

**CAPITAL AREA DISTRICT LIBRARIES**  
**COMMITTEE OF THE WHOLE**  
5:30 PM, WEDNESDAY, MAY 12, 2021  
GALLERY SPACES A, B, & C  
401 S CAPITOL AVE., LANSING, MI 48933  
517-367-6300

**Mission Statement:**

Empowering our diverse communities to learn, imagine and connect.

**AGENDA**

1. Call to Order
2. Roll Call
3. Public Comments on Agenda Items
4. Agenda
5. Memorandum for April 14, 2021 (enc)
6. Old Business
7. General
  - a. July 5, 2021 Closing Recommendation (enc)
  - b. SER 102 Circulation Policy (enc)
8. Finance
  - a. April 2021 Financial Report (enc)
  - b. Integrated Library System (ILS) Server Proposal (enc)
9. Policies – No changes, for review only (enc)
  - a. FIN 101 Financial Policies
  - b. FIN 102 Investments
  - c. FIN 104 Credit Card Policy
  - d. FIN 105 Purchasing Policy
  - e. FIN 107 Library Lost and Found Policy
  - f. FIN 108 Fund Balance Policy
  - g. FIN 202 Conflict of Interest
  - h. FIN 211 Fixed Asset Disposal
  - i. FIN 212 Asset Capitalization
10. Rise and Report

For mobility, visual, hearing, or other assistance, please call 367-6312. Requests need to be made at least two weeks before a scheduled event.

**CAPITAL AREA DISTRICT LIBRARIES  
COMMITTEE OF THE WHOLE**

April 14, 2021

**Members Present:** Debora Bloomquist, Margaret Bossenbery, Jeff Croff, Sandy Drake, DeYeya Jones, Sally Trout

**Members Absent:** Vern Johnson

**Staff Present:** Scott Duimstra, Jolee Hamlin, Sheryl Knox, Chelsea Koenigsknecht, Julie Laxton, Michael Moore, Thais Rousseau, Trent Smiley, Pat Taylor

**Others Present:** Lindsay Dangl

**CALL TO ORDER**

The Chairperson called the meeting to order at 5:34 p.m.

**ROLL CALL**

Bloomquist – Present  
Bossenbery – Present  
Croff – Present  
Drake – Present  
Johnson – Absent  
Jones – Present  
Trout – Present

**Comments on Agenda Items**

There were no public comments on agenda items.

**Memorandum for March 10, 2021**

The minutes for March 10, 2021 were received.

**Old Business**

- a. Executive Director Evaluation Committee  
Committee Chair Margaret Bossenbery provided the Board with a committee update.

**General**

- a. Fine Free Recommendation  
It is recommended to:
  - Begin May 20, 2021, no longer charge overdue fines.
  - Continue to bill for items that are lost, damaged or not returned past 30 days.
  - Waive current fines except for charges related to billed items and collection agency referral fees.
  - Set accounts to be blocked from checking out items after an item is overdue for 10 days.

## Finance

a. March 2021 Financial Report

The balance sheet reflects a total asset position of \$19,591,356. Of this total, \$12,454,663 is on the cash line and \$5,497,832 is on the investments line.

b. Delivery Vehicle Purchase Recommendation

It is recommended to approve the purchase of a new delivery vehicle for \$58,303.42 from Lafontaine Ford of Lansing. Pricing for this vehicle will be provided through State of Michigan contract number 071B7700183. There is currently \$60,000 in the budget to fund this purchase. This new vehicle will be like our bread truck style inner-city delivery truck, allowing for greater delivery flexibility and more space as the Library of Things collection grows.

c. IT Renovation Architect Recommendation

It is recommended to approve Roger L. Donaldson as the selected architect to provide architectural and engineering services required to generate construction bid documents for the renovation of the IT workspace and update lighting and replacement of the ceiling in the 3rd Floor hallway, stock room, and workroom. The total proposed cost for all work included in the bid document was \$10,152.

