

Special Meeting of the Board of Library Trustees
Wednesday, June 15, 2011 - Library Board Room
02:30 PM - 04:15 PM

Minutes of Actions and Decisions of the Board of Library Trustees of the Bellingham Public Library as Authorized by RCW 27.12.210 and SEC. 7.02 Charter of the City of Bellingham.

Board Members Present: David Edelstein, Faye Hill, J Gordon, Marilyn Mastor and Rachel Myers

Board Members Absent:

Library Staff: Pamela Kiesner and Wendy Jenkins

Others: Mauri Ingram, President and CEO, Whatcom Community Foundation, Pamela Jons, Donor Relations, Whatcom Community Foundation

Call to order and introductions: Special session was called to order at 2:35 p.m. by Chair, David Edelstein.

Approve/modify agenda: No changes to agenda.

Establishing Bellingham Public Library non-endowed funds at the Whatcom Community Foundation: Mauri Ingram and Pamela Jons, from Whatcom Community Foundation were introduced and welcomed. Mauri began by stating the purpose of Whatcom Community Foundation is to establish clear giving pathways for donors. Pam invited the Board's questions for Mauri and Pamela.

· If a donor has no preference of fund, what happens?

The donation would go into the Unrestricted Fund which provides the most flexibility for the library in expending the fund since it will be for general library purposes.

· Are we contemplating establishing three funds?

WCF staff suggests that one fund be established with three sub-funds: Unrestricted, Capital, and Materials.

· If Jane Doe walks into the Foundation Office and says "I want to give something to Bellingham Public Library", at that point do you sit down and explain their options?

We would talk with them about what they like about the library. Depending on their answer we would steer them to one of the sub-funds or the endowment fund. If the Library let us know they needed the Foundation to focus on Capital, for instance, we would steer them that way. If the person asked where the greatest need is, we would rely on Library Director and Board input for that.

· Is there an advantage to having three sub-funds?

This gives the Foundation more "buckets" to work with, as the sub-funds have really defined the library's needs. We do like to speak with the donor, find out their story, and help meet their needs.

· What is the exact name of the current endowed fund?

The current endowment fund is named: "The Bellingham Public Library Fund". Since it is recommended that this new, non-endowed fund be named "The Bellingham Public Library Fund" the Library Board would like to recommend to the WCF that our current endowment fund be renamed: "The Bellingham Public Library Endowment Fund." Mauri recommends that the Board send a letter to the Foundation Board of Directors to this effect.

· *Can checks be made out to Bellingham Public Library?*

Yes, then it should be endorsed on the back, to be deposited at the WCF. Pam K. added that if a donor wants the gift spent now, we don't want to put it in the Foundation then turn around and ask for it back. Putting the donation into the BPL Gift Fund may be more appropriate.

· *If a donor wanted a Fund named after her, would other people still want to donate to that fund?*
We would talk through the options. A substantial gift would be required to name a fund.

· *What about gifts with conditions? David believes that any and all conditional gifts have to be vetted by the Board to determine if the condition is reasonable. Are there currently conditional gifts given to the library?*

Pam K. answered yes and gave the example of a recent donation of \$1000 for Buddhism materials. The library weighed the condition against the acquisitions policy and determined there was a need, so accepted the donation. Pamela gave the example of Ferndale Library. A donor asked how much it would cost to name the building. They couldn't meet the threshold for naming, and, when told there was a need for unrestricted funds, donated there. Rachel commented that it sounds like WCF already has a policy in place and that the Foundation would not agree to something without Library input. Mauri clarified the Foundation's desire is to meet the needs of the donor as well as the recipient organization. David stressed that we need to determine if a donation is a gift or a curse. If someone is promoting a particular cause with their gift we need to have a conversation.

· *Is establishing sub-funds needlessly complicating the non-endowed fund?*

It gives us more buckets, Mauri stated. Sub-funds are tidy and are established for needs the library has. They help us direct donors to provide a gift that is usable to the organization.

· Pam added that we need to clarify if the Capital Fund is just for a new building, or if we will accept gifts for a new north side branch, for instance. Mauri added that they work with a donor and offer options if the donation is not currently viable. The Capital Fund itself could have sub-funds.

