

# FSCPL Policies Manual

# FSCPL Policies and Procedures Manual

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# FSCPL Policies and Procedures Manual

## INTRODUCTION

Welcome to the Friends of the Santa Cruz Public Libraries (FSCPL).

FSCPL raises funds for a variety of library purposes and educates the public on the community benefits derived from free and accessible libraries.

This Policies and Procedures Manual provides information on the structure and policies for the Board, Chapters, staff and volunteers of FSCPL.

## FRIENDS OF THE SANTA CRUZ LIBRARIES OVERVIEW

### History

The Friends of the Santa Cruz Public Libraries (FSCPL) began in early 1979 as a grassroots organization spearheaded by members of the local American Association of University Women. *Their goal was to counteract a strong negative attitude toward the Library System from a very vocal group of citizens.*

FSCPL was formally incorporated in the summer of 1979. Its first fundraising activities included:

- Creating a *Founding Members Campaign*. Sam Leask III, a long-time library supporter and community leader, asked key community leaders for donations of \$100 for the organization's first membership drive.
- Organizing an *Evening at the Library* event held in the fall of 1979 and which raised over \$6,000. The event featured the president of the San Francisco Public Library Friends.
- Placing ads in local papers listing recent contributors and proclaiming support for the Library System.

Within a few short years, the organization grew to over 500 members, organized book sales and book talks, purchased needed equipment for the library, hired staff, opened a Friends book cart in the lobby of the Central Branch, and reversed the negative attitude from community members towards the Santa Cruz Public Library System.

### Mission Statement

The Friends of the Santa Cruz Public Libraries support the Santa Cruz City-County Library System through fundraising, volunteer services, and advocacy.

FSCPL's goal is to create stronger neighborhoods and a culturally-enriched county through accessible and diverse library programs.

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### **FSCPL is a 501 (c) 3 non-profit.**

Our Tax ID is 94-2612557. The following outline a few of the benefits and obligations of a tax-exempt charity:

#### **Benefits of a 501 (c) 3 non-profit:**

- Exemption from Federal Income Tax
- Sales tax exemption (special to Friends of the Libraries)
- Tax deductibility for donors
- Eligible for Government and Foundation Grants
- Eligible for Bulk Mailing permit
- Liability insurance for all events

#### **Responsibilities of the Friends of the Library:**

- Maintain its 501 (c) 3 status in good standing
- Keep accurate records, including fund accounting
- File required tax returns
- Proactively support the organization's mission
- Provide donor substantiation
- Generate public support for the community it serves
- Limit legislative activity (per lobbying laws)

## **FSCPL STRUCTURE**

FSCPL consists of a Board, its Executive Committee, up to 10 Chapters, staff and over 800 volunteers.

### **Board**

The Board consists of up to 18 directors. The Board makes an effort to ensure that its members represent the geographical areas and the populations served by or interested in the Santa Cruz Public Library System.

As of 2017, the Board will consist of one Chapter Representative from each active Chapter, or up to 10 Board Members representing a geographic area served by one of the Santa Cruz Public Libraries. Community members representing populations that are served by or are interested in the wellbeing of the Santa Cruz Public Library System fill the remaining eight spaces on the Board.

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Each Board member is elected to a two-year term, and can serve up to three consecutive terms. At the end of three consecutive terms, or six consecutive years, the Board Member will be asked to step off the Board for one year. After one year, the individual may be voted back onto the FSCPL Board as a new Board Member beginning his or her first two-year term.

### **Board Governance**

The Board conducts itself in accordance with the Bylaws of the organization, the Corporate Code, and the Laws of the State of California. It conducts meetings according to the revised Roberts' Rules of Order, except when those rules conflict with the Bylaws or the Laws of the State of California.

### **Liability Insurance**

All Board members are covered under the general liability insurance policy with a reputable insurance company in the amount of \$1 million. Coverage includes personal injury and auto liability for staff when on library-related business. It does not cover volunteers. In addition, the insurance includes coverage for facility damage in the event of fire, etc.

### **Strategic Planning**

The Board of Directors holds a strategic planning retreat at least once every 3 years. At this retreat, the Board reviews the previous strategic plan's goals and objectives, reviews the activities and events, and assesses the achievement in meeting the strategic plan's goals.

Based on this review, the new Board sets the goals and objectives for the next 3 to 5 years.

### **Executive Committee**

The Board has established a Standing Executive Committee formed by the Officers of the Board. The Executive Committee meets monthly and has voting power in those months that the Board does not meet.

### **Chapters**

Chapters may be formed to advocate and fundraise for a single branch's or community's needs. At all times, Chapters operate as a part of the FSCPL organization. A request must be made to FSCPL through written communication to establish a Chapter. However, at no time do these Chapters operate autonomously from a legal perspective.

Each Chapter must adhere to the rules of the 501(c)3 IRS exemption requirements and the State of California incorporation laws and as mandated by the FSCPL Board of Directors. A Chapter may raise and spend funds and decide on the way it wishes to operate or act on their own within the parameters set forth by the Board of Directors of the Friends of the Santa Cruz Public Libraries and its By-Laws.

## **FSCPL Policies and Procedures Manual**

### Policies specific to Chapter Procedures and Governance:

To some extent, policies are fluid and can be changed if necessary. However, many of the policies are set forth to protect the organization as a whole. The Chapter is encouraged to discuss any concerns or issues with the FSCPL staff or Board of Directors. The following are policies set forth by the Board of Directors that are specific to the Chapter's Structure and Organization:

- a. Chapters will identify a "steering committee" with a minimum of three officers: President, Treasurer, and Secretary
- b. The Chapter President will serve as the main contact for the Chapter.
- c. The Chapter Treasurer will be responsible for accounting practices outlined in the Financial Policies and Procedures located in this manual.
- d. The Chapter Secretary will be responsible for taking minutes of Chapter meetings and to distribute them to Chapter members and the FSCPL office.
- e. The Chapter are encouraged to invite the SCPL's Branch Person in Charge (PIC) or designee to attend meetings as the Library's liaison.
- f. The steering committee will determine the name of the Chapter. The name must include "Friends of the Santa Cruz Public Libraries."
- g. All steering committee members must make a financial contribution annually to FSCPL. Steering committee members may direct their gift to their Chapter.
- h. The Chapter steering committee must nominate one of its members to become a member of the FSCPL Board of Directors. This Director will act as the Chapter's liaison to ensure that both the FSCPL and the Chapter have up to date information about activities.
- i. All Chapters will contribute to the Annual Operating Budget of the FSCPL (management fees). In 2018, Chapters will contribute 5% of their total funds deposited in the FSCPL bank to support FSCPL administrative services.
- j. Chapters cannot have an individual checking account. All income must be sent to FSCPL for deposit into the Chapter's account. All expenses will be withdrawn from this account. All expenses and reimbursements require receipts or other documentation.

### **Additional Committees**

The Board and Chapters may establish committees to address the major areas of advocacy, fundraising, planning, and programming for FSCPL. Volunteers, who are not

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on the Board, may also serve on these committees, if approved by the Board. These committees and their purposes may include:

- **Advocacy Committees:** Collaborates with other organizations in support of public libraries; keeps current on library-related legislation; maintains contact with local, state and national legislators. Assignments as needed.
- **Board Recruitment Committee:** Oversees the recruitment of new Board Members.
- **Book Sales Committees:** Oversees the process of the semi-annual Book Fair and Friends Book Store in the Central Branch. Includes the Volunteer Coordinator and a Board liaison (others as needed).
- **Campaign Committees:** Oversees donations from the Board and community members to the Friends for specific short-term campaigns, such as a Technology Campaign, Buildings Campaign, Public Finance Measure Campaigns.
- **Development (Fundraising) Committees:** Initiates Friends fundraising.
- **Publicity/Marketing Committee:** Projects may include preparing the FSCPL newsletter; annual reports; news releases, websites, social media, and communicates FSCPL projects and events to members and the general public.
- **Volunteers Committee:** Promotes volunteer involvement by recruiting volunteers for Friends events, programs and special needs.

### **Volunteers**

FSCPL offers a variety of volunteer projects for individuals who would like to benefit the Santa Cruz Public Libraries. Projects include assisting in book sales, tabling at author talks, tabling at community events, and assisting with Chapter events. Individuals should contact the FSCPL office or their branch library's Chapter to learn more about current volunteer projects.

All FSCPL volunteers shall support the mission of FSCPL. No volunteer shall participate in FSCPL activities causing conflict of interest issues or providing for personal gain. Our system operates on trust, and if that is abused, our reputation in the community is harmed.

Volunteer hours are required by the IRS. The Board and Chapters shall provide a monthly statement that includes the volunteer's name, activity and hours. Form will be provided by FSCPL staff.

### FSCPL POLICIES

#### Advocacy Policies

##### **Advocacy Purpose:**

Members of FSCPL serve as advocates for the Santa Cruz Public Library System by speaking with local organizations and legislators to remind them of the importance of our public libraries.

FSCPL also holds membership in state and national Friends organizations and maintains contact with state and national legislators to help preserve our democratic heritage of free and equal access to information.

Requests for FSCPL endorsement of programs or events and/or endorsements of proposed legislation by other individuals or organizations will only be considered if the activity or event serves the mission of the FSCPL. A contract outlining expectations will be signed by the Board President and the organization asking for FSCPL sponsorship.

