

SACRAMENTO PUBLIC LIBRARY

Endowments

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ALTAFF

ALA Annual Conference

Foundation

Library Endowments: What exactly are they and why should Library advocates be interested?

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Why Build Endowments?

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- Libraries must be able to achieve higher levels of philanthropy in the future.
- In perpetuity support
- Legacy Leadership for a legacy organization
- The time is right! Libraries are having a renaissance.
- Foundations will be more effective as foundations with endowment building.

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What are the Steps?

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- **Construct a Vision**
- **Establish Financial Sustainability**
- **Create Financial Capacity**

*all of these can (and likely will) happen
simultaneously*

How to create a Vision

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- ***Develop a vision statement: This can be done in conjunction with revisiting your mission and establishing your goals.***
 - *Board and Stakeholders need to be present to give input and share in goals. (i.e. Library, Friends and Foundation alike).*
- ***Create a goal based on the vision that is huge and exciting. (i.e. the notion of a big hairy audacious goal per Jim Collins)***
- ***Large Endowments are big hairy audacious goals.***

Provide our Community with access to the largest most engaging collection of books, materials, programs & resources in the state

How to establish financially sustainable?

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Financial

- Unrestricted support covers cost of raising money in addition to delivering significant financial support to the library.
- Bequest and Legacy support free to go into endowments and or large projects.

First Circle Focus



- A stable and comprehensive donor base that can meet the operations budget and create value for the Library.
- Effective Fundraising relationships with the Friends of the Library and the Library.

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How to build Financial Capacity

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1. Establish Finance Committee

- Needed backgrounds include Financial Advisors, CPA's, CFO's from local companies, and Library staff from Finance department.
- Establish Audit Committee: new 990 requirement for \$1M plus organizations and a good practice.

2. Develop Finance committee capacity

- Create Investment and Spending Policy through benchmarking. This exercise will build expertise and inform committee when selecting investment professional

3. Identify Investment Professional

- RFP process. Board members may not be best choice. Conflict of interest when vendor is the boss of the customer they are serving.

4. Develop Financial Strategy

- Approach revenue streams like other Foundations, i.e. management fees , administrative fees, endowing the operation.
- Identify which direction is best for your organization

Endowment Readiness Scorecard

Item	Score: Yes/No/In Progress
Vision	
<ul style="list-style-type: none"> Develop a vision statement: This can be done in conjunction with revisiting your mission and establishing your goals. 	
<ul style="list-style-type: none"> Create a goal based on the vision that is huge and exciting. 	
Financial Sustainability	
<ul style="list-style-type: none"> Unrestricted support covers cost of raising money in addition to delivering significant financial support to the library. 	
<ul style="list-style-type: none"> Bequest and Legacy support free to go into endowments and or large projects. 	
<ul style="list-style-type: none"> A stable and comprehensive donor base that can meet the operations budget and create value for the Library. 	
<ul style="list-style-type: none"> Effective Fundraising relationships 	
Financial Capacity	
<ul style="list-style-type: none"> Establish Finance Committee (<i>Needed backgrounds include Financial Advisors, CPA's, CFO's from local companies, and Library staff from Finance department</i>) 	
<ul style="list-style-type: none"> Establish Audit Committee 	
<ul style="list-style-type: none"> Create Investment and Spending Policy through benchmarking. 	
<ul style="list-style-type: none"> Identify Investment Professional 	
<ul style="list-style-type: none"> Develop Financial Strategy 	

Financial Case for Endowments

