypothetical book about royals ruling over America.



<u>Cover Story</u> is my top beach read pick for 2022. It follows the diary entries of a naive young woman who becomes a ghostwriter for a glamorous daughter of a foreign mogul living at the Plaza Hotel in New York.

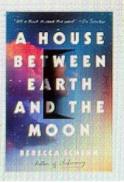
Why it's a great beach read: It's a super popular enemies-to-lovers rom-com with a Hawaiin setting.

### **Good Housekeeping 2022 List of Beach Reads!**

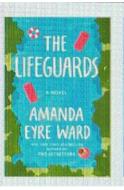












	TITLE	AUTHOR
1	A House Between Earth and the Moon	Rebecca Scherm
2	Like A House on Fire	Lauren McBrayer
3	Memphis	Tara M. Stringfellow
4	The Lifeguards	Amanda Eyre Ward
5	We Do What We Do in the Dark	Michelle Hart
6	The Change: A Novel	Kirsten Miller
7	Book Lovers	Emily Henry
8	All the Things We Don't Talk About	Amy Feltman
9	This is Not a Book About Benedict Cumberbatch	<b>Tabitha Carvan</b>
10	Yerba Buena	Nina LaCour
11	Woman of Light	Kali Fajardo-Anstine
12	Keya Das's Second Act	Sopan Deb
13	The Wild One	Colleen McKeegan
14	Horse: A Novel	<b>Geraldine Brooks</b>
15	Hurricane Girl	Marcy Dermansky
16	Thrust: A Novel	Lidia Yuknavitch
17	Night of the Living Rez	Morgan Talty
18	The Man Who Could Move Clouds	Ingrid Rojas Contreras
19	Briefly, A Delicious Life: A Novel	Nell Stevens
20	The Last Housewife	<b>Ashley Winstead</b>

Books 1-10 are available now Books 11-16 are available in June Books 17-19 are available in July Book 20 is available in August





GO BEYOND THE:



Most Friends of the Library groups are known for their annual community book sale. This is one of the largest and most successful fundraisers for Friends of the Library groups, but what if there were ways you could raise even more during this event? Maximize the support earned from the community book sale by giving these ideas a try:

- Host a silent auction: Have attendees bid on big-ticket items, such as a large collection of books or packages donated from local organizations.
- Raffle off gift baskets: Package a classic book with story-related goodies that people can pay to enter and win.
- Reward loyal customers: Offer a preview sale the day before your community book sale kicks off to volunteers, major donors, and other loyal customers of the Friends of the Library store.

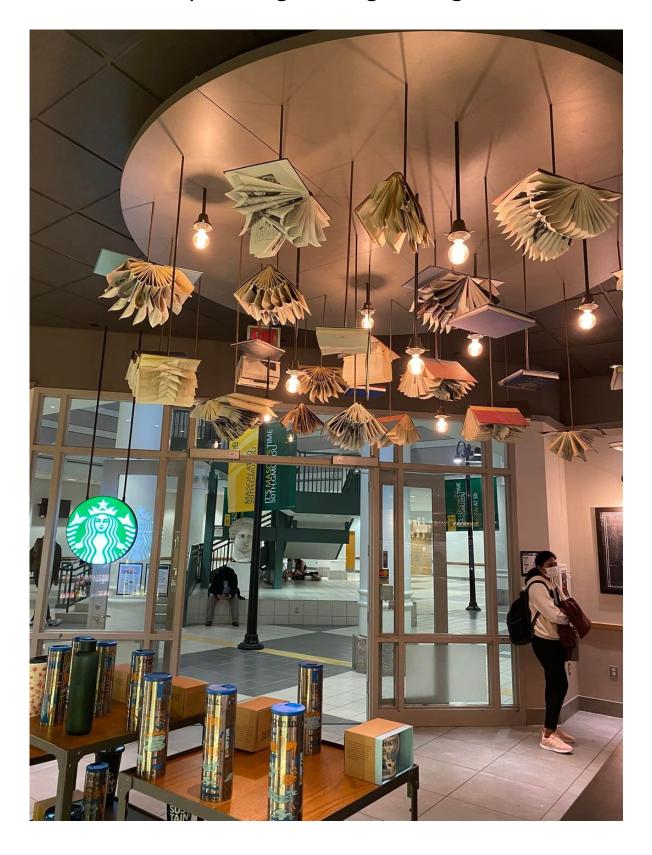
#### THIS IS INTERESTING! THIS IS INTERESTING! THIS IS INTERESTING! THIS IS INTERESTING! THIS IS INTERESTING!

The EveryLibrary Institute continues to support the research and dissemination of the Freckle Project survey and report about the reading habits of the American public, especially through libraries. The April 2022 survey results are in and late-stage COVID reading through libraries continues to be strong.

The April 2022 Freckle Project survey asked 667 adults in the United States a key question: "Where did you get that book?" The answers about where people source their books and how they utilize print, ebooks, and audiobooks continue to evolve. This survey is a continuation of a sample first fielded in April 2019 and refreshed during the COVID pandemic in April 2021 and October 2021. High-level findings include:

- Nearly 90% of adults report using or reading a book in the prior 12 months.
- 57% of books are read in print and 43% are in ebook or audiobook formats. This is a significant shift from pre-COVID levels where 76% of books were utilized in print.
- Audiobooks as a percentage of digital interactions have increased from only 4% in April 2019 to 16% in April 2022.
- Library utilization continues to be strong with 18% of readers sourcing their print and digital from the library.
- Readers have shifted dramatically to online retailers as their primary source for reading and books (43%) with negative changes to people getting books from bricks-and-mortar retail (15%) and friends and family (15%).
- Fully 55% of people who self-report using a library in the last 12 months used it to read or borrow.

The chandelier is hanging at the Starbucks at George Mason University – thought it might bring some smiles!





Alexander County Library – Bethlehem

Bladen County Library

Boonville Library

Caldwell County Library

Durham Library

Farmville Public Library, Inc.

Moss Memorial Library

Shepard Pruden Memorial Library

Swansboro Public Library

Wayne County Public Library

Kathy Baradyn Donna Staley



Our next OPEN MIC night is: Monday June 13, 2022 at 7:00 pm
Topic:

Assessing Your Friends
Zoom Meeting:

https://us02web.zoom.us/j/85671186145? pwd=a\_2DwfHpQWHQMJZn\_uVl1KZ6BoNl0 Z.1

Over the past 3-4 weeks, we have received some questionable emails.....asking us to call, asking us to venmo money to each other, etc. If you should receive an email like this, check the sender's email address and see if it is correct. Also, if you have a question about it, call the person. As Judy says....it's another form of scam - - they are getting sophisticated!



Please email in any activities and pictures that you would like to share in the July Newsletter by June 25, 2022.

Klambe@me.com