## Policies – No changes, for review only

- a. HUM 102 Technology Policy
- b. SER 104 Privacy Policy
- c. SER 104A Privacy Statement
- d. SER 105 Internet Access
- e. SER 105A Computer Use Policy
- f. SER 105B Wireless Access Policy
- g. SER 205 Social Media Policy

## Rise and Report

The meeting was adjourned at 7:10 p.m.

## **July 5 Library Closing Recommendation**

**May 19, 2021**

### **Recommendation:**

Close all CADL locations on **Monday, July 5<sup>th</sup>**

### **Background:**

All CADL libraries will be closed on Sunday, July 4 in observance of Independence Day. Per Article 23.03 of our contract: ***Should a holiday fall on Sunday, the Employer will designate Monday or another day as the holiday.***

We are proposing CADL libraries be closed Monday, July 5, which is the observed Federal Holiday for July 4<sup>th</sup>.

**SER 102 CIRCULATION POLICY  
MAY 19, 2021**

I. Mission Statement –

<p><b>Mission Statement:</b> Empowering our diverse communities to learn, imagine and connect.</p>
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2. Philosophy –Capital Area District Libraries subscribes to the American Library Association Code of Ethics, the Library Bill of Rights, and the American Library Association’s Freedom to Read Statement and associated policies.

The following policies are intended to give all members of the public equal and fair access to the library’s collections. The library provides open access to all materials and services of the library.

Library policies are covered by the Elliott-Larsen Civil Rights Act, PA 453 of 1976 as last amended which recognizes the opportunity to obtain public service “without discrimination because of religion, race, color, national origin, age, sex, height, weight, familial status, or marital status” as a civil right. CADL is also committed to providing public service without discrimination based on gender identity or expression or sexual orientation.

“Parents or legal guardians – and only parents or legal guardians – have the right and the responsibility to restrict the access of their children – and only their children – to library resources. Parents or legal guardians who do not want their children to have access to certain library services, materials, or facilities, should so advise their children. Librarians and governing bodies cannot assume the role of parents or the functions of parental authority in the private relationship between parent and child. Librarians and governing bodies have a public and professional obligation to provide equal access to all library resources for all library users.” (ALA’s Free Access to Libraries for Minors: an Interpretation of the Library Bill of Rights).

3. Library Cards – Library patrons must have a Capital Area District Libraries card to check out materials and use public computers. Library patrons must use their personal Capital Area District Libraries card to sign up for CADL public access computers. Only individuals and organizations with full-service Capital Area District Libraries cards may reserve meeting room space in CADL libraries.

Library Cards are not required to enter the library, use library materials in the library, attend programs and events, or use the “Express” computers.

3.1 Full-Service Library Card – A full-service Library Card may be issued for a period of four years at no charge to the following types of users:

- Residents: Any person who lives (and continues to live) within the Capital Area District Libraries service area.
- Property Owners: Any person who owns (and continues to own) property within the Capital Area District Libraries service area.
- Resident Businesses and Institutions: Businesses and Institutions located within Capital Area District Libraries service area are eligible for one card per business or organization. Applications from Businesses and Institutions must be approved by the Associate Director or Designee.
- Library Employees: Employees of Capital Area District Libraries are eligible for a library card at no charge until their employment is terminated.

3.2 Youth One Card – A Youth One Card may be issued to children under 18 years of age who are able to provide their name, home address, telephone number, and date of birth. Youth (Resident) and Youth One Cards are issued for a period of four years or until one month after the patron’s 18<sup>th</sup> birthday, whichever comes first. If there is a question as to whether the information on the application is accurate, staff members may request identification. The Youth One Card may be used to check out one book or one magazine. Youth One Cards do provide access to CADL’s digital collections. A-V material is not included. when the book or magazine is returned, the child may borrow another book or magazine. a youth one card may be issued if the child does not have a library card or if the child’s library card is expired. Youth One Cards may be used for in library computer access. **YOUTH ONE CARDS ARE NOT ISSUED OR RENEWED FOR MEMBERS WITH STUDENT SUCCESS CARDS.**

