SPL Report to the Board

MEETING DATE: JANUARY 9, 2023
FROM: KRISTA ROBINSON, CEO | LIBRARY DIRECTOR
SUBJECT: CHARITABLE STATUS AND THE LIBRARY

LIBRARIES AND CHARITABLE STATUS

Organizations established to provide public amenities (e.g., library, museum, gallery, botanical garden, public recreation grounds) can qualify for registered charitable status under the following category of charitable purposes: other purposes beneficial to the community in a way the law regards as charitable. Source: CSP-P20

Public libraries are eligible to apply for registered charitable status because their purposes are "beneficial to the community". Through this status, libraries can issue charitable tax receipts and receive donations from other charities, including foundations and grants.

The Public Library Act RSO 1990 c. 44 provides that public libraries shall be under the management and control of a Board, which is a corporation. The City of Stratford established the Stratford Public Library and its management by the Stratford Public Library Board through by-law 644 on April 19, 1897, replacing the previous Mechanics Institute. Because the Board is the corporation responsible for the Library, they are the organization who qualifies for the charitable status on behalf of the library.

When libraries have a charitable status, the Board, is responsible for compliance with the Income Tax Act, R.S.C. 1985, c. 1 (5th Supp), the Charities Accounting Act, R.S.O. 1990, c. C.10, common law and other legislation applicable to charitable organizations. The Board delegates to the Chief Executive Officer the authority to maintain compliance and file such information as may be required to maintain status as a registered charity.

BACKGROUND ON THE LIBRARY FOUNDATION AND THE BOARD'S CHARITABLE STATUS

In 1998, the Library Board determined that in order to continue to provide increased services to the community (Internet, and children's programming were both driving forces) they required additional funding outside of the funds provided by the municipality and the province. Members of the Library Board took the initial steps to obtain a charitable number and setup a foundation to raise funds. This was the first time SPL appealed to the public for money.

In April 2000, the Stratford Public Library Board held its inaugural meeting and began making plans for community fundraising to raise $500,000 for an endowment fund. However in 2001, there were many other fundraising campaigns in the community for other major community projects. Without a specific project in mind, fundraising proved difficult.

In Spring 2002, the foundation board changed its focus to planned giving (bequests). They also identified a specific fundraising initiative – early childhood literacy outreach. They received some funds from the Stratford Book Festival and the Get Lost in a Book Poster series.

In 2011, the foundation board voted to invest its current funds with the Stratford Perth Community Foundation and establish a Stratford Public Library Foundation Fund. That money was invested by the community foundation in an endowment fund, the principal of which will be left untouched and a portion of the income earned each year used to support library programs, services or projects. Initially there were two funds created: a building fund and a literacy fund. In 2021, the two funds were combined into a single Stratford Public Library Fund.

In January 2018 the board discussed the difficulty of Foundation Board member recruitment and began investigating various pathways to move forward. That year, the Foundation's by-laws were updated to note that members of the Foundation consist of members of the library board and additional individuals.

In June 2019, the board made a motion to pursue its own charitable number.

The Library Board received its federal business and provincial business number in January 2021. In June 2021, the Library Board passed a motion for staff to begin the process to dissolve the Library Foundation.
The Stratford Public Library Foundation's charitable status was revoked as of May 7, 2022.

During its operation, the Foundation raised significant funds for a number of projects including:

- Public Library on Wheels program
- Creation of the MakerSpace
- Library auditorium renovations
- Endowment fund with the Stratford-Perth Community Foundation