##### **Successful Advocacy Projects:**

- *In 2016, FSCPL helped lead the successful passage of Measure S that provides \$64 million for new construction or remodels of the ten branches.*
- *In 2008, FSCPL helped lead the successful passage of the “Measure R” initiative that continued the 1996 ¼ cent sales tax and made funding permanent.*
- *In 1996, FSCPL advocacy played a major role in the successful passage of Measure B – a proposition that ensures millions of dollars in operating funds for the Library System until the year 2012.*

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### **Fundraising Policies**

All donations must be made to the “Friends of the Santa Cruz Public Libraries” (or FSCPL) for the donor to receive a tax-deductible benefit. Donations can be designated for a particular branch library. Specific designations should be noted on the check or described in a letter indicating how the donors wishes to have the money allocated.

#### **General Donations**

General donations are designated as unrestricted funds providing income for the administration and operation activities of FSCPL, to enhance collections and programs of the Santa Cruz Public Library System, or to provide emergency funding to the Santa Cruz Public Libraries for facility’s needs.

#### **Designated Gifts:**

Currently, specific designations are allowed for Books & Materials, or to any of the ten branches. There are also specific designations allowed for particular library programs, such as the Summer Reading Program, but should be agreed to beforehand with FSCPL. Any other type of specific designation must be agreed to by FSCPL and the Library Director of the Santa Cruz Public Libraries.

#### **Thank You Letters:**

All thank you letters listing the tax-deductible benefit information will be sent by the FSCPL office. Chapters may also send an additional thank you letter and/or request that the tax-id Thank You letter be a collaborative effort with the FSCPL staff.

If a gift is restricted to a specific branch library or its Chapter, FSCPL staff will provide Chapters with complete donor information within two weeks of a gift’s arrival in the FSCPL office.

#### **Donor Database:**

The FSCPL staff will maintain the organization’s donor database, currently DonorPerfect. To accomplish fundraising projects for the benefit of the Santa Cruz Public Libraries, Chapters and Board Members may request the staff to provide reports and mailing lists from the donor database.

To keep donation history for the FSCPL as up to date as possible, Chapters will provide complete donor information to FSCPL staff. (Additional Information in the Financial Policies section.) Information to provide includes:

- Donor’s Name
- Donor’s Address
- Donor’s phone number
- Donor’s email
- Amount and Date of Gift
- Any gift restrictions.

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### **FSCPL's financial support to the Santa Cruz Public Libraries**

The Santa Cruz Public Libraries may request funding from the FSCPL or Chapters throughout the year. The requests will be approved by

- The FSCPL Executive Director for requests made to FSCPL that are under \$1,000
- A Chapter Representative and the FSCPL Executive Director for requests made to Chapters that are under \$1,000,
- By a Chapter Representative and a FSCPL Board Member for requests made to Chapters that are \$1,000 or more; or
- By two FSCPL Board Members OR one FSCPL Board Member and the FSCPL Executive Director, for requests made to the Board that are \$1,000 or more.

Additionally, the FSCPL Board will meet in January of each year and determine a one-time gift amount to pledge to the Libraries for their unrestricted use. That gift amount will be paid in full to the Santa Cruz Public Libraries by June of that year.

### **FSCPL Fundraising Projects**

FSCPL organizes a variety of fundraising projects including direct mail pieces, corporate sponsorship, events and book sales. FSCPL Board, Chapters and/or staff create, organize and manage the various projects and ensure that there is no conflict with fundraising projects in place or occurring concurrently.

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### **Fiscal Policies**

#### **Annual Budget:**

The Finance Committee of the Board (or if no Finance Committee is organized, the Board President, Board Treasurer and the Executive Director) develops a yearly budget proposal based on the goals, planned activities, programs, and projects of the FSCPL.

In the October Board Meeting, or the last annual meeting of the full Board, this proposal is presented for review and recommendations. The Finance Committee updates the budget proposal as determined by this meeting.

At the last Executive Committee Meeting of the year, the Executive Committee votes on the updated budget proposal.

The approved budget is presented to the Board for their information, at the first Full Board Meeting of the year.

#### **Annual Compilation/Review/Audit Policy**

As needed and determined by the Board.

#### **Cash and Check Deposit Procedures**

Cash and Check Deposit Forms available from the FSCPL office.

Revenue is typically derived from fundraisers, author book sales and used book sales. Memberships, donor contributions and art/other fixed asset donations are separate procedures. Records for monies received are required for creating accurate financial records and internal and external audit controls. The Cash and Check Verification form is used for deposits.

Cash must be kept in a locked and secure location. Deposits should be made in a timely manner.

#### **Cash Counting and Check Procedures**

Two members must be present to count cash. One counter must be a Chapter officer, FSCPL officer or the Fundraiser Chair or their respective designee, the other a Friend. A Friend is defined as someone with a SC library card. In order to prevent a conflict of interest, family members of the aforementioned cannot count cash.

1. Use the Cash and Check Verification form.
2. List the type of income being deposited. i.e. specific fund raiser event/source.
3. Two counters verify the cash, sign and date the form. List each check separately.
4. Deliver the form, cash and checks to the Chapter Treasurer who signs and dates it.

***Before Deposits Are Made*** the Chapter makes two copies of checks, one for FSCPL records, one for Chapter records.

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### Deposits

FSCPL provides deposit service, but, Chapters have the option to make their own deposits and forgo FSCPL's service. Our bank is the Santa Cruz County Bank with branches in Aptos, Capitola, Santa Cruz, Scotts Valley and Watsonville. If a Chapter is currently using FSCPL's deposit service and wishes to change to Chapter deposits, contact the Executive Director (E.D.) for setup and guidance. When switching to Chapter deposits, please consider coin deposits and time. With FSCPL's service, coin wrapping is not necessary.

### Deposits Made by Chapters

1. Treasurer, President or designee makes deposit to Santa Cruz County Bank.
2. Checks should have FSCPL's bank account written on the back.
3. Treasurer keeps a copy of the form, the deposit slip and check copies and sends originals and check copies to the E.D..
4. The E.D. submits deposit accounting information to the Bookkeeper.

### Chapter Deposits Made by FSCPL

1. Treasurer, President or designee delivers form, cash, checks and check copies to E.D. at 224 Church St. in Santa Cruz.
2. The E.D., their designee or an approved check signer makes deposit to S.C. County Bank.
3. Upon request, a copy of the deposit slip is sent to the Chapter Treasurer.
4. The E.D. submits deposit accounting information to the Bookkeeper. FSCPL's deposit related activity is initiated by the event chair/program manager and delivered to the E.D..

### Insufficient Checks

If a Chapter check does not clear the bank, the E.D. contacts the Chapter Treasurer who notifies the President. Agreement is reached as to who is best suited to contact the check writer for remediation. The Chapter incurs any bank charges. For FSCPL, the E.D. or designee contacts the check writer for remediation and FSCPL will incur any bank charges.

### Monthly Review

The E.D. emails the Chapter Balance Report to the Treasurer and President. The Treasurer reviews the report for accuracy and presents results at the Chapter Board meeting. The FSCPL Treasurer does the same for FSCPL activity. If a discrepancy arises, contact the E.D. to resolve the issue.

The Bookkeeper performs a monthly bank reconciliation to be reviewed and approved by the E. D.

### **Expense Reimbursement/Check Request Procedures**

Expense Reimbursement/Check Request Forms available from the FSCPL office.

Reimbursements are generally made for library programs, fund raising events, marketing/promotional materials and supplies. FSCPL also has payroll, taxes, insurance,

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audit and other expenses such as software. Expenses are reimbursed using the Expense Reimbursement/Check Request Form.

For Chapters and FSCPL, if an expense is not part of a motion-approved event/expense or budget line, their Board must vote to approve the expense before reimbursement occurs and include the approved request and amount in the Board minutes.

1. The requester uses the Expense Reimbursement/Check Request Form. The requester cannot be the Chapter Treasurer or FSCPL's E.D. because two approvals are needed and they are always required to approve.
2. The form includes requester name, pay to name and address, expense explanation and approval signature lines. Original receipts must be attached. For FSCPL reimbursements, Chart of Account code(s) are required.
3. If an individual or unincorporated business is being reimbursed, the Social Security number of the performer must be provided. If, over the course of the year, their reimbursements are greater than \$600, FSCPL is required to submit IRS form 1099-MISC to the IRS. The 1099-MISC is due to the individual or unincorporated business by the last day of January in the following year.
4. For Chapters, the form is signed by the requester, and approved by the Treasurer. FSCPL reimbursements are signed by the requester and approved by the Executive Director (E.D.).
5. A copy of the form and receipts are made for Chapter records.
6. Treasurers, FSCPL submitters or their designee sends the form and original receipts to the E.D. using the green envelope/library courier service.

### FSCPL Check Generation Procedures

1. The E.D. reviews then approves the reimbursement for Bookkeeper processing. If over \$999.99 two approvals, the E.D. and an approved Board member are required.
2. After processing, the Bookkeeper mails the check. Processing should take, at a maximum, 10 business days from date received. Reimbursements over \$999.99 require two S.C. County Bank approved signatures.

### Monthly Review

At month's end, the E.D. emails the Chapter Balance Report to the Chapter Treasurer and President. The Treasurer reviews the report for accuracy and presents results at the Chapter Board meeting. The FSCPL Treasurer will review FSCPL expenses and present results at the FSCPL Board meeting. If a discrepancy arises, the Treasurer contacts the E.D. to resolve.

The Bookkeeper will perform a monthly bank reconciliation to be approved by the E.D. If motion-approved reimbursements are not consistently received by vendors within 15 business days of submittal to requester, this process will be reviewed and remedied.

### **Petty Cash Fund Procedures**

Petty Cash Fund Forms available from the FSCPL office.

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A \$200.00 Petty Cash Fund may be requested by Chapters or FSCPL and is to be maintained by the Chapter Treasurer or FSCPL Executive Director (E.D.) respectively, known as the fund manager.

