

OPERATING AGREEMENT BETWEEN
THE NOVI PUBLIC LIBRARY AND
THE FRIENDS OF THE NOVI PUBLIC LIBRARY

THIS AGREEMENT is entered into this 18th day of July, 2024, by the Novi Public Library, a Michigan city library, and the Friends of the Novi Public Library, a Michigan non-profit corporation.

WHEREAS, the Novi Public Library (“Library”) is a city library established under the City, Village and Township Libraries Act, 1877 PA 164 (MCL 397.201 *et seq.*); and

WHEREAS, Friends of the Novi Public Library (“Friends”) is a non-profit 501c3 corporation with a stated purpose of promoting the utilization of the City of Novi Public Library, assisting in the promotion, development and use of the Library and raising funds to support the operation of the Library; and

WHEREAS, as a non-profit corporation, the Friends is a legally distinct entity from the Library; and

WHEREAS, the Library and the Friends wish to enter into this Operating Agreement and provide for the respective responsibilities and obligations to fulfill a mutual goal of encouraging literacy, education, and the use of all the Library’s resources under the Library’s current mission, vision and values; and

WHEREAS, the Library has determined that entering into this Operating Agreement is in the best interests of the health and welfare of the residents of the Library district.

NOW, THEREFORE, the Library and the Friends agree as follows:

1. **Library Responsibilities.** During the term of this Operating Agreement, the Library agrees to the following responsibilities:
 - a. During the preparation of the Library’s fiscal year budget each year, the Library agrees to share with the Friends the Library’s goals for the next fiscal year and discuss with the Friends how the Friends’ resources and support might help forward these initiatives.
 - b. The Library agrees to supply the Friends with a list of the programs, items or other anticipated needs (i.e., a “Wish List”) for which the Library may desire additional support. The Library may also make periodic requests for funding outside of the annual budget throughout the year.
 - c. At the Library’s sole discretion, the Library shall provide the Friends with surplus materials, such as used books and other donated material (“Surplus Material”) that the Library has deemed to be of no value to the Library and the Library’s collection. However, the Library is not required to provide all Surplus Materials to the Friends.

d. The Library Director shall have the primary responsibility for administering and approving services to be performed by the Friends or items to be purchased by the Friends and shall coordinate all communications between the Friends and the Library. A staff liaison will be designated by the Library Director for additional communication purposes and to attend Friends' Board meetings in the absence of the Director.

e. The Library will provide the Friends with space in the Library and personal property, such as tables and shelves, for book sales and storage. The space shall remain under the management and control of the Library and the Library agrees to provide adequate insurance. The Library shall have sole discretion regarding what type of items may be sold at the Library. However, any book sale that uses the meeting room shall be scheduled according to the Library's meeting room policies.

f. The Library agrees to share its long-term planning goals with the Friends and seek input from the Friends regarding how the Friends may support or assist the Library with the long-term goals.

g. Friends Treasurer or designee, agrees to collect the proceeds from the book sales, report and execute any/all financial obligations, as well as documentation for state tax purposes. That money shall be accounted for separately from the Library funds and shall be disbursed to the Friends on a monthly basis. In consideration for proceeds of the book sale provided to the Library, the Library agrees to provide assistance with promotional materials and website support for the Friends, but the Director shall be responsible for determining what if any staffing support shall be provided in any particular instance.

h. The Library shall provide volunteers for the Friends book sales in the same manner that it approves volunteers for other services in the Library.

i. The Library shall provide the Friends with two access keys to the storage area and one storage locker.

2. **Friends Responsibilities.** During the term of this Operating Agreement, the

Friends agree to the following responsibilities:

- a. The Friends shall use its best efforts to liquidate the Surplus Material through a book sale. The Friends agree that any and all money raised at a book sale held at the Library or raised from the sale of Surplus Materials shall be spent exclusively for Library programs, services, and other Library-defined needs unless otherwise agreed to by both the Friends and the Library or used for reasonable expenditures and expenses of the Friends.

