

FONCPL POLICY STATEMENT

The Friends of North Carolina Public Libraries statement regarding contracts, Memorandum of Understanding (MOUs), and agreements between libraries and Friends of the Library groups.

Our Board was recently informed that one regional library system was pressuring its Friends groups to sign an MOU. In the cover letter, it stated, "...the Friends of North Carolina Public Libraries advocate for Memoranda of Understanding (MOUs)..." We want to set the record straight, and we therefore issue this policy statement regarding contracts, Memoranda of Understanding (MOUs), and agreements between libraries and Friends of the Library groups.

FONCPL neither recommends nor disparages contracts, MOUs, or agreements between libraries and Friends of the Library groups. What we do adamantly oppose are clauses or elements in these documents that:

- Would require the Friends to be negligent in their fiduciary responsibilities to their Friends nonprofit organization were they to sign a document that calls for them to cede control of the Friends (and its money) to the library.
- Violate the rights of a nonprofit incorporated in North Carolina that are granted under NCGS 55A (for those so incorporated).
- Put the group's 501(c)(3) status at risk by becoming a funding conduit solely for the library, since effectively the Friends Board would no longer be in control of the nonprofit's finances and/or initiatives.
- Direct the circumstances under which they expect the nonprofit to "disband."

FONCPL takes exception to the model MOU touted by the United for Libraries/ALA, specifically the following clauses:

"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." (On the surface this looks benign, but what if the Friends want to install a permanent StoryWalk at a local park and the library disagrees? Or what if the Friends want to buy a new laptop for the Friends' Treasurer to use for Friends accounting and the library disagrees? And remember that while you may have a good working relationship with your current library director, that may not always be the case.)

"Parties agree that money received by the Friends should be used to support a Library branch and/or the Library system, and that those funds should supplement and not supplant public funding." (Again, this looks benign, but it does say that "...money received by the Friends should be used to support a Library branch and/or the Library system...")

"The Friends agree that if they cease to actively fundraise and promote the Library, they will disband, allowing for a new Friends group to be established in the future." (As a legally separate entity, the library cannot dictate to the Friends that they must dissolve.)

The Friends of the North Carolina Public Libraries therefore advises all Friends groups to carefully read every word of the proposed document to ascertain if their rights to govern their nonprofit are being impinged or violated. Whether or not your Friends sign the document is your decision.