ORGANIZATIONAL FUTURE

MOBIUS Strategic Plan

2009-2013

GOALS

1. Expand membership opportunities
2. Enhance access to shared information resources
3. Strengthen collaborative working relationships
4. Strengthen MOBIUS internal capacities

Current Organizational Structure

"Affiliated" with the University of Missouri

- Relationship is governed by "Host Institution Agreement"
  - Human Resources Services ($5,700)
  - Fiscal Support Services ($33,000)
  - Data Center Services ($37,000)
  - Server Support Services ($60,000)
  - Desktop Support Services ($10,000)
  - Space and Facilities ($105,240)

- Executive Director of MOBIUS reports to:
  - UM Vice President of Information Technology (Dr. Gary Allen)
  - MOBIUS Executive Committee

- MOBIUS staff are University of Missouri employees

Problems with the Current Organizational Structure

* MOBIUS has no standing as a legal entity.
* MOBIUS cannot sign contracts.
* MOBIUS must follow state procurement policies and cannot acquire a product which has been rejected in another state bid process.
* MOBIUS cannot engage in any activity in which the University of Missouri has no interest or is unwilling to assume an obligation.
* MOBIUS cannot accrue interest on its cash assets.
* MOBIUS does not have the final say on personnel decisions.

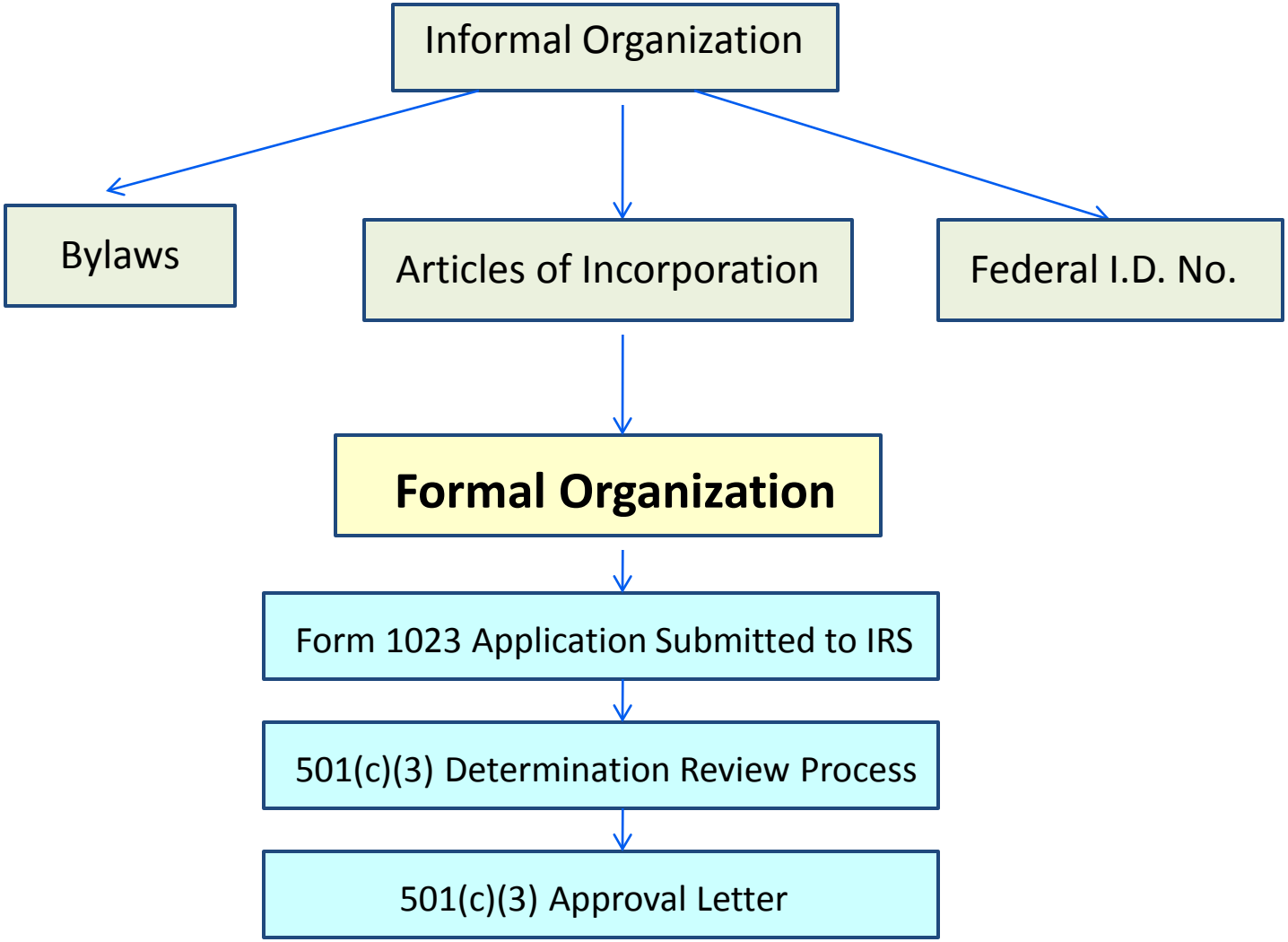
SOLUTION?

