



Library Funding

presented by

John Thompson, System Director

Introduction

- Libraries typically have two types of expenditures—Operational and Capital
- Brief overview of Operational funding for Ellsworth and a review of Capital funding specifically for a library building project

Types of Funding

- Operational
- Capital
 - Long term use
 - Higher Cost
 - Examples
 - New Building
 - Replacement of HVAC



Library Operational Funding

Introduction

- Main two sources are the Village Appropriation and County Funding (more commonly known as ACT 150)
- Other sources include fines/fees (very limited amount of fees can be charged) and donations

Operational Expenses

- As a service organization most of a typical library's operational budget (60-70%) goes towards wages and benefits.
- Other expenses include
 - Materials
 - MORE shared system
 - Utilities
 - Programs
 - Supplies

Operational Revenue

- Village Appropriation
- County Funding (ACT 150)
- Fines and Fees for lost items and copies/printing/faxes

Village Appropriation

- Library Board requests an amount of funding from the Village—Village Board can approve request or reduce/increase the request amount but not individual line items
 - Library Board by Statute has exclusive control of the expenditure of the funds and wages of library employees

County Funding

- Counties can fund from the 70% minimum up to 100% of the total cost for Pierce County nonresident usage*
- Can also bill adjacent counties
 - Ellsworth billed Pepin, St. Croix and Dunn counties

* Nonresident-individuals living in a municipality without a library

County Funding

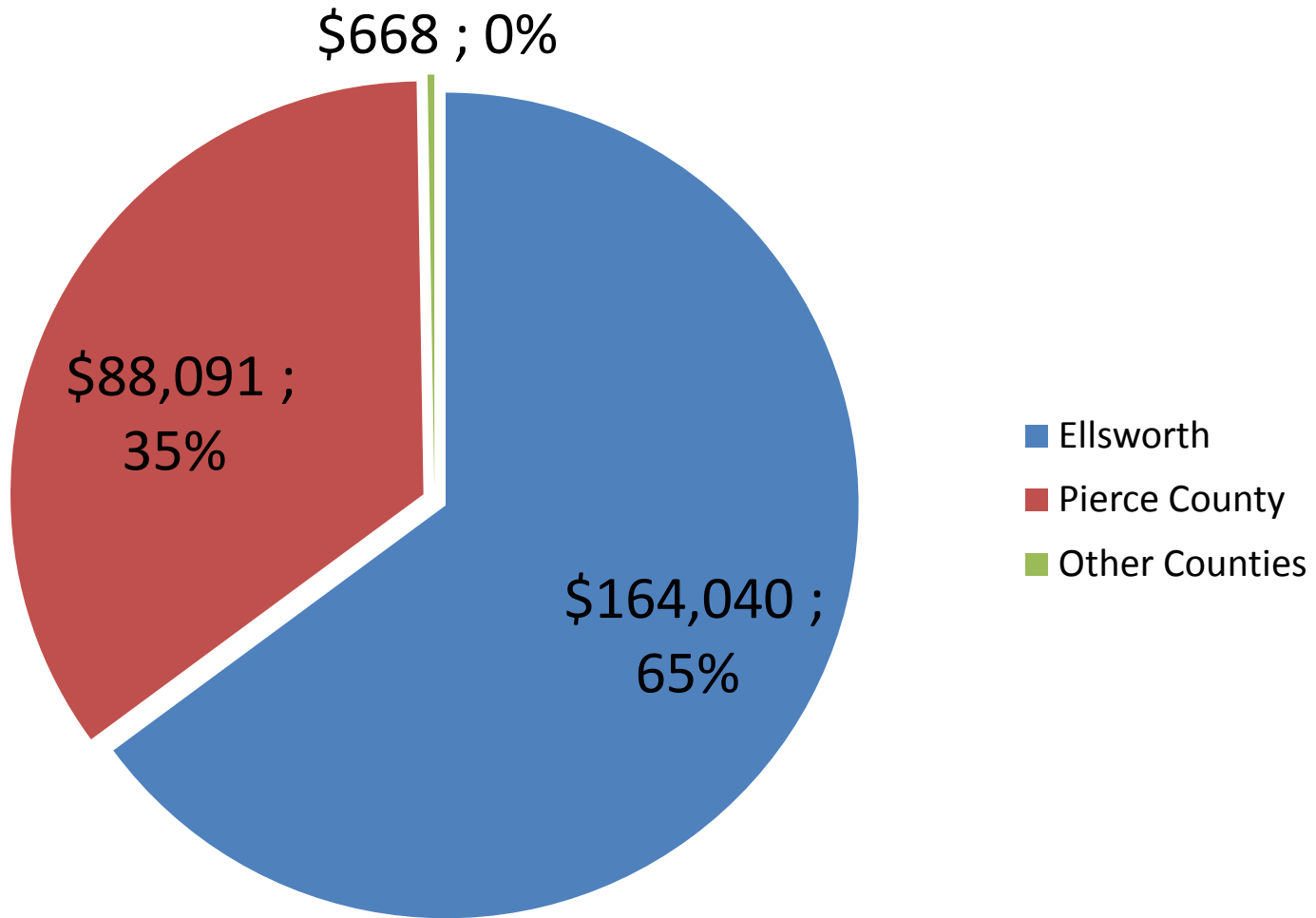
- Revenue based upon cost per circulation and nonresident usage
 - 2011 Operational Costs divided by Total Circulation
 - \$272,521 divided by 81,705 = \$3.34
 - Pierce County nonresident use (no library) 47,096 items
 - * \$3.34 = \$1567,300 (at 100%) \$110,110 (at 70%)
 - Payable in 2013