Petty cash is used to reimburse motion-approved expenses under \$25.00 but may exceed that recommendation.

If a Chapter or FSCPL expense is not part of a motion-approved event or budget line, the Board must vote to approve the expense before reimbursement occurs. The Chapter's and FSCPL's Board minutes must reflect the approved request and amount.

Petty cash is to be kept in a locked and secure area.

Cash received from events is not to be used for expense reimbursements.

### Expense Reimbursement Procedures

1. Use the Petty Cash Reimbursement form and attach the original receipts.
2. The fund manager reviews and approves the expense. For FSCPL expenses, include a valid Chart of Accounts category.
3. The fund manager reimburses the expense(s).

### Replenishing Petty Cash

1. Submit a check request to the Executive Director. The reimbursement must equal the Petty Cash Reimbursement form's attached original receipts.
2. The E.D. reviews and approves the check request then forwards to the bookkeeper for processing. The detailed expenses on the petty cash form are to be entered into the books separately, not as one total.
3. Check processing should take, at a maximum, 10 business days from date received.

### Advancing Petty Cash

If a book sale or other event requires 'cash in the till' before the event starts, use the Petty Cash Reimbursement form, no receipts necessary. The advanced funds, in full, must be returned to the fund manager promptly after the event. The fund manager reflects repayment on the request for their records. **Cash is not advanced for any other reason.**

### Petty Cash Audits

The Chapter President audits the Chapter's petty cash twice a year using the Petty Cash Reconciliation form. A copy of the reconciliation should be sent to the Executive Director. FSCPL petty cash will be audited the Board Treasurer twice yearly.

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### **Marketing & Promotions Policies**

#### **Marketing Timeline**

Please submit all materials (events date, description, flyer, images, etc.) at least 4 weeks before the event date or as soon as possible. Please check with the most up to date Friends Marketing Guidelines for image dimensions, file types, etc.

If your Chapter needs assistance in the creation of original marketing materials, such as a flyer, please let the Friends office know as early as possible.

#### **Photo Submissions**

If you have photos that you or other members of your Chapter have taken and would like to use with any FSCPL marketing promotions, you must have a Release Form signed by the individuals captured in the photo. A photo Release Form for the FSCPL is available with each Chapter or at the FSCPL office.

If you would like to use a photo that belongs to the SCPL, please get approval first from the SCPL staff, such as your Branch Librarian, a Library Regional Manager, or the Library Communications Manager.

#### **Services offered by the Friends Staff**

Social Media: Please check with the most up to date Friends Marketing Guidelines for submission requirements of the following media platforms:

- Facebook Posts and Event Pages
- Twitter:
- Instagram

#### E-newsletter

- Please check with the most up to date Friends Marketing Guidelines for deadlines and submission requirements.

FSCPL Website: Please check with the most up to date Friends Marketing Guidelines for information.

#### Printed Newsletter: *Check it Out*

- Please check with the most up to date Friends Marketing Guidelines for deadlines and article requirements.

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### Friends Volunteers and Chapters Marketing Responsibilities

- Chapters need to write press releases for the events they organize or create.
- Chapters should submit their event information to online calendars
- Chapters should submit their event information to paper calendars such as the Santa Cruz Sentinel's *Coastlines*.
- Chapters should create their own marketing materials whenever possible. *FSCPL usually has an intern that can work on marketing materials. Please contact Friends office for more information.*
- If you create an event flyer, contact Friends Office for a list of good places to post or to hand them out.

### Marketing support provided by SCPL

Please review and familiarize yourself with the Friends' Guidelines for Effective Marketing created by the SCPL Marketing Team. It is a great resource for effective marketing and to determine how the Libraries can best support your efforts. Their support may include (but not always include):

- Digital signage at your branch,
- Inclusion in the Libraries' social media platforms, and
- Inclusion in the Libraries' printed monthly calendar.

***Please Note:** SCPL cannot dedicate time to create marketing materials for an event generated or produced by a Chapter. Please contact the Friends office, if you need help in creating original marketing materials.*

**And please keep your Friends in the loop!** Whenever you submit a SCPL Marketing Request Form or send an email to the SCPL Marketing Team, please also cc the Friends office staff to ensure the office is aware of your event and any updates. The SCPL Marketing Team often coordinates efforts with your Friends Staff, and we would hate to give them wrong or conflicting information.

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## FSCPL BOARD DOCUMENTS

### New Board Member Orientation Checklist

Orientation of: \_\_\_\_\_

Date Orientation Began: \_\_\_\_\_

Term: \_\_\_\_\_

#### **Orientation Information**

**Completed (person / date)**

Describe the organization:

- Who is served
- What do we do
- Meeting attendance
- Committee assignment
- Board role and relationship to staff

Introduction to Friends Staff and Key Volunteers

Tours / Introduction to Library staff / JPA members

- Friends office
- Central Library
- Administration Offices
- Branches
- Joint Powers Board Meeting

Information / Materials presented

- Current calendar, newsletter
- Library publications

Personal Data

- Name, Address, Phone, E-mail
- Best time to contact
- Committee interests
- Area of expertise
- Community Contacts

Commitment Pledge and Duties and Liabilities Form signed

## **FSCPL Policies and Procedures Manual**

### **Board Member Responsibilities**

This Board requires involvement and commitment from each member in return for deep satisfaction and a sense of accomplishment and involvement in the community.

Each Member of the Board of Directors of the Friends of the Santa Cruz Public Libraries shall:

- Support the FSCPL in the following ways:
  - Have a library card.
  - Stay informed on the FSCPL and SCPL issues.
  - Promote and advocate for the organization and for library services in the community.
    - Be prepared to speak on behalf of the FSCPL and the SCPL.
  - Make a gift to the FSCPL each year that is significant to you and your family, but which is comfortable for your budget. We ask that the FSCPL be one of the top two nonprofits that you donate to annually.
  - Participate in two FSCPL sponsored events annually, such as the Civic Book Sales and Munching with Mozart.
- Participate in Board governance
  - Uphold the mission of the organization by helping develop policies, procedures and programs in support of the mission of the FSCPL.
  - Monitor the fiscal activities of the organization.
  - Plan to attend all regular quarterly and special Board meetings.
  - Serve on at least one Board committee and attend most of these meetings.
  - Carry out all responsibilities and duties in a trustworthy, diligent and competent manner.

## **FSCPL Policies and Procedures Manual**

### **Board Member Commitment Pledge**

In agreeing to serve on the Board of the Friends of the Santa Cruz Public Libraries, Inc. I hereby acknowledge my leadership role and responsibilities to the Friends' organization. I pledge (1) to carry out the aforementioned responsibilities and duties in a trustworthy, diligent, knowledgeable and competent manner; (2) to observe parliamentary procedures and display courteous conduct at all Board and committee meetings; and (3) to represent the organization, its mission, goals and events in a positive and supportive manner. If, for any reason, I find myself unable to carry out the above responsibilities and duties as best I can, I agree to resign my position as a Board member.

Board member signature: \_\_\_\_\_

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

### **Board Member Duties and Conflict of Interest Form**

I, \_\_\_\_\_, serving as a Director of the Board of the Friends of the Santa Cruz Public Libraries, Inc., have read the information provided, the conflict of Interest form, and understand the information to the best of my abilities.

Signed: \_\_\_\_\_  
(signature)

Address: \_\_\_\_\_

\_\_\_\_\_

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

## **FSCPL Policies and Procedures Manual**

### **Board Officers Responsibilities**

In addition to the responsibilities held by all Board Members, the Board Officers hold the following additional responsibilities.

#### **President**

The President will be the executive officer of the corporation known as the Friends of the Santa Cruz Public Libraries, Inc. (FSCPL), providing leadership to the Board of Directors and performing all duties incident to the office and such other duties as may be required by law, by the Articles of Incorporation of the corporation, or by the Bylaws, or which may be prescribed from time to time by the Board of Directors. Specific duties include:

- Supervise the affairs of the corporation and the activities of the officers.
- Conduct meetings of the Board of Directors.
- Serve as an ex-officio member of all committees.
- Attend the Joint Powers Board meetings as a Friends' liaison and represent the Friends in other public capacities as necessary.
- Chair the Nominating committee.
- Fill Board vacancies in consultation with the Executive Committee and the Nominating committee.
- Appoint special committees with Board approval.

#### **Vice President**

The Vice President shall, in the absence of the President, or in the event of his or her inability or refusal to act, perform all duties of the President and in so doing shall have all the powers of and be subject to all the restrictions of the President.

#### **Secretary**

The Secretary\*\* shall perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation of the corporation, or by the Bylaws, or which may be assigned by the Board of Directors.

Specific duties include:

- Retain, at the Friends' Office, the original or a copy of the Bylaws as amended or otherwise altered to date.

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- Retain a book of the minutes of all meetings of the Board of Directors and, if applicable, the minutes of the committees of the Directors and members, recording the time and place of holding, whether regular or special, how called, how notice given, the names of those present, and the proceedings.
- Ensure that all notices are duly given in accordance with the provisions of the Bylaws or as required by law.

### **Treasurer**

The Treasurer\*\* shall perform all duties incident to the office of the Treasurer and such other duties as may be required by law, by the Articles of Incorporation of the corporation, or by the Bylaws, or which may be assigned by the Board or Directors.

Specific duties include:

- In the absence of the President and Vice President, perform all duties of the President and, in so doing have all the powers of and be subject to all the restrictions of the President.
- Chair the Budget and Finance Committee.
- Work closely with the Board President or designee to develop the annual budget.
- Review with staff the handling of income and expense accounts and the recording and acknowledgement of all donations.