3.3 Student Success Card – Student Success cards are issued by special arrangement with school districts who have agreed to share public directory information and signed a memorandum of understanding participating in the Student Success Initiative. All agreed upon students in the district will be issued a Student Success card, even if they already have a CADL card of any type or status. Parents and legal guardians may choose to opt their student out. The Student Success card may be a library-issued card, or use a student ID or other identifying number, based on the memorandum of understanding. The Student Success card may be used to check out three items, including books, magazines, and audiobooks. ~~When an item is returned, another item may be checked out.~~ Music CDs, DVDs, BluRays, and Library of Things items are not included. It also provides access to digital collections and library public computers. ~~Overdue fines will be waived.~~ Parents or legal guardians are responsible for returning items.

3.4 Temporary Digital Library Card – New library users may register online for a temporary digital library card that allows access to designated online services. Patrons with a temporary digital card may not check out physical items, use MeLCat, use public computers, reserve meeting rooms, or place holds on more than 3 CADL items. The holder of a temporary card must visit the library or renew online within 21 days of the date of the online application, with photo identification and proof of current addresses, to get a regular full-service library card. New paid memberships must be obtained by visiting the library. Digital

library cards not converted to full-service library cards within 21 days will be cancelled, including any holds placed with the digital card.

- 3.5 Memberships – People who do not qualify for a regular library card may purchase an Individual Library Membership for a non-refundable yearly fee of \$50 or \$75 for a Parent/Child Membership, or a non-refundable 6-month fee of \$25 for an individual or \$37.50 for a parent/child membership. An individual membership qualifies the person for an individual full-service library card. The Parent/Child Membership qualifies one adult for a full-service library card as well as individual full-service library cards for each child under 18 years of age and for whom the adult is the parent or legal guardian. All cards issued as part of a Parent/Child Membership will have the same expiration date as that of the first card in the Parent/Child Membership.

Full-service membership entitles library patrons to borrow all materials and use all services subject to the same rules and regulations as ~~regular~~ **RESIDENT** full-service card holders.

#### Other Requirements

- Applicants under the age of 18: For applicants under the age of eighteen (18), a parent or legal guardian must be present with the applicant, present valid picture identification as outlined below, and sign the application. Parents or guardians are responsible for all items checked out on their children's cards.
- New Card Applications - Outstanding Charges for Minor Children: Individuals who are applying for a new library card and who are the signing parent for a child who owes \$10.00 or more must reduce the amount owed by the child to less than \$10.00 in order to be eligible for a new library card.

- 3.6 Library Card Renewals – Outstanding Charges: Individuals with charges/fines of \$10.00 or more on their account must pay the charges/fines down to less than \$10.00 in order to renew their library card. In addition, individuals who are the signing parent for a child who owes \$10.00 or more must reduce the amount owed by the child to less than \$10.00 in order to be eligible to renew their own library card.

Patrons may request a one-time 21-day extension if their library card is expired or close to expiring.

- 3.7 Identification – Applicants for library cards must show picture identification or an **OFFICIAL BIRTH CERTIFICATE COPY WITH SEAL**, proof of current residential address, and provide their date of birth. Applicants may be required to provide proof of date of birth. For applicants under the age of eighteen (18), a parent or legal guardian must be present with the applicant and present picture identification. When the library card expires, borrowers will be asked to provide identification to verify their address. The Library may, at any time before the

expiration date, require that current address identification be shown; so borrowers should bring identification in addition to their library card.

- 3.8 Lost Cards – In the event of a lost or stolen card, the patron is responsible for notifying the Library immediately. The library assumes that the person using a library card is the owner of that card or has the permission of the owner to use the card.

Until the Library is notified of a lost or stolen card, a library card is valid and its owner is responsible for all use of the card and for any lost or overdue materials and fees incurred. In case of children under age 18, the parent or legal guardian who signed the library card application is the responsible party.

