Focus on Friends

August 2026 FOML Newsletter

President's Letter

As Summer Winds Down, Our Thoughts Turn to… Insurance?

Well, here it is August already. Weren't the trees and flowers just blooming? Summer doesn't seem to have the same staying power it once did. It teases us in June. Explodes with a passion in July. And then, sneaks toward an early exit in August, even before Autumn falls in our laps.

I hope your summer has been enjoyable and felt longer than mine. We've been busy at FOML, responding to members' needs and preparing for two *Talk about Friends* workshops scheduled for September 25: in Shelby, for groups on the west side of the state, and in Novi, for those on the east.

We've also been gathering information for this *Focus on Friends* newsletter and this issue's *Board Basics*, which includes an argument for standalone insurance by FOML Board Advisor Clare Membiela, Library Law Consultant for the Library of Michigan. Her article is accompanied by an insurance Q&A based on my nearly four decades of experience in the insurance industry and more than 10 years as a Friends volunteer.

But, even with all our experience, Clare and I can still see things differently on some insurance issues. That's why we want to underscore that you should speak with an agent and/or attorney to ensure that your specific needs are being met in whatever way you choose to insure your organization. See the articles on pages 8-12.

Okay, enough insurance for now. We've got some less "heavy" articles in this issue, too. For example, the Eaton Rapids Friends share tips on how to stage a 5k walk/run fundraiser in your community. And, our Friends in Charlevoix talk about their annual, record-breaking book sale.

And, on the subject of fundraisers, on page 7 we share a response to a question recently received through our *Consult-A-Friend* program on whether library staff, library trustees or the Friends should shoulder responsibility for fundraising events. I hope you find something of value to your group in this newsletter. And, if we leave you still scratching your head, you know where to find us for some answers to your questions. Thanks for being a Friend.

Upcoming Workshops for Friends on September 25th

Western Michigan Friends groups are invited to gather on September 25th, from 9 a.m. to noon, at the Shelby Area District Library for a “Friends Helping Friends” workshop that includes guest speaker Trish Burns speaking on connecting and collaborating with others.

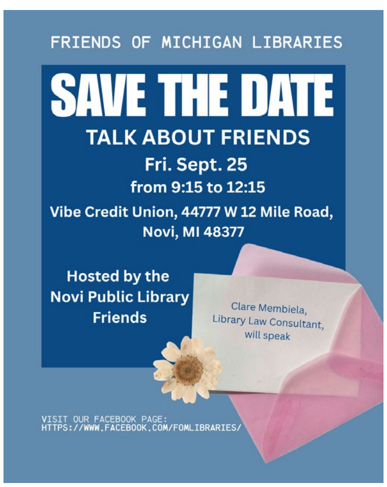
Why attend? Rural libraries often do not have the resources or financial means other libraries have, but there is strength in numbers. “Table Talk” sessions will focus on ways to work with other local Friends' groups to share activities, fundraisers, presentations like author talks, and more.

Partnering with other local groups or businesses, such as scouts, restaurants, schools, and local businesses can bring rewarding programs, speakers, music, or greater library awareness to your community.

Space is very limited, so make your reservation today. The cost includes workshop materials, refreshments, and door prizes. The fee is $10 for FOML members, $15 for non-members. Note: This fee is non-refundable. You can register on our website.

Registration: https://fomlevents.org/talk-about-friends-shelby-september-25/

Questions? Contact Cindy McKinnon, FOML Board Member and President of the Friends of the Shelby Area District Library. cindymckinnon35@gmail.com or 231.301.2174



Eastern Michigan FOML members are invited to attend “Talk About Friends” on September 25, hosted by the Novi Public Library Friends.

Clare Membiela, a Library Law Consultant for the Library of Michigan who also serves as an Advisor to the FOML Board, will speak.

Due to construction at the Novi Library, this event is taking place at the Vibe Credit Union on W. 12 Mile Rd. in Novi, 9:15 - 12;15. The cost is the same as for the Shelby event.

To register for this event, visit our website.

Friendeavors

Charlevoix Friends' 'Big Summer Sale' Tops $10,000 in Revenues

The Friends of the Charlevoix Public Library took over the community rooms of the library for their annual big summer sale held in late June. Thousands of books, puzzles, and even scale model ships and airplanes were displayed for sale during the event.

The event raised more than $10,000 for the library's Youth Department for books and other materials.