2011 Library Revenue

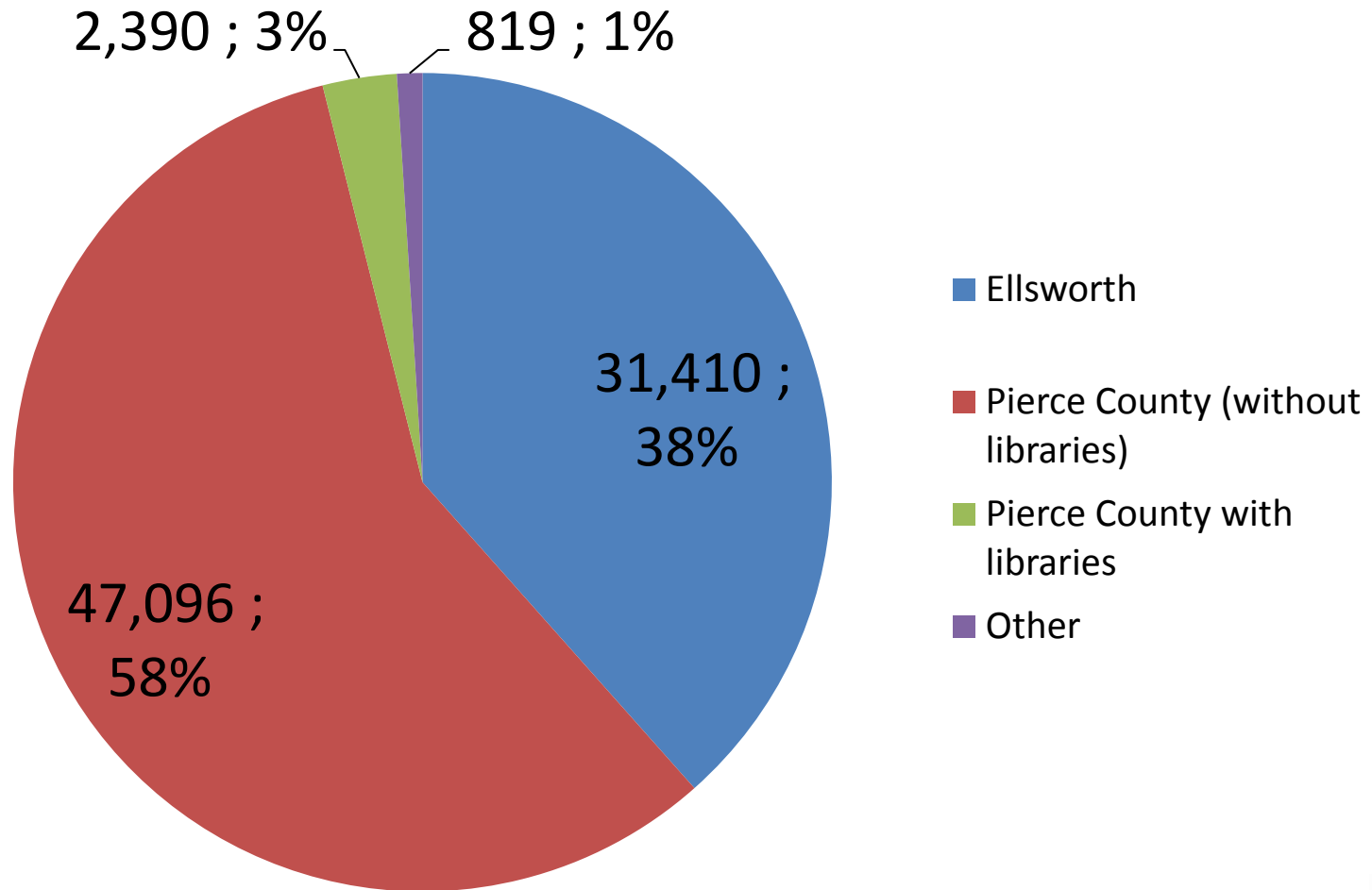
- Village of Ellsworth-- \$164,040
- Pierce County-- \$88,091 (51,365 items @ 70%)
- Pepin County-- \$91
- St. Croix County-- \$491
- Dunn-- \$86