*\*\* The offices of secretary and treasurer may be combined. Please see Bylaws for specific details.*

### **Joint Powers Authority Recorder:**

The JPA Reporter shall perform all duties incident to the office of the JPA Recorder and such other duties as may be required by law, by the Articles of Incorporation of the corporation, or by the Bylaws, or which may be assigned by the Board or Directors.

Specific duties include:

- Responsible for attending all JPA meetings and reporting relevant proceedings to the Board. For example, new policies and procedures adopted by the JPA that affect activities of the FSCPL will be communicated.
- In the absence of the Secretary, perform all duties of the Secretary and, in so doing have all the powers of and be subject to all the restrictions of the Secretary.

## **FSCPL Policies and Procedures Manual**

### **FSCPL GOVERNING DOCUMENTS**

This section of the orientation manual contains the governing documents under which the Board of Directors of the Friends of the Santa Cruz Public Libraries operates and does its business. These documents are:

- The FSCPL Bylaws as approved on July 2018 by the Friends' Board
- 501(c)(3) letter from the Internal Revenue Service designating FSCPL as tax-exempt status
- Articles of Incorporation
- Conflict of Interest Document
- Records Retention and Destruction Policy

# **FSCPL Policies and Procedures Manual**

## **Bylaws**

**AMENDED BYLAWS**  
**of**  
**FRIENDS OF THE SANTA CRUZ PUBLIC LIBRARIES, INC.**

**ARTICLE I. Name, Purpose, Offices and Dedication of Assets.**

Section 1.1. Name.

The name of this Corporation shall be Friends of the Santa Cruz Public Libraries, Inc. The corporation may also be known as “FSCPL.”

Section 1.2. Purposes.

In addition to the purposes set forth in the Articles of Incorporation, as amended, the corporation shall:

- (a) Maintain an association of people interested in enriching and publicizing the resources of the library, and support library activities, programs, fund development, and advocacy for the benefit of the Library system.
- (b) Secure cooperative action in advancing the common purposes of the reading members of the public, foster enjoyment of books within the community, and support and promote activities aimed to develop the Santa Cruz City/County Public Libraries as a constantly growing source of education and culture.

Section 1.3. Principal Office.

The principal place of business of the corporation is at 117 Union Street, Santa Cruz, California.

Section 1.4. Irrevocable Dedication of Assets.

- (a) The property of this corporation is irrevocably dedicated to charitable purposes and no part of the net income or assets of this organization shall ever inure to the benefit of any private persons.
- (b) On the dissolution or winding up of the corporation its assets remaining after payment of, or provision for payment of, or provision for payment of, all debts and liabilities of this corporation, shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable purposes and which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.
- (c) If this corporation holds any assets in trust, or the corporation is formed for charitable purpose, such assets shall be disposed of in such manner as may be directed by decree of the Superior Court of the county in which the corporation has its principal office, on petition therefore by the Attorney General or by any person concerned in the liquidation, in a proceeding to which the Attorney General is a party.

**ARTICLE II. Membership in Corporation.**

2.1. No Members.

The corporation shall have no members.

## 2.2. Membership Option.

Notwithstanding section 2.1 hereof, the Board of Directors may determine from time to time whether or not the corporation is permitted to admit members. If members are admitted, the Board of Directors shall determine the authorized number and qualifications of members of the corporation, the different classes of membership, if any, the property, voting and other rights and privileges of members, and their liability to dues and assessments and the method of collection thereof.

## 2.3. Public Participation.

Notwithstanding section 2.1 hereof, and pursuant to Corporations Code Section 5332, nothing in this Article II shall be construed as limiting the right of the corporation to refer to persons or organizations associated with it as “members” even though such persons are not members for purposes of Section 5056, and no such reference shall create membership voting rights within the meaning of Section 5056.

## **ARTICLE III. Board of Directors.**

### Section 3.1. Establishment of Board, and Board Powers.

The business and affairs of the corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors, which shall be, except when required by law or by these bylaws, by majority vote.

### Section 3.2. Number of Directors.

The number of Directors shall be not less than twelve nor more than 18, with the exact authorized number of Directors to be determined by resolution of the Board from time to time. If the number of Directors falls below the minimum authorized number, the Directors then serving shall elect additional Directors by majority vote. If the authorized number of directors is reduced to a number which is less than the then-current number of sitting directors, the new authorized number of directors shall not take effect until the number of sitting directors is reduced to the new number, through voluntary resignation or the end of a director’s term of office. The board may not eliminate a sitting director without cause in order to achieve a new authorized number of directors.

### Section 3.3. Qualifications, Election, and Term of Office of Directors.

- (a) Directors shall be chosen from among persons who share a common interest and commitment to the purposes and objectives of the corporation. Any person 18 years of age or older may be nominated or elected to serve as a Director.
- (b) Directors shall be elected by a majority vote of the Directors at each annual meeting as provided in Section 3.6. Any Director whose term of office expires with that meeting shall be entitled to vote for incoming directors.
- (c) All Directors shall serve terms of two years, staggered so that, as near as mathematically possible, no more than one-half plus one of the Directors’ two-year terms shall expire in any year. Directors may be elected any number of consecutive terms. The term of a Director shall begin on the first day of July after his or her election.
- (d) Notwithstanding the foregoing provisions, so that the Board may elect as close to one-half of its members as possible each year, the Board in its discretion may reduce the two-

year term of a newly-elected director to one year. However, any existing director may agree to serve a lesser period than that to which he or she was elected in order to achieve this purpose, but this shall be strictly voluntary.

#### Section 3.4. Vacancies.

(a) Events Causing Vacancy. A vacancy on the Board of Directors shall be deemed to exist at the occurrence of any of the following:

- (1) The death, resignation, or removal of any Director.
- (2) The declaration by resolution of the Board of Directors of a vacancy in the office of a Director who has been declared of unsound mind by court order or convicted of a felony, or who has been found by final order or judgment of any court to have breached a duty under corporation Code Section 5231 and following of the California Nonprofit corporation Law.
- (3) The failure of the Board, at any meeting of the Board at which any Director(s) is to be appointed or elected, to appoint or elect the said Director(s) at that meeting pursuant to the provisions of Section 3.6 of these bylaws.
- (4) The increase of the authorized number of Directors.

(b) Resignation. Except as provided in this paragraph, any Director may resign, which resignation shall be effective upon receipt of written notice by the President or the Secretary, unless the notice specifies a later effective date for the resignation. No Director may resign when the corporation would then be left without a duly elected Director or Directors in charge of its affairs.

(c) Removal.

(1) Any Director may be removed, with or without cause, by the vote of two-thirds of the members of the entire Board of Directors at a special meeting called for that purpose, or at a regular meeting, provided notice of that meeting and of the removal questions are given as provided in Section 3.8.

(2) Any Director who does not attend three successive Board meetings will automatically be removed from the Board without Board resolution unless one of the following occurs:

(A) The Director requests a leave of absence for a limited period of time, and the leave is approved by the Directors at a regular or special meeting. If such leave is granted, the number of Board members will be reduced by one in determining whether a quorum is or is not present.

(B) The Director suffers from a personal or family illness or disability which prevents him or her from attending meetings and the Board by resolution waives the automatic removal procedure of this subsection (B).

(C) The Board by resolution of the majority of Board members agrees to reinstate the Director who has missed three consecutive meetings.

#### Section 3.5. Place of Meeting; Meeting by Telephone or Other Electronic Means.

Regular meetings of the Board of Directors may be held at any place within or outside the State of California, as designated from time to time by resolution of the Board. In the

absence of such designation, regular meetings shall be held at the principal office of the corporation. Special meetings of the Board shall be held at any place within or outside of the State of California, as designated in the notice of meeting or, if not stated in the notice or if there is no notice, at the principal office of the corporation. Notwithstanding the above provisions of this Section, a regular or special meeting of the Board of Directors may be held at any place consented to in writing by all Board members, either before or after the meeting. Directors may participate in a meeting through use of conference telephone, electronic video screen communication, or similar communications equipment, so long as all of the following apply:

- (a) Each Board member participating in the meeting can communicate with all the other members concurrently;
- (b) Each member is provided the means of participating in all matters before the board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation; and
- (c) The corporation adopts and implements means of verifying both of the following:
  - (1) A person communicating by telephone, electronic video equipment, or other communications equipment is a director entitled to participate in the board meeting; and
  - (2) All statements, questions, actions, or votes were made by that director and not by another person not permitted to participate as a director. Participation in a meeting pursuant to this bylaw shall constitute presence in person at such meeting.

#### Section 3.6. Annual and Regular Meetings.

The Board of Directors shall hold a meeting at least once a year during the month of June at a time and place designated by the Board of Directors for purposes of electing directors and officers, designating standing committees, and transacting regular business. Notice of these meetings shall be in accordance with Section 3.8. Including the annual meeting, the Board of Directors shall hold at least four regular meetings per year. All regular and annual meetings shall be open to the public.

#### Section 3.7. Special Meetings.

Special meetings of the Board of Directors for any purpose may be called at any time by the President or any two Directors. Notice of these meetings shall be in accordance with Section 3.8. Any vacancy caused by the death, resignation, or removal of a Director shall be filled by majority vote of the Board whenever such vacancy occurs at a duly noticed special meeting, unless a regular meeting is scheduled to occur less than 60 days after such vacancy arises.

#### Section 3.8. Notices.

Notice of any meeting of the Board of Directors shall be given to all Directors at least 4 days in advance if given by first-class mail or at least 48 hours in advance if given by notice delivered personally, by telephone, or by electronic transmission to an e-mail or other electronically-accessed address provided by the member to the Secretary, provided that such notice may be waived by any Director as set forth in Section 3.9. Notice shall not be given by electronic transmission if the corporation is unable to deliver two

consecutive notices to a Director by that means, or if the inability to deliver the notice becomes known to the Secretary or other person responsible for giving such notice.