"The MOBIUS Executive Committee recommends to the MOBIUS Council that MOBIUS (the membership organization) apply for status as a nonprofit corporation in the state of Missouri, acquire tax-exempt status as a 501c3 nonprofit corporation with the United States Internal Revenue Service, and revise its governance documents accordingly."

What is a 501©(3)?

A 501(c)(3) is a type of corporation recognized by the federal government as an organization whose general purpose is educational, religious or charitable.

Steps to Incorporating as a Tax-exempt, Nonprofit Organization



Other Steps

- Identify MOBIUS' assets and liabilities
- Separate MOBIUS' assets and liabilities from those of the University of Missouri
  - Expensed assets (under $5k originally)
  - Cash assets (move to a separate bank account)
  - Capital assets (over $5k originally)
  - Desktop software licenses

Other Steps

Write/rewrite MOBIUS Governance Documents

* ***Bylaws*** *(to govern participation in MOBIUS, the organization)*
* ***Memorandum of Understanding*** *(to govern participation in MOBIUS, the union catalog)*
* ***Host Institution Agreement*** *(to govern the services outsourced to the University of Missouri)*
* ***Financial plan*** *(to govern the financial operations of MOBIUS)*

Advantages of 501(c)(3) status

1. Establishes MOBIUS as a legal entity.
2. MOBIUS will be able to negotiate and sign its own contracts.
3. MOBIUS will be able to contract with any vendor.
4. MOBIUS can be sole manager of its finances.
5. MOBIUS will be eligible for state and federal grants available only to organizations with 501(c)(3) status.
6. MOBIUS will be exempt from state and federal taxes.
7. MOBIUS can accrue interest on its cash assets.
8. MOBIUS will have an organizational structure more conducive to expanding membership to all types of libraries.
9. MOBIUS will have the ability to respond more quickly to libraries needs.
10. MOBIUS will have the ability to implement emerging technologies more quickly.
11. MOBIUS will have the ability to merge with another organization.

Disadvantages of 501(c)(3) status

1. MOBIUS would be ineligible to receive direct funding from the Missouri State Legislature **but** would still be eligible to receive funding from the federal and Missouri governments through grants and awards.
2. MOBIUS would no longer have the University of Missouri behind it for backup support.
3. Some desktop software licenses **may** be more expensive.
4. MOBIUS would likely pay an additional fee to UM to administer payroll and benefits for MOBIUS employees.

GOALS

Create an organization that:

- ✓ Is a legal entity
- ✓ Is flexible
- ✓ Is sustainable
- ✓ Is able to grow
- ✓ Is responsive to libraries' needs
- ✓ Is innovative

QUESTIONS?

MOBIUS Council

"MOBIUS Council agrees that the Executive Committee be empowered to investigate and proceed as appropriate according to current governance documents toward acquiring a 501(c)(3) nonprofit corporation status with the United States Internal Revenue Service."

Prepared by

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Chair

MOBIUS Executive Committee

MOBIUS Council Meeting

December 11, 2009