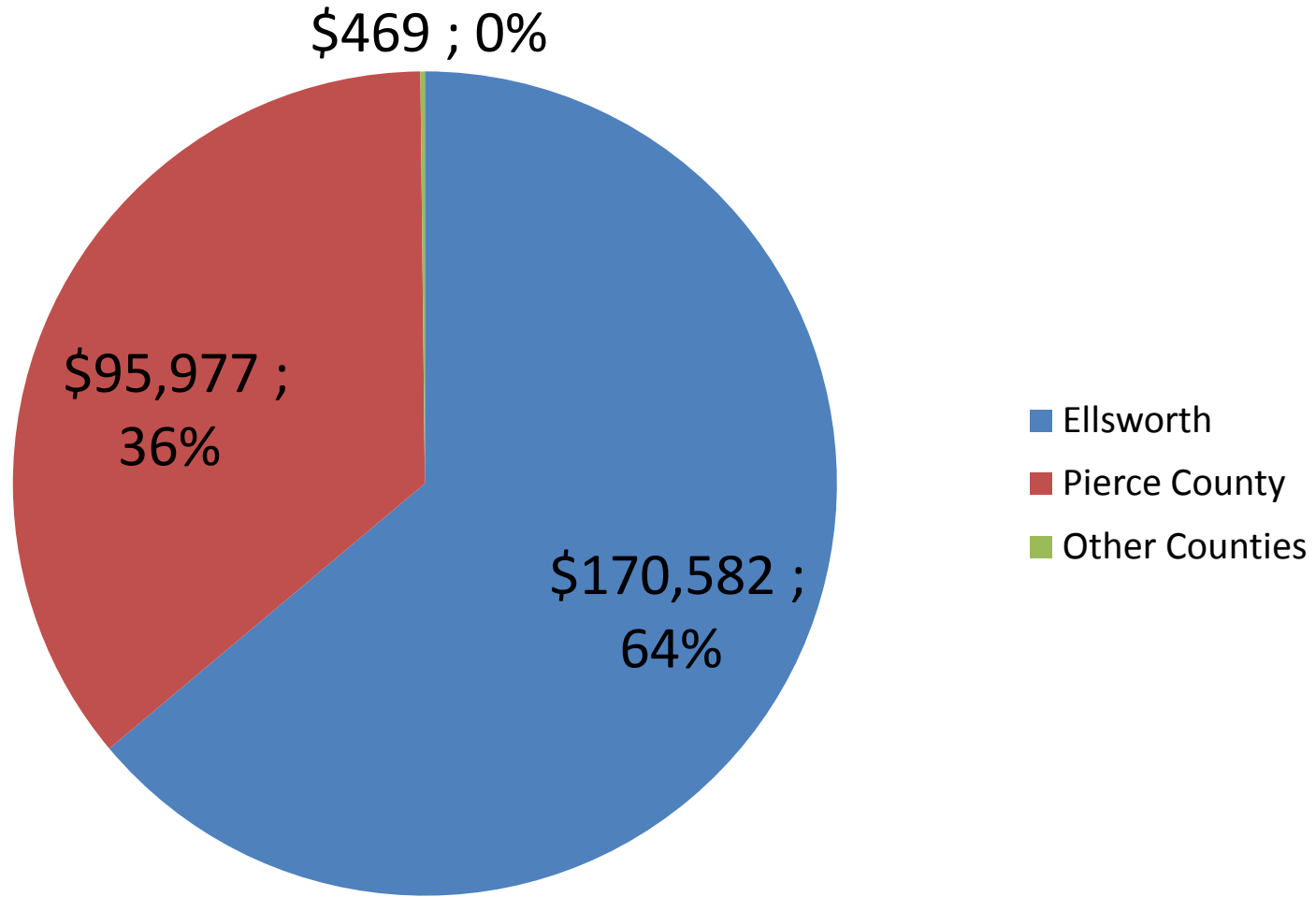
2011 Library Revenue



2011 Library Circulation



2012 Library Revenue





Library Capital Funding



Funding For a New Library Building

Introduction

- While it is essential to have a building design concept and an estimated cost before you begin fundraising for a library building project, preparing for the funding campaign can begin at the same time as the design concept.
 - The design concept and estimated cost provide donors with a vision of the new library space.

Options for Funding

- Projects may be funded totally with public funding, private funding, or a combination of public and private funding.
- Every community must determine the best funding method for their library project.
- Most successful projects are either municipal funded or joint municipal/private funded projects.

Options for Funding

- Municipal Borrowing
- Impact Fees
- Other Funding
 - Donations
 - Friends of the Library
 - Fundraising Events
 - Grants

Municipal Borrowing/Bonds

- Municipalities can borrow or issue bonds to finance all or a portion of the project (Wisconsin Statute CHAPTER 67 MUNICIPAL BORROWING AND MUNICIPAL BONDS)
- Factors to Consider
 - Borrowing capacity
 - “...municipality shall not exceed 5% of the value of the taxable property...” State Statute 67.03
 - Competing projects within the community

Impact Fees

- State Statute-- 66.0617 Impact fees.
(<http://docs.legis.wisconsin.gov/statutes/statutes/66.pdf>)
- Contributions imposed on developers for costs of public improvements related to costs of “new” construction for certain public facilities including libraries
- Used for new space beyond the “existing deficiencies ” of the library

Impact Fees

- A portion can be used for legal, engineering and design costs
- Expenditure of funds managed by municipality
- Must be expended within a certain time frame or refunded

Other Funding

- Consists of sources outside of local tax dollars or impact fees
