



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)



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(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

