

**Memorandum of Understanding**  
**Between**  
**The Friends of the Saint Paul Public Library and the Saint Paul Public Library**

This Memorandum of Understanding (“**MOU**”) establishes an understanding by and between The Friends of the Saint Paul Public Library (hereinafter “**Friends**”), a Minnesota nonprofit corporation, whose mailing address is: 2610 University Ave W, Suite 530, Saint Paul, MN 55114, and the Saint Paul Public Library (hereinafter, the “**Library**”), whose mailing address is: 90 West Fourth Street, Saint Paul, Minnesota 55102.

WHEREAS, Friends is exempt from federal income tax as an organization described in sections 509(a)(1) and 501(c)(3) of the Internal Revenue Code (the “**Code**”);

WHEREAS, Library is a department of the City of Saint Paul; and

WHEREAS, Friends has determined that supporting the Library through fundraising and administrative activities is consistent with its tax-exempt purposes, and it is willing to receive and administer funds to support the activities and programs of the Library as described in this MOU.

Now, therefore, by entering into this MOU, Friends and the Library agree as follows:

1. Fund Administration and Fiscal Sponsorship. Friends will accept grants and contributions for the benefit of the Library and make those funds available to support the Library, less any Administrative Fees withheld pursuant to Section 6. Friends agrees to serve as the fiscal sponsor of the Library for certain, eligible grants.
2. Acknowledgment of Contributions. The parties agree that all grants and charitable contributions Friends receives for the Library will be the property of Friends and reported as contributions to Friends as required by law. Friends agrees to acknowledge receipt of any such grant or charitable contribution in writing and to furnish evidence of its status as an exempt organization under Section 501(c)(3) to the donor upon request. Friends agrees to notify the Library of any change in its tax-exempt status.
3. Programmatic Activities and Use of Funds. The parties agree that the Library has exclusive control and responsibility for its programmatic activities and its use of funds received from Friends, subject to any funder restrictions. The Library agrees that all funds received from Friends will be used solely for legitimate expenses of the Library and the Library will account fully to Friends for its use of all contributed funds.
4. Friends Responsibilities. Friends agrees to:
  - a. Receive contributions and grants (including gifts in-kind) for the benefit of the Library and to disburse those funds in accordance with any funder restrictions, upon approval by the Library Director or the Library Director’s designee.

- b. Make disbursements from funds held for the benefit of the Library upon receipt of invoices that have been approved by the Library Director or the Library Director's designee so long as payment is consistent with any funder restrictions.
  - c. Partner with the Library to apply for grants and other funding.
  - d. Partner with the Library to complete budget and programmatic reports as required by funders.
  - e. Participate as a signatory in contractual agreements with providers to the Library as necessary to accomplish grant requirements.
  - f. Maintain books and financial records for grants to the Library in accordance with generally accepted accounting principles.
  - g. Prepare quarterly budget reports for the Library Director or the Library Director's designee consisting of Friends' quarterly board-approved financial statements.
  - h. Hold and administer restricted contributions in a fund restricted for that purpose. Notwithstanding, Friends will retain the variance powers necessary to ensure that the restricted funds are classified as Friends' assets in accordance with Statement No. 136 issued by the Financial Accounting Standards Board. Restricted funds may be combined with other assets of Friends for investment purposes so long as Friends accounts for each such fund separately.
5. Books and Records. Friends will receive and review copies of financial statements associated with the funds it holds for the benefit of the Library. Friends will also maintain records of disbursements from all such funds. Friends will make such records available to the Library Director or the Library Director's designee upon reasonable notice.
6. Administrative Fee. Friends will take an administrative fee equal to eight percent (8%) of each grant or contribution received by it that is restricted for the benefit of the Library (the "**Administrative Fee**"). The Administrative Fee shall be paid to Friends upon receipt of such grant or contribution. After payment of the Administrative Fee, all remaining funds will be paid to the Library or held for the benefit of the Library unless otherwise stated in the grant or gift agreement or as otherwise agreed to in writing by the Library and Friends. The Administrative Fee may be adjusted by mutual agreement of the parties.
7. Library Responsibilities. The Library agrees to:
  - a. Participate in the development of applications for grants for use by the Library, including identification and articulation of priorities and needs, and preparation and identification of eligible expenses related to granted funds.

- b. Notify Friends by email when a grant is received for the Library's benefit and send a thank you letter to the funder noting the relationship between the Library and Friends.
  - c. Initiate the contracting process for contracts for the benefit of the Library that will be paid from accounts held by Friends.
  - d. Collect all invoices on behalf of the Library and approve and submit to Friends for payment.
  - e. Allocate budget funds to proper line items and monitor expenditures to comply with funder intent and restrictions, and to limit expenditures to comply with the terms of the grant award.
  - f. Promptly and completely respond to requests from Friends for financial and programmatic information to ensure that Friends can complete funder-required budget, interim, and final reports.
  - g. Submit a consolidated annual report to Friends describing the Library's use of funds granted pursuant to this MOU and the Library's progress towards achieving each grant's objectives. For grants of \$5,000 or more, the Library will provide financial and narrative reporting to affirm funds were utilized in accordance with the grant terms. For a grant of less than \$5,000, narrative reporting that describes the use of funds in accordance to the grant terms will be sufficient.
8. Joint Responsibilities. The Library and Friends agree to:
- a. Share copies of grant applications, proposals, and reports related to the Library.
  - b. Participate in site visits from funders and grantors, except when both parties agree that only one representative is necessary.
9. Protection of Tax-Exempt Status. The Library and its employees agree not to use funds received from Friends in any way which would jeopardize the tax-exempt status of Friends, including use of any funds for political campaign activity or lobbying. The Library agrees to comply with any written request by Friends that it cease activities that, in the sole judgment of Friends, might jeopardize Friends' tax-exempt status, and further agrees that Friends' obligation to make funds available to the Library will be suspended in the event that the Library fails to comply with any such request.
10. Representatives. Each party agrees to provide a representative to participate in meetings as necessary to achieve the terms of this MOU.

11. Limitation on Liability. Each party is responsible for its own acts and omissions. The Library and its employees do not and cannot act as an agent for Friends, so any obligations incurred, damages, injury caused, or misconduct committed by the Library and its employees will not be the responsibility of Friends. Any liability of Friends shall be solely limited to Friends' obligations under tax law to maintain discretion and control over the grant funds associated with the Library and from the terms of any grant agreement between Friends and the funding source.
12. Term. The term of this MOU shall commence on the date it is signed by both parties and shall extend thereafter to December 31, 2029 (the "**Term**"). This MOU may be extended for additional one-year terms if agreed to in writing by the parties.
13. Termination, Amendment. This MOU may be modified by mutual agreement among both parties. If either party wishes to terminate the MOU, the parties shall first meet to discuss the issues. If no resolution can be agreed upon, either party may terminate the MOU by providing the other party with at least 120 days' written notice.

**The Friends of the Saint Paul Public Library**

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Beth Burns, Executive Director                      Date                      \_\_\_\_\_

**City of Saint Paul Public Library**

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Maureen Hartman, Director                      Date                      \_\_\_\_\_