- b. The Friends agree to publicly support the Library, Library staff and its policies.
- c. The Friends agree that all communication with the library shall be through the Library Director and/or designee.
- d. The Friends agree that the Library Director has the final decision in accepting or declining any and all gifts made to the Library.
- e. The Friends agree to engage in advocacy efforts on behalf of the Library under the guidance of the Library Director and the Library Board.
- f. The Friends will make available to the Library Director all monthly financial statements and minutes of the Friends' Board.
- g. The Friends agree that its Board members and volunteers are not employees of the Library.
- h. The Friends shall determine which funding requests identified in paragraph 1(b) that it shall approve. Upon approval, the Friends shall notify the Library Director of the approved funding so that the staff may proceed with purchasing the requested items, programs or services. If the Library pays for the item, program or service and desires reimbursement from the Friends, the Library shall provide an invoice to the Friends. The Friends shall reimburse the Library for any approved expenditure after receipt of an invoice from the Library. In the alternative, the Friends may purchase the item, program or service directly for the Library. The Friends understand that all personal property purchased pursuant to this paragraph shall be owned and maintained by the Library.

3. Large Donations:

The Friends and the Library Board recognize that some donors to the Friends may want their large monetary donations directed to certain collections, programs/events, building needs and/or technology at the Novi Public Library. Large donations are defined as monetary gifts greater than \$5,000.00. Should a donor request that their donation be used in a general way at the Library, the Library and Friends agree to have Representatives of the Friends Board and the Library Board meet as often as necessary to carry out the wishes of the donor. The term Representatives of the Library shall include the Library Director, a member of the Friends Board and a member of the Library Board. The Representatives are authorized to enter into a written agreement within thirty (30) days with the donor provided that at least one Representative of the Friends and one Representative of Library agree. The agreement may be used to facilitate the desire of the donor to treat the donation in a manner likely to be treated as a tax deduction or a donation not subject to taxes under the United States Tax Code. Monetary donations would be made directly to the Friends of the Novi Library. The Friends of the Novi Public Library would provide an acknowledgment letter to the donor for the donation stipulating the terms of the donation. Other than public recognition to the donor, no other consideration can be provided to the donor or the donor's family by the Library or the

Friends unless the value of the other consideration is deducted from the value of the donation.

4. **Review of Agreement.** This Operating Agreement shall be reviewed every 3 years, or at the change of Presidency by the Friends of the Novi Library Board. Both the Friends of the Novi Library Board of Trustees and Library Board Trustees must have a majority vote for approval of this agreement.

5. **Term; Termination.** This Operating Agreement shall become effective on _____, 2024 and shall remain in effect until terminated by either Party. Either party may terminate this Operating Agreement with fifteen (15) days written notice.

6. **Notices.** The Parties shall be provided any notice required or permitted under this Operating Agreement at the addresses listed below, or at such other address as may be designated by a Party upon written notice to the other Party:

Novi Public Library
Attention: Library Director
45255 W. 10 Mile
Novi, MI 48375

Friends of the Novi Public Library
Attention: President
45255 W. 10 Mile
Novi, MI 48375

All notices to be given under this Operating Agreement shall be served personally, by deposit in the United States mail, first class postage pre-paid by registered or certified mail, or by deposit with an overnight courier with charges pre-paid. Any such notices shall be deemed to have been given on the day of personal service, one (1) business day after deposit with an overnight courier, or three (3) business days after deposit in the United States mail, as applicable.

7. **Waiver and Release.** In consideration of this Operating Agreement, the Friends waive, and forever release the Library and its officers, agents, and employees, from any and all claims, actions, and demands of whatever type or nature arising out of this Operating Agreement. The waiver and release set forth in this Paragraph shall survive the expiration or termination of this Agreement.

8. **Assignment, Delegation, Subcontract.** Neither party shall assign, delegate, subcontract, or otherwise transfer its obligations under or interest in this Operating Agreement, in whole or in part.

9. **Amendment.** This Operating Agreement shall not be amended except by a written amendment approved and executed by the Parties.

10. **Entire Agreement.** This Operating Agreement constitutes the entire agreement between the Parties, and supersedes any and all prior understandings or representations of any kind except to the extent incorporated in this Operating Agreement.

11. **Governing Law.** This Operating Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

IN WITNESS WHEREOF, the Parties have executed this Operating Agreement as of the day and year first written above.

NOVI PUBLIC LIBRARY

By: _____

Julie E. Farkas

Its: Library Director

By: _____

Mark Sturing

Its: President, Library Board of Trustees

FRIENDS OF THE NOVI PUBLIC LIBRARY

By: _____

Susan Johnson

Its: President, Friends of Novi Library