This was the third time in the last six years that the summer sale has generated more than $10K in sales. Annually, the Friends contribute more than $28,000 to the Youth Department from the ongoing book sale and other special events.

Throughout the year, the Friends sell gently used books and other materials, out of the Breyer Friends Book Sale room, which is open during library hours. But, the "Big Summer Sale" is when the storage room empties, and they bring out all of their rare and collectible volumes that can't be easily displayed otherwise.

New this year was a $5 "bag sale" on Sunday. Patrons could buy a specially branded shopping bag and fill it with as many one dollar items as would fit from their downstairs display areas.

Sue Parr, Friends Vice President and Chair of the Book Sale, expressed her gratitude to the patrons for their support and also to the many volunteers who worked the sale, as well as the library staff for their assistance and patience during the event. Plans are already underway for next year's sale with the hope for even greater success.

Eaton Rapids Friends Offer Tips on Staging a Successful 5K Run/Walk

If you're looking to bring your community together, have some fun, and make some money for the library in the process, the Friends of the Eaton Rapids Public Library have an event you might want to look into for your own library.

They host an annual 5K Run & Walk through Island Park in the center of Eaton Rapids, which attracts runners of all ages who compete for medals and, more importantly, to support their library.

"The idea for the event came from our librarian and library board," according to Kathy Priesman, who serves on both the library board and the Friends of the library board. "After the first year, they passed it to the Friends to run, and we've handled it ever since."

Funding for the race comes from corporate sponsors, as well as individual and family pledges, with each event netting more than $1,500 for the Friends after expenses.

And, while sponsors are responsible for generating the revenues, none of it could happen without a dedicated group of volunteers, a lot of organization, and a healthy dose of perseverance.

"Probably the biggest challenge has come when not enough volunteers stepped up to assist, "Priesman said. "But, we've successfully managed that need and avoided unpleasant surprises by meeting frequently to stay on top of the process and communicating effectively."

She said that they average 10 volunteers on race day and recruit a group of high school students to help set up and take down canopies, tables, chairs and signage.

When it comes to promoting the event to the community, she said it's all hands on deck for Friends members. Media to consider include TV coverage, radio, social media, farmer's markets, newspaper articles, posters (movie theaters, sports clubs, businesses, service organizations), newsletters (government, church, school), etc.

"Make sure you have adequate signage at the start gate, the registration table, and along the race route," she said. "Balloons, banners, and posters add to the festive feel while water stations are critical."

Kathy has provided a comprehensive list of tasks below for you to follow in the implementation of an event like this. See page 5.

Organizer's Checklist of Tasks

- Get organized
  - Form a 5K Committee and appoint a chair.
  - Have regular and frequent meetings.
  - Start the process early...6-8 months before the event.
  - Establish a budget.
  - Purchase special event insurance.
  - Consider additional activities (e.g., face painters).
  - Secure all paid and volunteer support
- Develop and execute a communication & materials plan.
  - Flyer design, logo, wording, QR code
  - Sponsor letter
  - Website design (include race map)
  - Race shirt design (vendor, cost, quantity)
  - Signage (at start and at any points that the runners may need direction)
  - Medal design and quantity
- Recruit and register participants
  - Utilize RunSignup.com, which is free software available through Playmakers, to register race participants.
  - Try to get your number of runners identified early so that you can order t-shirts and medals as soon as possible.
- Provide Supplies & Entertainment
  - Provide water and fruit at the end of the race for recovery.
  - Have first aid supplies available.
  - Make provisions for music and other activities (e.g., face painting).
  - Have a list of volunteers, a list of entrants, and a loudspeaker handy at the start gate.

Harriet Larson Founders Grant Application Due September 30

If you have an idea that could help strengthen your Friends' group, apply for a grant!

The **Harriet Larson Founders Grant** was created in honor of one of the founding members of the FOML to encourage, support, and celebrate the work of Friends' groups around the state.

Each year, FOML awards two grants of up to $750 each to Friends groups that are starting fresh, rebuilding, or trying something new to engage their community. Applications are accepted twice a year, by March 31st and September 30th.

To apply for a grant, visit our website. After you log in, scroll to *Awards & Grants.*

Fruitport Library Friends Turn to Local Mall for Bookstore Space.

The Fruitport District Library has a problem with space! The current location at 47 Park Street in Fruitport has housed the Friends book store in a closet that frequently floods. The bathrooms are located on the second level of the building and are not ADA compliant. The library itself occupies only 1000 square feet. There's a real space problem! Plans are in the works to build a bigger library to resolve the space problem.

