

M E M O



Date: April 3, 2012

To: Chair Steven Albers and Members of the Board of Trustees

From: Clifford Jo, Finance & Business Director

Subject: 2012 Foundation/Library Agreement and Addendum

Please find attached the proposed agreement and addendum between the Foundation and Library Boards. The Library and Library Foundation sign an annual agreement in the February/March timeframe every year.

2011 Results

In February 2011 the Library and the Foundation renewed the annual agreement. It stated that the Library would provide \$163,000 of support through the Fund Development Office, and that the Foundation would provide benefits to the Library through its fund-raising efforts and other promotional activities. For the Library's 2011 fiscal year, the Library benefited from Foundation distributions totaling \$229,330, which included \$99,391 from the UP Capital Campaign. The actual costs for the Foundation in 2011 are estimated to be no more than \$228,373, which included a 1-time purchase of new software for the Fund Development Office.

2012 Agreement and Addendum

Due to recent communications with our attorney, Dan Gottlieb, we made minor revisions to the Agreement (a marked copy is attached) and added an Addendum. The purpose of the Addendum is to show that the Foundation contributes far more than the money that it raises, which the Addendum captures. The Addendum also provides more transparency for the Board so that it can review the full range of activities the Foundation will undertake. The items in the addendum were taken from the Foundations 2011-12 Annual Plan, which Lynne Hoffman and the Foundation Chair presents to the Board of Trustees every year.

The value of services, space, and equipment which the Library provides for the Fund Development Office working on the Foundation's plan is estimated at \$208,000.

Attached are the Agreement and Addendum. The Agreement and Addendum may have different amendment needs and are considered separate documents. Therefore each needs to be approved by the Board. We recommend that the Board pass two motions:

1. A motion to authorize Neel to sign the Foundation Agreement as presented.
2. A motion to authorize Neel to sign the Addendum as presented.