

**Lumpkin County Library
Board of Trustees
Quarterly Meeting
January 20, 2011**

Members present: *Carol Hesse, Sue Neil, Ray Prince, Elsa Ann Gaines, Tony Buesing and Anne Amerson*

Also present: *Director Claudia Gibson and Business Manager Peggy King*

Members Absent: *John Yates and Celeste Hannah*

Carol Hesse called the meeting to order at 5:00 PM and established a quorum was present.

Elsa Ann Gaines made a motion to accept the minutes of the October 21, 2010 meeting. Ray Prince seconded and all were in favor.

Peggy King presented the 2nd quarter financial report for FY11. Ray Prince made a motion to accept the financial report as presented, Tony Buesing seconded and all were in favor.

Claudia Gibson went over her Director's Report with the board and told them we are now offering E-books.

Peggy King explained to the board about a recent issue concerning the tax exempt status of the Friends' and Foundation groups in both counties. She explained that the Alliance is the 'parent' organization and has a 501(c)(3) tax exempt status. The 2 Friends groups and the 2 Foundations are included in this tax exempt status. In the past, all tax reports were made by the Alliance, as the parent organization. The 4 subsidiaries were all covered by this reporting by the Alliance. We discovered that no tax reports were required if you earn less than \$25,000 so we stopped submitting tax returns. The IRS then began requiring that organizations who are not required to file a tax return because of this should file a "Postcard" each year. Each year I filed a postcard for the Alliance thinking it would cover all subsidiaries under the Alliance. In October we found out we should have been filing them for the 4 subsidiaries each year, too. Unfortunately, we found this out 2 days after the deadline to correct the situation and the result is the 4 subsidiaries are no longer exempt under the Alliance's status. We have contacted Kathy Fuller, a CPA in Dawson County, who has written a letter to the IRS. We are waiting to hear back. If the IRS won't reverse their decision we will contract Kathy Fuller's firm to go through the process of reestablishing a group exemption.

Sue Neil made a motion to accept the change to our Facilities and Equipment Use Policy. Ray Prince seconded and all were in favor.

A motion was made by Ray Prince to authorize the use of the proposed collection letter for patron accounts that are above \$250.00. Elsa Ann Gaines seconded and all were in favor.

Claudia Gibson was appointed to the Nominating Committee.

Claudia gave a status report to the board about the upcoming Dawson County scavenger hunt fundraiser to be held on January 29, 2011.

The next quarterly meeting of this board will be held on Thursday, April 14, 2011 since the library system will be closed on the originally scheduled day.

A motion was made by Ray Prince at 5:35 to adjourn the meeting, Sue Neil seconded and all were in favor.

Respectfully submitted,

Carol Hesse, Chairman
(By Peggy King)