In order to obtain a replacement library card, patrons must produce identification.

- 3.9 Borrowing Materials – Library users must present their library cards at time of check out. Adults who have forgotten their library card may check out materials by presenting photo identification, except for items in the Library of Things collection. For items in the Library of Things collection, adults must present their library card and valid photo ID.

Children who do not have their library card may not check out materials, except as noted in a memorandum of understanding for Student Success cards, **WHEN THEY MUST BE ABLE TO PROVIDE THE INFORMATION IDENTIFYING THEIR SCHOOL ACCOUNT.**

**ALL ITEMS ARE DUE ON THE SPECIFIED DUE DATE.**

**PATRONS BORROW AND USE AUDIOVISUAL MATERIALS AT THEIR OWN RISK. CAPITAL AREA DISTRICT LIBRARIES IS NOT RESPONSIBLE FOR PATRON AUDIOVISUAL EQUIPMENT MALFUNCTION OR DAMAGE.**

- 3.10 User Agreement – By signing a library card application, patrons acknowledge that they are subject to the circulation policies, procedures and rules of Capital Area District Libraries. Library staff members and Library Board members are subject to all provisions of this circulation policy.

Overdue Fines – Overdue fines will be charged as follows:

FORMAT	FINES PER DAY	MAX. FINE
DVDs/BluRays/VHS	\$.20	\$6
New DVDs/BluRays	\$1	\$6
Books	\$.20	\$6
Music CDs	\$.20	\$6
Audiobooks	\$.20	\$6

Magazines	\$.20	\$6	Items
Library of Things (Value under \$40)	\$1	\$20	
Library of Things (Value \$40 – \$100)	\$2.50	\$50	
Library of Things (Value over \$100)	\$5	\$100	
Library of Things Jr.	\$.20	\$6	

borrowed through MeLCat by CADL patrons incur the same overdue fines as the corresponding formats of CADL items.

All items are due on the specified due date.

Patrons borrow and use audiovisual materials at their own risk. Capital Area District Libraries is not responsible for patron audiovisual equipment malfunction or damage.

4. Revocation of Privileges – **PATRONS WHO HAVE AN ITEM 10 OR MORE DAYS OVERDUE WILL HAVE THEIR BORROWING PRIVILEGES FOR ALL PHYSICAL MATERIALS SUSPENDED UNTIL THE ITEM IS RETURNED OR RELATED CHARGES ARE LESS THAN \$10.**

Patrons who have accumulated \$10.00 or more in fees, ~~fin~~es, or charges for lost materials will have their borrowing privileges for all **PHYSICAL** materials suspended until the amount due on their account is less than \$10.00. Patrons who have been referred to the collection agency will have their borrowing privileges and public computer access suspended until all charges related to the collection agency referral have been paid in full, even if their account balance is less than \$10.00.

Borrowing of physical items may be suspended when items on loan to a patron have been returned with evidence of pests that are known to be damaging to library materials or that can result in pest infestations in library facilities, including, but not limited to: roaches, silver fish, some types of beetles and bed bugs. Suspension of borrowing privileges will be lifted after the patron presents proof of treatment by a licensed pest control company. Patrons may be asked to return items to a staffed desk for six months following treatment. Borrowing of digital items may not be affected.

5. Lost and Damaged Materials – For lost materials or materials damaged beyond use, patrons will be charged the current list price and a \$5.00 processing fee. Damaged materials may include items returned with evidence of pest infestation as described under 4. *Revocation of Privileges*.

If the item is out of print or no longer available, patrons will be charged a default price based on the average list price for that type of material. Charges for damaged

or missing materials and/or containers will be set by the Executive Director. This policy will apply to all materials including materials borrowed from another library via MeLCat or through interlibrary loan.