#### Section 3.9. Waiver of Notice.

The transactions of any meeting of the Board of Directors, however called and noticed and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present and (b) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding of the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about lack of adequate notice.

#### Section 3.10. Quorum.

A majority of active and existing directors authorized in Section 3.2 of these bylaws, whether or not all authorized Board positions have been filled, constitutes a quorum of the Board for the transaction of business, except to adjourn as provided in Section 3.11. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board, unless a greater number is required by law or by these bylaws. Notwithstanding the foregoing, a meeting at which a quorum is initially present may continue to transact business despite the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

#### Section 3.11. Adjournment.

A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

#### Section 3.12. Notice of Adjournment.

Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than 24 hours, in which case notice of the time and place shall be given before the time of the adjourned meeting to the Directors who were not present at the time of the adjournment. This notice may be waived in the same manner as set forth under Section 3.9.

#### Section 3.13. Action without Meeting.

Any action required or permitted to be taken by the Board of Directors under any provision of law may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written content shall have the same force and effect as any other unanimous vote of such Directors. Any certificate or other document filed under any provision of law which relates to action so taken shall state that the action was taken by the unanimous written consent of the Board of Directors without a meeting and that the Articles of Incorporation authorize the Directors to so act, and any such statement shall be prima facie evidence of such authority.

#### Section 3.14. Compensation of Directors.

Directors shall serve without compensation. However, the Board may authorize the advance or reimbursement of actual reasonable expenses incurred by a director or member of a committee in carrying out her or his duties.

#### Section 3.15. Restriction on Interested Directors.

Not more than 49 percent of the persons serving on the Board of Directors at any time may be interested persons. An interested person is (a) any person compensated by the corporation for services rendered to it within the previous twelve months, whether as a full-time or part-time employee, independent contractor, or otherwise; (b) any shareholder, employee or officer of any corporation, or partner or employee of any partnership, which has rendered compensated services to the corporation within the previous twelve months; and (c) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, mother-in-law, or father-in-law of any person described in (a) or (b) of this section. Any violation of the provisions of this paragraph shall not, however, affect the validity or enforceability of any transaction entered into by the corporation.

#### Section 3.16. Conduct of Board Meetings.

The President shall preside at all meetings of the Board of Directors. Meetings shall be governed by Roberts' Rules of Order as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with these bylaws, with the articles of incorporation of this corporation, or with provisions of the law.

#### Section 3.17. Committees of the Board.

(a) The Board of Directors may, by resolution adopted by a majority of the Directors then in office, designate one or more committees consisting of two or more Directors, and only of directors to serve at the pleasure of the Board. Any member of any committee may be removed, with or without cause, at any time by the Board. Any committee, to the extent provided in the resolution of the Board, shall have all or a portion of the authority of the Board, except that no committee, regardless of the Board resolution, may: (1) Fill vacancies on the Board of Directors or on any committee; (2) Amend or repeal the Articles of Incorporation or Bylaws or adopt new Bylaws; (3) Amend or repeal any resolution of the Board; (4) Designate any other committee of the Board or appoint the members of any committee; (5) Approve any transaction (A) to which the corporation is a party and as to which one or more Directors has a material financial interest, or (B) between the corporation and one or more of its Directors or between the corporation and any corporation or firm in which one or more of its Directors has a material financial interest.

(b) Executive Committee. There is hereby established an Executive Committee of the Board, consisting of the President, the Vice-President, the Treasurer and the Secretary, and such other Officers as the Board may designate by resolution and appoint pursuant to Section 4.3. The Executive Committee, unless limited by a resolution of the Board, shall have and may exercise all the authority of the Board in the management of the business and affairs of the corporation between meetings of the Board; provided, however, that the Executive Committee shall not have the authority of the Board in reference to those

matters enumerated in subsection (a) hereof. Actions of the Executive Committee shall be proposed for ratification at the next meeting of the full Board.

(c) Audit Committee. At all times that this corporation is required by applicable law to have an independent audit, or at any time the corporation voluntarily chooses to do so, the corporation shall have an Audit Committee consisting of at least two Directors and which may include nonvoting advisors. Directors who are employees of the corporation or who receive, directly or indirectly, any consulting, advisory, or other compensatory fees from the corporation (other than for service as Director) may not serve on the Audit Committee. The President and the Treasurer, if also Directors, may serve on the Audit Committee only if such persons are volunteers and are not compensated by this corporation. The Audit Committee shall perform the duties and adhere to the guidelines set forth from time to time by the Board. These duties include, but are not limited to: (1) assisting the Board in choosing an independent auditor and recommending termination of the auditor, if necessary, (2) negotiating the auditor's compensation, (3) conferring with the auditor regarding the Foundation's financial affairs, and (4) reviewing and accepting or rejecting the audit. Members of the Audit Committee shall not receive compensation for their service on the Audit Committee in excess of that provided to Directors for their service on the Board. If the corporation has a Finance Committee, a majority of the members of the Audit Committee may not concurrently serve as members of the Finance Committee, and the Chair of the Audit Committee may not serve on the Finance Committee.

(d) Nominating Committee. The Executive Committee shall serve as the nominating committee, and shall formally nominate candidates to serve on the Board and as officers at the meeting immediately prior to the annual election of directors, or when a Board position becomes vacant for any other reason. Notwithstanding the foregoing, any sitting Board member may nominate a candidate for election at the board meeting immediately preceding the election.

(e) Finance Committee. There is hereby established a Finance Committee, consisting of such members of the Board as the Board shall direct. The Finance Committee shall, in addition to such other duties as may be specified by the Board, prepare and present an annual budget for the Board's consideration, at some time and place as the Board shall direct. The Chair of the Finance Committee shall be the Treasurer of the Corporation. The incumbent shall create or cause to be created, and oversee and review, the Investment Policy and financial reports quarterly and reports to the Board of Directors.

(f) The Board of Directors may adopt rules for any committee not inconsistent with the provisions of these Bylaws.

#### Section 3.18. Advisory Committees.

(a) The board may at any time establish one or more advisory committees to the board. The members of any advisory committee may consist of directors or nondirectors, and shall be appointed by the board for a specified purpose. Advisory committees may not exercise the authority of the board to make decisions on behalf of the corporation, but shall be limited to making recommendations to the board or the board's authorized representatives and to implementing board decisions and policies. Advisory committees

shall be subject to the supervision and control of the board, which shall also establish policies and procedures for the operation of advisory committees serving as chapters.

(b) Chapters of the corporation shall be advisory committees of the board, formed for the specific purpose of focusing upon the needs of a single library branch. Each chapter shall select a steering committee consisting of a minimum of three officers. Upon their selection by vote of the steering committee, the board may then appoint them as the members of an advisory committee, to function as a chapter. Thereafter, a chapter may operate and raise funds only as set forth in policies and resolutions adopted by the board, and in conformity with the Articles and Bylaws of the corporation and the corporation's nonprofit and tax exempt status. All chapter funds raised must be deposited into the corporation's accounts, and chapters may not have separate checking accounts for chapter funds.

Section 3.19. Proxy Voting Prohibited.

Directors may not vote upon any matter by proxy.

**ARTICLE IV. Officers.**

Section 4.1. Officers.

The corporation shall have the following Officers: President, Vice-President, Secretary, and Treasurer, and such other Officers as the Board may designate by resolution and appoint pursuant to Section 4.3. Only Directors may serve as Officers. One person may hold two or more offices, except those of President and Secretary, and President and Treasurer.

Section 4.2. Election of Officers.

The Officers of the corporation, shall be chosen by majority vote of the Board of Directors immediately after the annual election of Directors, and each shall serve at the pleasure of the Board.

Section 4.3. Subordinate Officers.

The Board of Directors may appoint any other Officers that the business of the corporation may require, each of whom shall have the title, hold office for the period, have the authority, and perform the duties specified by the Bylaws or determined from time to time by the Board of Directors.

Section 4.4. Removal of Officers.

Subject to rights, if any, under any contract of employment, and not affecting such person's status as a Director, any Officer may be removed, with or without cause, by the Board of Directors, at any regular or special meeting of the Board. However, such person shall remain a director, unless he or she resigns or is separately removed.

Section 4.5. Resignation of Officers.

Any Officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary of the corporation. Any resignation shall take effect at the date of receipt of that notice or at any later time specified in that notice. Unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it

effective. Any resignation shall be without prejudice to the rights, if any, of the corporation under any contract to which the Officer is a party. However, such person shall remain a director, unless he or she resigns or is separately removed.

#### Section 4.6. Vacancies in Office.

A vacancy in any Office because of death, resignation, removal, disqualification, or any other cause shall be filled by majority vote of the Board whenever such vacancy occurs.

#### Section 4.7. Responsibilities of Officers.

All officers shall perform the duties normal to the office and such other duties as may be prescribed by the Board of Directors.

(a) President. The president shall preside at board meetings. He or she shall have such other powers and duties as may be prescribed by the board of directors or these bylaws. The president shall be responsible to the board of directors, shall see that the board is advised on all significant matters of the corporation's business, and shall see that all orders and resolutions of the board are carried into effect. Except as to those matters as to which the board delegates or has delegated this power to the executive director, the president shall be empowered to act, speak for, or otherwise represent the corporation between meetings of the board within the boundaries of policies and purposes established by the board and as set forth in the articles of incorporation and these bylaws. The president shall be responsible for keeping the board informed at all times of staff performance as related to program objectives, and for implementing any personnel policies adopted by the board.