- Can be public or private funds

Donations

- Face-to-Face Requests
- Business
- Individual
- Community Wide mailing
- Newsletter
- Newspaper

Donations

- Cash or Check
- Credit card
- Items of value that could be sold

Donations

- Naming Rights/Sponsorship
 - Assign value to building and spaces/rooms
 - Library
 - Lobby Entrance
 - Meeting Rooms
 - Study Rooms
 - Children's area
 - Reading Lounge
 - Offices
 - Kitchen

Donations

- Seek Potential Matching Donations
- Could be pledged over a 3-5 year time frame
- Select organization(s) to receive donations:
 - Library (Charitable organization as defined by IRS)
 - Friends of the Library
 - Friends board has control of funds donated to them

Donations—Planned Giving

- Given during lifetime or after their death
 - No specific purpose
 - Endowment for a service or collection
 - Bequests—any property (real or cash)
 - Estates
 - Real estate
 - Life Insurance
 - Stocks/Bonds

Friends of the Library

- Friends of the Library group should be separate organization that have obtained 501 (c)(3) status from the IRS
 - Publication 557 Tax-Exempt Status for Your Organization <http://www.irs.gov/pub/irs-pdf/p557.pdf>
 - This allows the donor to deduct their contribution as a charitable donation
 - Charitable Contributions Publication 526 <http://www.irs.gov/pub/irs-pdf/p526.pdf>

Friends of the Library

- Generate awareness
- Plan fundraising events
- Provide volunteers to assist with events

Friends versus Foundations

- The primary distinction between a Friends of the Library group and a library foundation is that a library foundation will typically have a single purpose: to raise private funds for the support of the library, often including support for library building projects.
- Friends organizations also often raise money for the library, but, in addition, Friends groups typically support the library through volunteer work in the library as well as organized library advocacy work.