· *What is the minimum donation for each sub-fund?*

No minimum, but the first donation cannot be from the Board or the library because of IRS rules (put money in the bucket, claim as a gift, take right back out). The donation could come from the board members as individuals, however.

· *We don't want to ever have a disagreement with the foundation with dollars spent. How do we get the money out? Is there a dollar threshold, such as over \$1000 is a Board decision, under \$1000 a Director decision?*

The fund is there to benefit the Library; the Library determines internally how to withdraw. What would be helpful for WCF files is a letter to articulate what the Library has decided about withdrawal authority.

· Pam K. asked the Board if they would like her to send a letter to the Foundation to ask them to change the name of our endowed fund to Bellingham Public Library Endowment Fund. Faye Hill moved to accept the motion. Rachel Myers seconded. Motion passed.

· *How does the Foundation acknowledge receipt of a donation and how will the Library be informed that a donation has been received?*

The Foundation sends a letter to all donors, most with a personal written acknowledgement. We would be happy to share the donor list, say quarterly or as often as the Library wishes. Some donations will be anonymous, and those names will not be given. Pamela suggested that WCF could include an insert from the Library into the Foundation's acknowledgement letter. The Library Board liked this idea.

· David suggested a dollar threshold be determined, and that every conditioned donation over this threshold be vetted by the Board; he'd like this in a written agreement with the Foundation. At a future date, if there is a debate in the community about a donation that was accepted, the debate should not be between the Foundation and donor. The debate should be here, at the Board level. *Would this be written into the agreement?*

Mauri answered we are setting the ground work for donors. It would be most helpful if a letter was sent stating the Board's gift acceptance concerns. The letter would be put in the Library's file for successors so the Board's concerns remain clear. Remember that the written agreement is between the Whatcom Community Foundation and the donor, not between WCF and the Library Board.

· *Does the Foundation have a gift acceptance policy?*

Yes, your concerns are in line with our mission; if there is a concern about a donation we can communicate with the Board in a timely fashion. David commented that BPL enjoys the highest reputation in the community; it is the Board's job to protect that by thinking ahead. Mauri responded we have a similar goal; my first call is to Pam saying we have a gift with a condition that we want to discuss with you. We talk to the donor, determine how to make this a usable gift; the Foundation does not take on unusable gifts. It is our goal to put these dollars to work. Pam K. added that if the Foundation called, she would call the Board Chair, perhaps call a special meeting. It could be handled quickly.

· *What does it take to get the fund going?*

One or more checks. Once the fund is set up we have a template for advertising that recognizes the Foundation, but we want to include input from the Library as well.

· *The fees for our endowed fund are deducted from the distribution, how would fees be paid for the non-endowed fund?*

The rate is higher for a non-endowed fund; the fees come out of the fund (donor paid).

· *How often are funds distributed?*

Once or twice a year, the Library can establish the process. If we received a large unrestricted gift, we would ask when you need it. Under \$10,000 our Finance Committee uses a cash option money market. Over that amount, we like to know when it is needed for investment purposes. We pool funds, but track separately.

· *What are examples of other organizations that work with you?*

There are about 18 organizations, the Peace and Justice Center is an example. With the Ferndale Library, we focused on a Capital campaign.

· *Do you keep a history of all donations (example of someone who gave \$30 a year, then donated their estate).*

Yes, we keep a record of all donations so we can track back to their first donation.

Pam thanked Mauri and Pamela for their time and thoughtfulness.

Pam mentioned she would amend the next board meeting agenda to follow-up on this discussion so the Board can:

- Define the Capital fund
- Decide on the process and withdrawal authority for requesting funds
- Discuss how to acknowledge gifts (an insert?)

Pam will send a letter to the Foundation Board to request a name change for the endowed fund and request from Mauri a copy of the Foundation's gift policy.

Faye mentioned that if we develop our own library brochure, we will want to consider including the Friends of the Library in the giving options.

Meeting adjourned at 4:15 p.m.

Chair, Library Board of Trustees

ATTEST

Secretary, Library Board of Trustees