(b) Vice-President. If the president is absent or disabled, the vice-president shall perform all duties of the president. When so acting, the vice-president shall have all powers of and be subject to all restrictions on the president. The vice-president shall have such other powers and duties as the board or the bylaws may require.

(c) Secretary. The secretary shall attend to the following:

(1) Book of minutes. The secretary shall keep or cause to be kept, at the principal executive office or such other place as the board of directors may direct, a book of minutes of all meetings and actions of directors and committees of directors, with the time and place of holding regular and special meetings, and if special, how authorized, the notice given, the names of those present at such meetings, and the proceedings of such meetings.

(2) Notices and other duties. The secretary shall give, or cause to be given, notice of all meetings of the board of directors required by the bylaws to be given. The secretary shall have such other powers and perform such other duties as may be prescribed by the board of directors or the bylaws.

(d) Treasurer. The treasurer shall be the chief financial officer of the corporation and chair of the Finance Committee and shall attend to the following:

(1) Books of account. The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, and other matters customarily included in

financial statements. The books of account shall be open to inspection by any director at all reasonable times.

(2) Deposit and disbursement of money and valuables. The treasurer shall deposit or cause to be deposited all money and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the board of directors; shall disburse funds of the corporation as may be ordered by the board of directors; shall render to the president and directors, whenever they request it, an account of all financial transactions and of the financial condition of the corporation; and shall have other powers and perform such other duties as may be prescribed by the board of directors or the bylaws.

(3) Bond. If required by the board of directors, the treasurer shall give the corporation a bond in the amount and with the surety specified by the board for the faithful performance of the duties of his or her office and for restoration to the corporation of all its books, papers, vouchers, money, and other property of every kind in his or her possession or under his or her control on his or her death, resignation, retirement, or removal from office.

(4) Finance Committee Meetings. The treasurer shall call or cause to be called meetings of the Finance Committee.

#### **ARTICLE V. Executive Director.**

##### Section 5.1. Executive Director.

The corporation also may have, at the discretion of the Board, an Executive Director, who shall be an employee of the corporation and not a director as described in Article III. Subject to such power and authority as may be given by the Board, the Executive Director is the general manager and chief executive officer of the corporation, with general day-to-day operating authority for the corporation including general supervision, direction, and control of the business and affairs of the corporation and its staff, and the general powers and duties of management usually vested in the office of Executive Director of a non-profit corporation and according to the terms of her or his employment agreement with the corporation.

##### Section 5.2. Duties.

The Executive Director shall attend all meetings of the Board of Directors, and shall advise and consult with the Board prior to the taking of action by the Board. However, the Executive Director shall not be entitled to vote under any circumstances, and shall not be counted in determining whether a quorum exists. The Executive Director may be excluded from a meeting by a majority of the Directors whenever the Executive Director's contract of employment, or performance thereunder, is under consideration by the Board.

##### Section 5.3. Compensation.

The Executive Director is the only officer entitled to compensation for employment by the corporation, which is subject to agreement between the Executive Director and the Board.

#### Section 5.4 Financial Authority.

The Executive Director may make payments or contractually obligate the corporation for corporate purposes to the extent that those items are included in the annual budget adopted by the Board. The Executive Director may obligate the corporation for additional expenses of up to \$1,000.00 over amounts budgeted, with prior approval of the Executive Committee, as herein provided.

### **ARTICLE VI. Indemnity and Insurance.**

#### Section 6.1. Right to Indemnification.

(a) This corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any action or proceeding by reason of the fact that such person is or was an Officer, Director, or agent of this corporation, or is or was serving at the request of this corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, or other enterprise, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding, to the fullest extent permitted under the California Nonprofit corporation Law.

(b) In determining whether indemnification is available to the Director, Officer, or agent of this corporation under California law, the determination as to whether the applicable standard of conduct set forth in corporations Code Sec. 5238 has been met shall be made by a majority vote of a quorum of Directors who are not parties to the proceeding. If the number of Directors who are not parties to the proceeding is less than two-thirds of the total number of Directors seated at the time the determination is to be made, the determination as to whether the applicable standard of conduct has been met shall be made by the court in which the proceeding is or was pending.

(c) To the fullest extent permitted by law and except as is otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these provisions in defending any proceeding covered herein shall be advanced by the corporation before final disposition of the proceeding on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the corporation for those expenses.

(d) The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled, and shall continue as to a person who has ceased to be an agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

#### Section 6.2. Insurance.

This corporation shall have the power and shall use its best efforts to purchase and maintain insurance on behalf of any Director, Officer, or agent of the corporation, against any liability asserted against or incurred by the Director, Officer, or agent in any such capacity or arising out of the Director's, Officer's, or agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under Section 6.1 of these Bylaws; provided, however, that the corporation shall have no power to purchase and maintain such insurance to indemnify any Director, Officer, or

agent of the corporation for any self-dealing transaction, as described in corporations Code Section 5233.

## **ARTICLE VII. Conflicts of Interest.**

### Section 7.1. Contracts with Directors and Officers.

(a) No Director or Officer of this corporation, nor any other corporation, firm, association, or other entity in which one or more of this corporation's Directors or Officers are directors or have a material financial interest, shall be interested, directly or indirectly, in any contract or other transaction with this corporation, unless:

(1) The material facts regarding such Director's or Officer's financial interest in such contract or transaction and/or regarding such common directorship, officership, or financial interest are fully disclosed in good faith and are noted in the minutes, or are known to all members of the Board prior to consideration by the Board of such contract or transaction;

(2) Such contract or transaction is authorized in good faith by a majority of the Board by a vote sufficient for that purpose without counting the vote or votes of such interested Director(s);

(3) Prior to authorizing or approving the transaction, the Board considers and in good faith determines after reasonable investigation under the circumstances that the corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and

(4) This corporation enters into the transaction for its own benefit, and the transaction is fair and reasonable to this corporation at the time the transaction is entered into.

(b) The provisions of this Section do not apply to a transaction which is part of an educational or charitable program of the corporation if:

(1) It is approved or authorized by the corporation in good faith and without unjustified favoritism; and

(2) It results in a benefit to one or more Directors or Officers or their families because they are in the class of persons intended to be benefited by the educational or charitable program of this corporation.

### Section 7.2. Loans to Directors and Officers.

The corporation shall not make any loan of money or property to or guarantee the obligation of any Director or Officer, unless approved by the Attorney General of the State of California; provided, however, that the corporation may advance money to a Director or Officer of the corporation for expenses reasonably anticipated to be incurred in the performance of the duties of such Director or Officer, provided that in the absence of such advance such Director or Officer would be entitled to be reimbursed for such expenses by the corporation.

### Section 7.3. Annual Acknowledgment of Policy.

Each sitting director and each newly-elected director shall sign a written acknowledgment of receipt of this policy at each annual organizational meeting.

## **ARTICLE VIII. Miscellaneous Provisions.**

### Section 8.1. Maintenance of Articles and Bylaws.

The corporation shall keep at its principal executive office the original or a copy of its Articles and Bylaws as amended to date.

### Section 8.2. Maintenance of Other Corporate Records.

The accounting books, records, and minutes of the proceedings of the Board of Directors and any committee(s) of the Board of Directors shall be kept at such place or places designated by the Board of Directors or, in the absence of such designation, at the principal executive office of the corporation. The minutes shall be kept in written or typed form, and the accounting books and records shall be kept in either written or typed form or in any other form capable of being converted into written, typed, or printed form.

### Section 8.3. Inspection by Directors.

Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the corporation and each of its subsidiary corporations. This inspection by a Director may be made by written notice of such director, or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

### Section 8.4. Annual Report.

Within 120 days after the end of the corporation's fiscal year, the President shall furnish or cause to be furnished a written annual report to all directors containing the following information:

- (a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- (c) The revenue or receipts of the corporation both unrestricted and restricted for particular purposes, for the fiscal year;
- (d) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year;
- (e) Any transaction during the previous fiscal year involving more than \$50,000 in which the corporation (or its parent or subsidiaries, if any) was a party and in which any director or officer of the corporation has a direct or indirect financial interest, or any of a number of such transactions in which the same person had a direct or indirect financial interest and which transactions in the aggregate involved more than \$50,000; and
- (f) The amount and circumstances of any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any director or officer of the corporation pursuant to Article VI of these Bylaws, unless such indemnification has already been approved by the Board.

For each transaction, the report must disclose the names of the interested persons involved in such transaction and state such person's relationship to the corporation, the

nature of such person's interest in the transaction and, where practicable, the value of such interest.

The report shall be accompanied by any report of independent accountants or, if there is no such report, by the certificate of an authorized officer of this corporation that such statements were prepared without an audit from the books and records of this corporation. Such report may be furnished to the directors by electronic transmission in accordance with Section 8.10 of these Bylaws.

#### Section 8.5. Financial Audit.

The corporation shall obtain a financial audit for any tax year in which it receives or accrues gross revenue of \$2 million or more, excluding grant or contract income from any governmental entity for which the governmental entity requires an accounting. Any audited financial statements obtained by the corporation, whether or not required by law, shall be made available for inspection by the Attorney General and by the general public within 9 months after the close of the fiscal year to which the statements relate. For 3 years, such statements (a) shall be available at the corporation's principal, regional, and district offices during regular business hours and (b) shall be made available either by mailing a copy to any person who so requests in person or in writing, or by posting them on the corporation's website.

#### Section 8.6. Fiscal Year.

The fiscal year of the corporation shall begin on January 1 of each year and end on December 31 of the following year.