(L - R): Volunteer Nancy Garcia and staff member Natalie Maas.

In the meantime, a nearby mall has unused occupancy and lots of space! Thanks to multiple grants, the Fruitport Library negotiated rental space in a vacant storefront of The Lakes Mall in the Fruitport-Muskegon area to house the BOOKS FOR FRIENDS bookstore.

Staffed by Friends of the Library and a library staff member, the used bookstore recently celebrated its grand opening on July 25 with door prizes, kids carnival games, activities and crafts, and saw over 420 visitors that day! Open four days a week, the store is a huge success, averaging $450 a week. Hundreds of donated books are neatly sorted on several book racks which were donated by the Leland Township Library. Library Friends groups from nearby have helped stock the shelves by dropping off leftover books following their own used book sales. Staff and volunteers worked more than four weeks before opening in June to create the space for shelving, supplies, and books. The back half of the space allows for activities like tutoring, chair yoga, Family Storytime, restive yoga, and meeting space.
"The public support for this addition to the mall has been tremendous," said Julie Sanderson, treasurer for the Friends of the

Fruitport District Library. She shared that their library director, Matt Lubbers-Moore, has been instrumental in making this a welcoming space for all.

"We are exploring opportunities for partnering with various groups like United Way Lakeshore to foster programs like READ MUSKEGON, HELP ME READ, literacy for adults in Muskegon and Ottawa Counties," Matt explained. "Teens love to hang out at the mall, and this space is ready to welcome them. Activities like pizza incentives and beginner line dancing attract kids of all ages with encouragement to participate in various program offerings."

Although this is a temporary space for two years while a new library is constructed, the Friends might continue renting the space when the grant money runs out if the income will cover the rent. For more information about programs and learning opportunities in this library mall space, contact the Fruitport District Library. fruitportlibrary.org

Consult-A-Friend Tips for Success

Who Handles Fundraising Events: Library Staff, Library Board, or Friends of the Library?

A member recently told us that their group had been asked to organize a fundraising event for the library out of concern that it might be inappropriate for the library staff or board to do so. We were asked if we could shed any light on the matter.

Well, there is nothing illegal about the staff or board of a public library getting involved in fundraising activities for the library. And, it's difficult to see where there would be a conflict of interest since their interests should most certainly align with the interests of the library, which are inarguably supported by fundraising.

As always, there is a caveat: If the library staff does get involved, it needs to be secondary to their core activities. In other words, fundraising can't be their primary role. However, that limitation is not placed on members of the library board who may have fundraising as a primary responsibility of their role.

With that said, fundraising is generally left to library board trustees or other support groups, such as the Friends of the Library. It is a division of labor that helps ensure that library staff remain focused on the services they deliver to the community and reduces the unintentional crossing of legal lines in the execution of fundraising activities.

If your library board asks you to handle it because they don't think it is within their legal purview, you can assure them that that is not the case. However, if they simply think that it is the responsibility of the Friends, that is a reasonable assumption on

their part based on the most common and best practices.

In that case, if your group lacks the capacity or expertise to do what is being asked of it, you need to do some negotiating with the library director and board to determine how to share the responsibilities. In fact, you might want to add this to the Memorandum of Understanding you have with the library (if you have one).

Keep in mind that, if your 501(c)3 is going to get involved in fundraising, you will need to apply for a license to solicit charitable contributions from the state of Michigan if you expect to generate more than $25,000 annually in donations. (Book sales are not considered donations.) In addition to the form, which can be found here, you will need to submit

- the legal name of your organization
- your employee identification number, copies of your Articles of Incorporation and Bylaws
- office address and contact details
- IRS 501(c)3 determination letter
- names and addresses of officers

Wrestling with the Question of Insurance

In our last issue, we addressed the topic of MOUs - Memos of Understanding. Now, due to popular demand, we are looking at the topic of Insurance.

This information is intended as a tool to assist in clarification and decision-making for Public Library Directors, Boards, and Friends' Groups. It is not intended as legal advice. Library Boards, Directors and Friends' Groups should consult with their attorneys when determining a plan or policy for their organizations.

FOML President Joe David used his experience in the insurance industry to prepare the following Q and A.

As these board members of the Friends of the Cascade Library (pictured to the right) emphatically demonstrate after finding all their books "missing," Friends groups are often confused by the question of insurance. They wonder if it's really necessary and hate to spend money on something they are unlikely to ever use when the money could support library needs.