Donor Levels

- Tiers for Donations/Recognition Levels
- Fit the community or vision of the library
- “Theme” based
 - Authors
 - Nature

Donor Levels

- Examples:
 - Visionary, Founder, Benefactor, Sponsor, Patron, Supporter, Friend, Contributor, Helper
 - President's Circle, Director's Circle, Benefactor, Patron, Sponsor, Friend, Supporter
 - Platinum, Gold, Silver, Bronze, Copper
 - Laureate, Historian, Poet, Author, Biographer, Wordsmith, Editor, Publisher, Reader
 - William Shakespeare, Jane Austen, Mark Twain, Emily Dickinson

Recognition

- Personal Thank you notes
- Donor Plaques
 - Based upon donor levels
- Public Acknowledgements (Note: some donors may wish to remain anonymous)
 - Newspaper
 - Newsletter
 - Facebook
 - Website

Fundraising Events

- Unique to Community
 - Don't want to diminish other groups activities
- Selling Bricks
- Arts and Craft Shows
- Bake Sales
- Golf Tournaments
- Change jars in area businesses
- Cookbooks

Fundraising Events

- Raffles
 - Can be profitable
 - Donation of Prizes
 - Need to obtain a license
 - \$25
 - Hold up to 200 drawings in a one year
 - <http://www.doa.state.wi.us/category.asp?linkcatid=689&linkid=116&locid=7>

Grants

- There are a variety of types of Foundations
 - Community Foundations (local area)
 - Family Foundations
 - Corporate Foundations

Grants

- Corporate Foundations
 - Search for Local connections
 - Area employer
 - Residents commute to location for employment

Grants

- Community Development Block Grants (Federal)
 - Eligibility requirements
- <http://inwisconsin.com/community-development/>

Grants

– Resources for Finding Grants

- Search Company/Corporation Websites
 - Often found under Community Relations or About Us Tabs
- Wisconsin Foundations Online
<http://www.wifoundations.org>
- Minnesota Council on Foundations <http://www.mcf.org>
 - <http://www.mcf.org/members>
- Foundation Center Collection at L.E. Phillips Memorial Library
<http://www.ecpubliclibrary.info/research/grants-anonprofits.html>
- <http://librarygrants.blogspot.com/> Library Grants Blog

Possible Grants/Support for Ellsworth

Sampling of sites from Chamber of Commerce Members

- American Family Insurance <http://www.amfam.com/corporate-giving/default.asp>
- Associated Bank http://asbc.client.shareholder.com/community_involvement.cfm
- Edward Jones https://www.edwardjones.com/en_US/company/community/index.html
- First National of River Falls <https://www.fnbrf.com/about-out-in-the-community.htm>
- Pierce Pepin Cooperative <http://www.piercepepin.com/content/community-programs>
- Xcel Energy http://www.xcelenergy.com/About_Us/Community/Foundation_Grants
- Treasure Island Casino <http://www.treasureislandcasino.com/about-casino-mn/donation-request-mn/>

- Other businesses might support the project with monetary or product donations, volunteer time, or promotion of the fundraising campaign
 - Hot Dogs/Drinks for a Fund Raiser
 - Cheese Curds for a cooking contest
 - Water for a fun run
 - Prizes for a Golf Tournament or raffle
 - Volunteers for fundraising event

Other Possible Grants

Governmental/Area Employers

- Community Development Block Grant <http://inwisconsin.com/community-development/>
 - Jenny Kuderer
Community Account Manager
Wisconsin Economic Development Corporation
608-210-6820 jennifer.kuderer@wedc.org
- USDA Rural Development Community Facility Grants http://www.rurdev.usda.gov/HAD-CF_Grants.html
 - <http://www.rurdev.usda.gov/mi/cp/cf%20libraries%20fact%20sheet%20new.pdf>
- Fairmount Minerals <http://www.fairmountminerals.com/Fairmount-Corporate.aspx>
- Hugh Andersen Foundation <https://www.srinc.biz/foundations/hugh-j-andersen-foundation/>
- Andersen Windows
<http://www.andersenwindows.com/servlet/Satellite?cid=1104867941441&pagename=AW/Page/awGeneral-3&c=Page>
- 3M http://solutions.3m.com/wps/portal/3M/en_US/CommunityAffairs/CommunityGiving/

Developing the Campaign

- Committee
- Develop “Case Statement”
- Potential Donors
- Seek Fund Drive Chair(s)
- Target Amount
- Funding Donor Targets
- Categories

Developing The Campaign

- Appoint a Committee
 - Representative from Library Board or Building Committee
 - Potential Donors
 - Individuals willing to ask for donations
 - Well organized/highly motivated
 - Individuals who can recruit volunteers for events