#### Section 8.7. Seal.

The Board may authorize the use of a corporate seal. If so authorized, it shall be kept in the care of the Secretary, who shall affix it as and when authorized by the Board. The failure to use a seal shall not affect the validity of any corporate record or document.

#### Section 8.8. Amendments.

These Bylaws may be adopted, amended, or repealed by a two-thirds vote of the entire Board of Directors; provided, however, that amendment or repeal of this Section shall require the unanimous approval of the Board of Directors.

#### Section 8.9. Construction and Definitions.

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California Nonprofit corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, and the plural number includes the singular.

#### Section 8.10. Electronic Transmission.

Subject to any guidelines and procedures that the Board of Directors may adopt from time to time, the terms "written" and "in writing" as used in these Bylaws include any form of recorded message in the English language capable of comprehension by ordinary visual means and may include electronic transmissions, such as facsimile or e-mail, provided that:

- (a) For electronic transmissions from the corporation, the corporation has obtained an unrevoked written consent from the recipient to the use of such means of communication;
- (b) For electronic transmissions to the corporation, the corporation has in effect reasonable measures to verify that the sender is the individual purporting to have sent such transmission; and
- (c) The transmission creates a record that can be retained, retrieved, reviewed, and rendered into clearly legible tangible form.

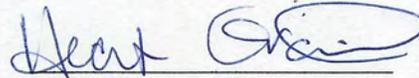
Section 8.11. Equal Opportunity.

It is the corporation's policy to employ staff, elect its governing board, and provide services without discrimination on the basis of race, religion, sex (or gender identification), sexual orientation, age, disability or national origin.

CERTIFICATE OF ADOPTION OF BYLAWS

This is to certify that the foregoing is a true and correct copy of the bylaws of FRIENDS OF THE SANTA CRUZ PUBLIC LIBRARIES, INC., and that such bylaws were duly adopted by the board of directors of the corporation on the date set forth below, and that all previously-adopted bylaw provisions were repealed upon the adoption of the foregoing bylaws.

DATED: JULY 20, 2018



SECRETARY

# FSCPL Policies and Procedures Manual

## 501(c)(3) letter from the Internal Revenue Service

Internal Revenue Service

Department of the Treasury

District  
Director

P.O. Box 2350 Los Angeles, Calif. 90053

Person to Contact: Felicia C. Miraflores

Friends of the Santa Cruz Public Libraries  
P O BOX 5124  
Santa Cruz, CA 95069

Telephone Number: 213-894-4232

Refer Reply to: 90-42

Date: **MAR 30 1990**

RE: Friends of the Santa Cruz Public  
Libraries Inc.  
ETN: 94-2512557

Gentlemen:

This is in response to your request for a determination letter of the above named organization.

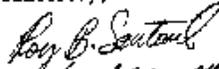
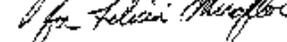
A review of our records indicates that the above-named organization was recognized to be exempt from Federal income tax in November 1979, as an organization described in Internal Revenue Code section 501(c)(3). It is further classified as an organization that is not a private foundation as defined in section 509(a) of the code, because it is an organization described in section 170(b)(1)(A)(vi).

This letter verifies your exempt status, and the fact that the original letter issued in November 1979 continues to be in effect.

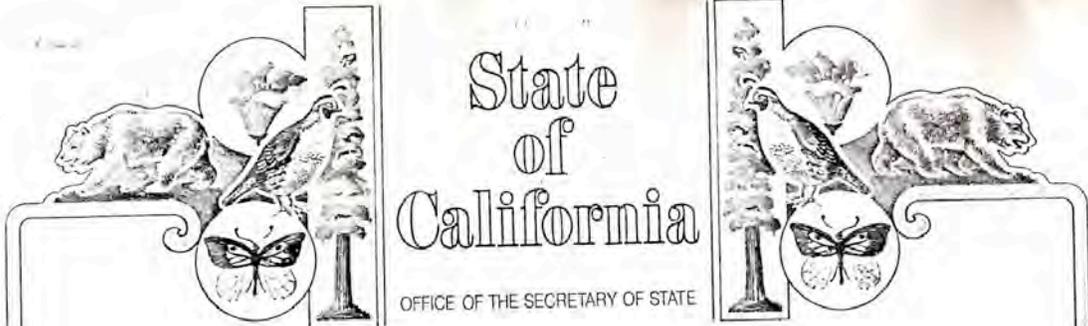
If you are in need of further assistance, please feel free to contact me at the above address or telephone number.

We appreciate your cooperation in this regard.

Sincerely,

  
  
District Assistant

Articles of Incorporation

  
State  
of  
California  
OFFICE OF THE SECRETARY OF STATE

I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute  
this certificate and affix the Great  
Seal of the State of California this

\_\_\_\_\_ SEP 12 1979 \_\_\_\_\_

*March Fong Eu*  
Secretary of State



Sec/STATE FORM CE-107 (REV. 1-75) © AOSP

930536

ENDORSED  
FILED  
In the office of the Secretary of State  
of the State of California

SEP 7 - 1979

MARCH FONG EU, Secretary of State

Kathleen P. Gutierrez  
Deputy

ARTICLES OF INCORPORATION

OF

FRIENDS OF THE SANTA CRUZ PUBLIC LIBRARIES, INC.

I. NAME

The name of the corporation is FRIENDS OF THE SANTA CRUZ PUBLIC LIBRARIES, INC.

II. PURPOSES AND POWERS

The purposes for which this corporation is formed are:

(a) The specific and primary purpose is exclusively for charitable purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501 (c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue law).

(b) The general purposes and powers are to have and exercise all rights and powers conferred on nonprofit corporations under the laws of California, including the power to contract, rent, buy or sell personal or real property; provided, however, that this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of this corporation.

(c) Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purpose of this corporation.

III. ORGANIZATION

This corporation is organized pursuant to the General Nonprofit Corporation Law of the State of California and does not contemplate pecuniary gain or profit to the members thereof and it is organized for nonprofit purposes.

IV. PRINCIPAL OFFICE

The county in this State where the principal office for the transaction of the business of the corporation is located is Santa Cruz County.

# FSCPL Policies and Procedures Manual

## V. DIRECTORS

The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

Name	Address
David Brezel	344 Arroyo Seco Santa Cruz, CA 95060
Shirley A. Carey	1905 Smith Grade Santa Cruz, CA 95060
Robert A. Ginsberg	122 Greenbrier Ct. Aptos, CA 95003
Sharlya Gold	805 Sir Francis Ave. Capitola, CA 95010
Anne J. Gulliver	340 River St. Boulder Creek, CA 95006
Winifred R. G. Jensen	6 Morehouse Dr. La Selva Bch., CA 95076
Barbara Lewis	851 Lost Acre Dr. Felton, CA 95018
Francis J. Mihm	Box 622 Aptos, CA 95003
Barbara G. Morris	1142 King St. Santa Cruz, CA 95060
Barbara Scott	115 Ponderosa Dr. Santa Cruz, CA 95060
Sam Singer	237 Pestana Ave. Santa Cruz, CA 95065
Elizabeth G. Smith	143 Arthur Rd. Watsonville, CA 95076
Mary H. Weed	603 Arroyo Seco Santa Cruz, CA 95060
Ethelwynne Wilson	Box 1037 Capitola, CA 95010

## VI. ACTION BY CONSENT OF BOARD WITHOUT MEETING

Any action required or permitted to be taken by the Board of Directors under any provision of law may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of such Directors. Any certificate or other document filed under any provision of law which relates to action so taken shall state that the action was taken by the unanimous written consent of the Board of Directors without a meeting and that the Articles of Incorporation authorize the Directors to so act, and such statement shall be prima facie evidence of such authority.

## VII. BYLAW PROVISIONS

(a) Directors. The manner in which Directors shall be chosen and removed from office, their qualifications, powers,

## FSCPL Policies and Procedures Manual

### VII. BYLAW PROVISIONS continued

duties, compensation, and tenure of office, the manner of filling vacancies on the Board, and the manner of calling and holding meetings of Directors, shall be as stated in the Bylaws.

(b) Members. The authorized number, if any, and qualifications of members of the corporation, the different classes of membership, if any, the property, voting and other rights and privileges of members, and their liability to dues shall be as stated in the Bylaws.

### VIII. DEDICATION AND DISSOLUTION

(a) The property of this corporation is irrevocably dedicated to charitable purposes and no part of the net income or assets of this organization shall ever inure to the benefit of any director, officer, or member thereof or to the benefit of any private persons.

(b) On the dissolution or winding up of the corporation its assets remaining after payment of, or provision for payment of, all debts and liabilities of this corporation, shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code.

(c) If this corporation holds any assets on trust, or the corporation is formed for charitable purposes, such assets shall be disposed of in such manner as may be directed by decree of the Superior Court of the county in which the corporation has its principal office, on petition therefor by the Attorney General or by any person concerned in the liquidation, in a proceeding to which the Attorney General is a party.