Here are some questions and answers on insurance topics you may or may not have asked yourself. Hopefully, this information, as well as that shared in the following article by Clare Membiela, Library of Michigan Legal Library Consultant, can help you answer questions posed by your board of directors when it comes to whether or not to purchase insurance. If your question is not answered here, let us know.

Q1. Are we required to have insurance?

There is no legal requirement for your Friends group to have insurance coverage. Some situations, like driving a car or getting a mortgage on your home, require insurance to protect the interests of others. That's not the case with a Friends group.

But, just because you're not required to do something that doesn't mean it's a good idea to go without insurance.

Q2. What types of insurance should we be considering?

There are a number of different types of policies available through a wide variety of insurance carriers. But, the two your group should primarily focus on are General Liability Insurance and Directors & Officers Insurance. (continued on next page)

General Liability Insurance provides coverage for bodily injury, property damage, and legal defense costs that result from your organization's activities. Directors & Officers Insurance

(D&O) protects board members and officers against claims related to management decisions and governance.

In addition, some Friends groups might want to consider a Business Personal Property policy if they have inventory, computers, or furniture that is theirs and is not covered under another entity's policy (e.g., a library or municipal government's policy).

Q3. Are volunteers for non-profits protected against liability claims in Michigan? Yes, under the Federal Volunteer Protection Act, volunteer directors and officers have protection against monetary damages for civil claims arising from their governance decisions, provided they acted in good faith and within the scope of their authority.

Q4. So then, why is it a good idea to have insurance? One thing often overlooked is that legal language is open to interpretation by the courts. So, your innocent mistake can be spun into a charge of gross misconduct based on a judge's point of view. We live in a litigious society. The law is sometimes used as a weapon to gain publicity and further a cause. So, a lawsuit can be frivolous and fail in court but still achieve the objectives of the litigator. And, that leaves you potentially exposed to the high costs associated with defending yourself against that lawsuit.

Q5. How exposed are we without insurance? Your exposure to a lawsuit can be mitigated by several factors. But, none of them offers you complete insulation. For example, if you are sponsoring a fundraiser on library property and someone is injured, there may be other entities involved that have deeper pockets that could take the focus off your group. But, that would depend on the motivation of the litigant and doesn't mean you wouldn't also be named in the lawsuit.

Chances are good that, if your group is simply involved in processing used books for resale and has limited interaction with the public, your exposure to legitimate liability lawsuits is low. But, as already mentioned, that doesn't preclude the possibility of frivolous lawsuits born out of ideological, political or vindictive motives, which you would still have to defend yourself against.

Q6. Aren't we already covered by our library's insurance policy? You would need to discuss this with your library director or board of trustees to know if your Friends group has any protection under the library's insurance policy. Some larger, well-funded libraries may include Friends under their liability insurance out of consideration for the Friends and in their own self-interests since they are likely to also be named in a lawsuit against the Friends.

If you are not currently included in their General Liability policy, you can discuss with them if it would make sense to add you (i.e., would it be less expensive than a standalone liability policy of your own and still offer the protection you need?). This is a topic that you might want to include in your Memorandum of Understanding (MOU) with the library to make it clear if
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insurance will be purchased for the Friends and who will pay for it. Please note that Clare Membiela strongly urges you in her article to pursue a standalone policy of your own if feasible, and I concur that that is usually the safest approach. (continued on next page)

Even if you do manage to gain liability protection under the library's policy, that just protects the corporate entity and doesn't preclude the need for D&O Insurance to protect individuals on your board of directors. Also, the library's liability policy might only include exposures onsite (on library grounds). So, if your group plans to conduct any operations or services off site, you should discuss "off premises" coverage with your agent.

Q7. Do personal auto and home insurance policies offer individual volunteers any protection against liability claims? It's possible, but you shouldn't count on it without having a conversation with your insurance agent. Insurance policies are designed and priced to protect against specific types of perils and risks. And, it's very likely that the pseudo-work environment you're operating in as a volunteer isn't embraced by a personal insurance policy.

Plus, even if your policy does offer you some protection, that doesn't ensure that others in your group will enjoy similar protection. And, it most certainly wouldn't offer your corporation any protection.

And now, Clare Membiela's perspective on Insurance. Clare is a Library Law Consultant at the Library of Michigan.