Developing the Campaign

- Develop “Case Statement”
 - Why you are raising money
 - Facts
 - Benefits
 - Reasons for giving
 - Share with all volunteers

Developing The Campaign

- Brainstorm lists of Potential Donors
 - Local Businesses
 - Area Employers
 - Current and former residents
 - Class reunion lists

Developing The Campaign

- Determine Target Amount
 - Based upon cost estimate minus municipal contribution

Developing the Campaign

- Recruit Campaign Chairs
 - Lend name to project
 - Others do the work
 - Contribute significant amount
 - Bring 3-5 potential donors

Developing the Campaign

- Establish Donor Targets based upon:
 - Target amount of campaign
 - Potential donors in the area
 - Ability of community to give

Developing the Campaign— Sample Donor Targets

Donor Level	In the Range of	Target Number of Gifts	Total Dollars
Founder	\$500,000	1	\$500,000
Benefactor	\$250,000- \$499,999	2	\$500,000
Sponsor	\$100,000- \$249,999	4	\$400,000
Patron	\$50,000-\$99,999	8	\$400,000
Supporter	\$25,000-\$49,999	16	\$400,000
Friend	\$1,000-\$24,999	32	\$200,000
Contributor	Under \$1,000	200	\$100,000

Developing the Campaign— Sample Donor Targets

Donor Levels	Amount of Levels	Target Number of Gifts
	\$100,000 and greater	
	\$25,000-\$99,000	
	\$10,000-\$24,999	
	\$5,000-\$9,999	
	\$1,500-\$4,999	
	\$500-\$1,499	
	\$1-\$499	

Campaign Tips

- Ask the big donors in person first—Leadership gifts are important
- Take your campaign community wide after the large donors are asked
- Library Board members and volunteers should give something to the campaign
- Accept cash, checks and pledges
 - Memorials and endowments

Campaign Tips

- Delay or alter campaign if other major campaigns are occurring in the community
- Know what other large expenditure projects are ongoing or anticipated

Promoting the Campaign

- Assign staff or volunteer to coordinate promotion activities
- Promote the need for additional library space
 - Develop informational/fundraising brochure (Friends)
 - Promote space needs in newspaper articles and Facebook/Social Media postings

Promoting the Campaign

- Promote the need for additional library space
 - Create webpage on space needs
 - Summary of space needs report
 - Growth trends of the community and library
 - History of library and building
 - How to support the project
 - Include photos of current building and other libraries
 - Include concept drawings

Promoting the Campaign

- Regular updates on fund drive progress
- Fundraising Progress Thermometer
- Thank donors
- Invite area news media to events—print, radio, television
- Provide news releases to news media
- Invite elected officials to events
- Pictures

Fundraising Consultants

- Set up campaign
 - Library usually responsible for soliciting requests
- Determine possible donors
- Evaluate giving climate in community
- Fees are associated with services
 - Potential questions about their fees and their value to campaign

Grant Writers

- Grant writing requires knowledge of the project and the grant requirements
- Have additional individuals review the grant before submission
- Some grants such as community block grants may require the assistance of a professional grant writer
 - Some architectural firms have grant writing staff

Online Resources

- <http://www.ala.org/altaff/sites/ala.org.altaff/files/content/friends/factsheets/factsheet2.pdf> Fundraising Fact Sheet #2 for Friends and Foundations (American Library Association)
- <http://www.ala.org/advocacy/advleg/frontlinefundraising> Frontline Fundraising Toolkit (American Library Association)
- <http://www.librifoundation.org/fund.html> Fundraising Tips (Libri Foundation)
- <http://dpi.wi.gov/pld/te24.html> Trustee Essential 24: Library Friends and Library Foundations
- <http://www.ecpubliclibrary.info/research/general/grants-a-non-profits.html> Grants and Nonprofits (Eau Claire Library)
- <http://www.mcf.org/> Minnesota Council on Foundations
- <http://staff.lib.msu.edu/harris23/grants/4fcelec.htm> Nonprofit Fundraising Web Resources (518) (Michigan State University)

Print Resources

- Winning Grants: A How-To-Do-It Manual for Librarians with Multimedia Tutorials and Grant Development Tools by Pamela MacKellar and Stephanie Gerding
- Consult the MORE Catalog for additional titles on fund raising, grants and grant writing

Questions

Contact

John Thompson at

thompson@ifls.lib.wi.us

or 715-839-5082 ex. 116