### IX. LIMITATION ON CORPORATE ACTIVITIES

No substantial part of the activities of this corporation shall consist of the carrying on of propaganda, or otherwise attempting, to influence legislation, nor shall this corporation participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

# FSCPL Policies and Procedures Manual

## Execution

IN WITNESS WHEREOF, the undersigned, being the persons hereinabove named as the first Directors, have executed these Articles of Incorporation on September 6, 1979

David Brezel  
David Brezel, Incorporator

Shirley A. Carey  
Shirley A. Carey, Incorporator

Robert A. Ginsberg  
Robert A. Ginsberg, Incorporator

Shariya Gold  
Shariya Gold, Incorporator

Anne J. Gulliver  
Anne J. Gulliver, Incorporator

Winifred R. G. Jensen  
Winifred R. G. Jensen, Incorporator

Barbara Lewis  
Barbara Lewis, Incorporator

Francis J. Mihm  
Francis J. Mihm, Incorporator

Barbara G. Morris  
Barbara G. Morris, Incorporator

Barbara L. Scott  
Barbara Scott, Incorporator

Sam Singer  
Sam Singer, Incorporator

Elizabeth G. Smith  
Elizabeth G. Smith, Incorporator

Mary H. Weed  
Mary H. Weed, Incorporator

Ethelwynne Wilson  
Ethelwynne Wilson, Incorporator

**FSCPL Policies and Procedures Manual**

Acknowledgment

State of California )  
                          ) SS  
County of Santa Cruz )

Before me, Connie Stevenson, a Notary Public for the State of California, personally appeared David Brezel, Shirley A. Carey, Robert A. Ginsberg, Shariya Gold, Anne J. Gulliver, Winifred R. G. Jensen, Barbara Lewis, Francis J. Mihm, Barbara G. Morris, Barbara Scott, Sam Singer, Elizabeth G. Smith, Mary H. Weed, Ethelwynne Wilson, known to me to be the persons whose names are subscribed to the foregoing Articles of Incorporation, and acknowledged that they executed the same.



*Connie Stevenson*  
Notary Public for the State of  
California  
My Commission expires 4-28, 1983.

**Memorandum of Understanding Between SCPL & FSCPL**

**Memorandum of Understanding between  
Santa Cruz Public Libraries and the  
Friends of the Santa Cruz Public Libraries, Inc.**

This Memorandum of Understanding ("MOU") is made and entered into by and between the Santa Cruz Public Libraries, a public agency organized and existing under the laws of the State of California (the "Library") and the Friends of the Santa Cruz Public Libraries, Inc., a not-for-profit 501(c)(3) corporation organized and existing under the laws of the State of California (the "Friends") (collectively the "Parties") this 5 day of October, 2017, constitutes an operating agreement between the Library and the Friends, and shall remain in full force and effect unless terminated by either party hereto or by mutual agreement of the Friends Executive Board and the Santa Cruz Public Libraries Joint Powers Authority Board.

**Recitals**

A. Friends is a nonprofit corporation that is legally distinct from and not governed by or a part of the Library, whose members support the Santa Cruz Public Libraries through fundraising, volunteer services, and advocacy.

B. Library and Friends have determined that it is in their mutual interests to enter into this MOU to more clearly set forth their respective roles, duties, and obligations in regard to maintaining, supporting, and improving Library facilities, systems, and services.

Now, therefore, the Parties agree as follows:

1. The Library agrees to recognize the Friends of the Santa Cruz Public Libraries as the official fundraising body for the Library. The Joint Powers Board may review this recognition at any time.
2. The Library agrees to provide the Friends the opportunity for input in the library strategic planning process to ensure that the Friends are aware of the goals and direction of the Library.
3. The Friends will be allowed a place on the Joint Powers Authority Board monthly meeting agenda.
4. The Library agrees to share with the Friends the Library's strategic plan prior to the beginning of the next fiscal year and provide an annual request that indicates the anticipated needs for Friends support. The Library will also maintain appropriate accounting of funds received and provide an annual list of accomplishments.
5. The Director of Libraries must approve the use of any Library staff or Library resources for a Friends project.
6. The Library agrees to provide the Friends with staff support to assist them with development of Friends materials as outlined in prior agreements and will provide public space for Friends.
7. The Library may provide space in the Library (if available) for Friends administrative and program needs. As a partner, Friends programs will have priority room booking, with the exception of standing Library programs. The Library may provide the Friends surplus items (primarily materials and surplus furniture).
8. The Friends agree to publicly support the Library and its policies.

# FSCPL Policies and Procedures Manual

9. The Friends agree to include the Director of Libraries or designee as a non-voting presence at all Friends meetings and to allow room on the agenda for a Library report.

10. The Friends agree that any and all monies raised, exclusive of any used for the administrative needs of the Friends, will be spent exclusively for Library programs, services, and other Library defined needs unless otherwise agreed to by both the Friends and the Library.

11. The Friends agree that the Director of Libraries has the final say in accepting or declining any and all gifts made to the Library except in the case of Naming rights (see Library Naming policy).

12. 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. Assets will be transferred to a successor agency.

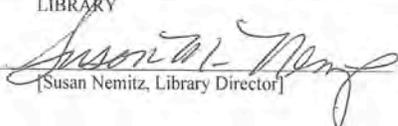
13. This MOU may be terminated at any time by mutual agreement of the Parties, or without cause by either Party hereto by providing no less than 90 advance written notice, delivered to:

If to Friends: Vivian Rogers, P.O. Box 8472, Santa Cruz, CA 95061, [Vivian@FSCPL.org](mailto:Vivian@FSCPL.org), 831-427-7700 ext. 5690

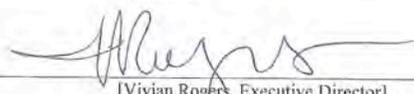
If to Library: Susan Nemitz, 117 Union Street, Santa Cruz, CA 95060, [nemitzs@santacruzpl.org](mailto:nemitzs@santacruzpl.org), 831-427-7706 ext.7611

14. This MOU shall not be amended except by mutual agreement of the Parties, in writing.

Dated: 10/24/2017

By: \_\_\_\_\_  
LIBRARY  
  
[Susan Nemitz, Library Director]

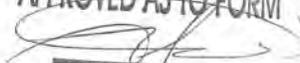
Dated: 10/6/2017

By: \_\_\_\_\_  
FRIENDS  
  
[Vivian Rogers, Executive Director]

Dated: 11-2-17

By:   
JPAB Chair

MARTIN BERNAL, CITY MANAGER  
[Name and Title]

APPROVED AS TO FORM  
  
CITY ATTORNEY

## **FSCPL Policies and Procedures Manual**

### **Conflict of Interest Policy**

#### **Article I. Purpose.**

The purpose of the conflict of interest policy is to protect the Friends of the Santa Cruz Public Library's (FSCPL) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the FSCPL or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

#### **Article II. Definitions.**

##### **1. Interested Person.**

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

##### **2. Financial Interest.**

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a.** An ownership or investment interest in any entity with which the FSCPL has a transaction or arrangement,
- b.** A compensation arrangement with the FSCPL or with any entity or individual with which the FSCPL has a transaction or arrangement, or
- c.** A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the FSCPL is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

#### **Article III. Procedures.**

##### **1. Duty to Disclose.**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

##### **2. Determining Whether a Conflict of Interest Exists.**

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting

## **FSCPL Policies and Procedures Manual**

while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

### **3. Procedures for Addressing the Conflict of Interest.**

- a.** An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b.** The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c.** After exercising due diligence, the governing board or committee shall determine whether the FSCPL can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d.** If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the FSCPL's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

### **4. Violations of the Conflicts of Interest Policy.**

- a.** If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b.** If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

### **Article IV. Records of Proceedings.**

The minutes of the governing board and all committees with board delegated powers shall contain:

- a.** The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b.** The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

### **Article V. Compensation.**

## **FSCPL Policies and Procedures Manual**

- a.** A voting member of the governing board who receives compensation, directly or indirectly, from the FSCPL for services is precluded from voting on matters pertaining to that member's compensation.
- b.** A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the FSCPL for services is precluded from voting on matters pertaining to that member's compensation.
- c.** No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the FSCPL, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

### **Article VI. Annual Statements.**

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a.** Has received a copy of the conflicts of interest policy,
- b.** Has read and understands the policy,
- c.** Has agreed to comply with the policy, and
- d.** Understands the FSCPL is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

### **Article VII. Periodic Reviews.**

To ensure the FSCPL operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a.** Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b.** Whether partnerships, joint ventures, and arrangements with management FSCPLs conform to the FSCPL's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

### **Article VIII. Use of Outside Experts.**

When conducting the periodic reviews as provided for in Article VII, the FSCPL may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

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### **Records Retention and Destruction Policy**

It is important that certain records be retained. The current IRS letter of determination and the current bylaws must be readily accessible at all times.

Listed here are items that must be reviewed on a periodic basis and kept in a safe place. Members of the executive board must properly dispose of records by shredding the document within 30 days of the expiration of the holding period.

To assist in this process, it is recommended that upon filing records, note on the outside of the box a “Destroy After” date.

#### Permanent Storage

- All audit reports
- Articles of Incorporation
- Canceled checks documentation for important transaction (ie. taxes, contracts)  
Canceled check documentation should be filed with papers pertaining to each transaction.
- Legal correspondence
- Insurance records:
  - Accident reports
  - Claims
  - Insurance incident reports
  - Policies
- Minutes of executive board and board meetings
- Tax Documents
  - Exempt status
  - Letters assigning federal and state identification
  - State and federal tax forms as filed (?)
- Correspondence with state and federal agencies

#### 10 Years

- Year end financial statements
- Grant award letters of agreement

#### 7 Years

- Bank statements that contain photocopies of canceled checks
- Cash receipt records
- Expired contracts and leases
- List of board members and their contact information
- Payment authorization and expense forms (receipts attached) for payments to vendors, reimbursement to officers and Branches
- Purchase orders
- Sales records for on-line book sales

#### 3 Years

- General correspondence

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- Employee records (post-termination)
- Employment applications
- Membership lists, including names and full contact information

### 1 Year

- Bank reconciliations
- Certificates of insurance
- Correspondence with vendors if non-contested
- Duplicate deposit slips
- Membership envelopes/forms for current membership

Note: Financial officers have a fiduciary responsibility to protect sensitive and confidential information. Copies of deposited checks should be shredded after the audit has been completed.

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