I often receive questions regarding a public library's responsibilities and/or relationship with their Friends' group. One topic that is frequently brought up is Insurance.

Public libraries and their Friends' groups often establish close relationships and ties. So close that it can often be easy to forget that the two organizations are officially and legally unrelated. While there are situations in which a Friends' group and library can work together as combined groups (such as event planning), there are areas where the differences in each group's establishment and entity status make it risky and even illegal for the two organizations to operate as combined entities. One of these areas is Insurance.

Friends' Groups in Michigan must be:

- Separately incorporated Non-Profit Corporations under the Non-Profit Corporations Act
- Registered with the Department of Licensing and Regulatory Affairs (LARA)
- Registered with the Attorney General under the Charitable Organizations and Solicitation Act (certain Friends' groups may be exempted from annual reporting, but all organizations that wish to fundraise or solicit donations must register).

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Friends' groups MAY be:

- 501(c)(3) entities (generally as "Public Charities") – If so, the group must register annually with the IRS

As non-profit corporations, Friends' groups are covered by and are answerable to laws, regulations and standards that are different from those that govern public libraries. Their corporate visions, strategic plans and needs, although connected to the library, are also different. Therefore, their insurance needs and priorities are different.

A common question is whether a Friends' group could be included within the library's liability policy. This practice is generally not the best solution for either organization:

- The library is a government (public) entity and a Friends' group (if properly established) is a separate private non-profit corporation. Each of these entities have differing insurance and liability needs.

- The non-profit corporations act provides that non-profit corporations can protect their volunteers and some employees from some personal liability via clauses within the group's bylaws and/or articles of incorporation. (See MCL 450.2209 http://legislature.mi.gov/doc.aspx?mcl-450-2209) Libraries do not have that ability, but libraries may be covered by laws that limit liability for government entities and employees. (See MCL 691.1401 http://legislature.mi.gov/doc.aspx?mcl-691-1401). Each of these can affect insurance policy contents and cost.

- Grouping the two entities within the same policy may link the entities together and could lead to circumstances where an incident or accident involving one entity could drag the other entity into liability (this would be something to discuss with the Friends' attorney).

- In addition, if the library pays for the coverage, that expenditure may not be within the legal boundaries of the rules for the expenditure of public funds (a Michigan government entity cannot expend public money for the benefit of another entity). Now, this would not prevent the Friends from utilizing the same insurance company or agent as the library. It's just best if they're not on the same policy.

The library and the Friends' group should each have their own Directors' and Officers' (D&O) liability and other necessary policies tailored specifically to the needs of that group. The Friends should consult their attorney and/or insurance agent to determine the amount and types of coverage appropriate given the size of the group, types of events held, etc.

It seems reasonable for the library's policy to cover the Friends as library users and an entity invited in the facility to hold events. However, it may be a different story if one is talking about the liability of the Friends for their own activities as a separate entity in the library. These details should be discussed with the library's attorney and insurance provider to clarify exactly what Friends' activities may be covered as library activities (and what the library can legally cover). For example, the library's policy may cover the physical structure of a Friends' "store" within the library but may not cover the store's inventory (if owned by the Friends'), or injuries or accidents

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that occur to Friends working in the store, or even incidents that occur to patrons within the store if the Friends operate the store. There can be many variables, and it is important for the Friends' and the library to each ensure that they have the appropriate coverage.

The Friends would want to have a separate policy to cover assets owned by the Friends (such as inventory within a Friends' "store," and/or fundraising items the Friends have invested in for events (such as prize wheels, bingo set ups, etc.).

It is important that each group consult its attorneys and insurance professionals to determine the coverage necessary for each entity within that group's budget.

Resources on Insurance for Non-Profit Organizations

- Clark Hill Law Firm Guide for Non-Profit Directors in Michigan- Michigan Law Firm. Includes legal information of use to non-profit organizations of all types. See Section 5 for Indemnity and Insurance information.
- Non-Profit Insurance Alliance Non-Profit Insurance Knowledge Center- A consortium of Non-Profit Insurers who offer Insurance solutions and provide information to non-profits.
- Nolo Legal Encyclopedia – Insurance Types for Non-Profits
- National Council of Non-Profits- Cybersecurity Insurance
- The Non-Profit Risk Management Center- The Insurance Issue- A non-profit organization that provides guidance to non-profits on risk management and risk avoidance.

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Friends of Michigan Libraries

Connecting Friends across Michigan

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