6. Claims Returned Items – When a patron claims an item has been returned, a search will be initiated for the item. It is expected that the patron will continue to look for the material while the library searches for it. ~~Fines, if any, will no longer accrue and~~ Notices will not be sent. If the item is not located within 6 months, it will be declared lost. The library will assume responsibility for two claims returned items. The patron will be responsible for additional claims returned items. Patrons cannot use a claims returned on an item in the Library of Things collection.
8. Billed Items – Based on the library’s Code of Conduct policy, failure to return CADL property constitutes larceny, and CADL has the right to report these matters to the appropriate authorities. Failure to return CADL property or to pay late fees and replacement costs may result in criminal charges.
9. Collection Agency – Patrons with amounts due of \$40 or more and exceeding 60 days will be referred to a collection agency within the sole discretion of CADL.
10. Bankruptcy – Capital Area District Libraries will comply with Discharge of Debtor orders from bankruptcy courts where CADL has been listed as a creditor. Patrons who have filed for bankruptcy listing CADL as a creditor and who have received a Discharge of Debtor order must provide a copy of the Discharge of Debtor order to CADL. After being presented with the Discharge of Debtor order, outstanding balances for damaged or unreturned materials will be removed from the patron’s account and the accounts of minor children for whom they are the signing parent, provided the charges were incurred prior to the date of the bankruptcy filing. ~~Outstanding balances due to overdue fines will not be removed from a patron’s account pursuant to 11 U.S.C. §523(a)(7).~~
11. Procedures – The Executive Director may establish any procedures needed to implement this policy.
12. Extenuating Circumstances – Occasionally situations arise when exceptions need to be made for unusual circumstances. In those cases the Head Librarian, Associate Director, or the Executive Director may interpret these rules and authorize exceptions as needed.

5/7/2021

Capital Area District Library  
Balance Sheet  
4/30/2021  
UNAUDITED

**ASSETS**

	Current Year	Previous Year
Current Assets:		
Cash	11,636,536.57	10,893,061.26
Imprest Cash	2,612.00	2,612.00
Investments	5,497,962.76	5,681,029.91
Prepaid Expenses	31,082.56	24,092.30
Accounts Receivable	4,677.54	6,154.53
Taxes Receivable	1,366,126.32	1,105,670.25
Interest Receivable	0.00	0.00
Total Current Assets	<u>18,538,997.75</u>	<u>17,712,620.25</u>
Total Assets	<u><u>18,538,997.75</u></u>	<u><u>17,712,620.25</u></u>

**LIABILITIES AND FUND BALANCE**

Current Liabilities:		
Accounts Payable	3,347.02	14,180.38
Accrued Salaries Payable	0.00	0.00
Accrued Employee Benefits Payable	57,390.49	44,134.99
Deferred Revenue	1,366,126.32	1,111,881.49
Total Current Liabilities	<u>1,426,863.83</u>	<u>1,170,196.86</u>
Fund Balance:		
Fund Balance Undesignated	83,999.60	1,588,673.46
Fund Balance Donations Restricted	425,395.07	415,898.83
Fund Balance Donations Unrestricted	196,061.25	170,914.39
Fund Balance Capital Projects	999,999.66	499,999.66
Fund Balance Contingency	6,249,833.10	5,190,687.10
Fund Balance Automation	1,000,000.00	500,000.00
Fund Balance Operations	499,000.00	983,000.00
Fund Balance Pension Reserve	1,080,000.00	426,120.00
Profit (loss) for period	6,577,845.24	6,767,129.95
Total Unapplied Fund Balance	<u>17,112,133.92</u>	<u>16,542,423.39</u>
Total Liabilities and Fund Balance	<u><u>18,538,997.75</u></u>	<u><u>17,712,620.25</u></u>

5/7/2021

Capital Area District Library  
Statement of Revenue and Expenditures  
Fiscal Year Ending December 31, 2021  
4/30/2021  
Unaudited

Revenues  
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	Current Month	Year to Date	2021 Budget	%
<b>Millage Income</b> -----				
Property Tax Revenue	230,996.69	9,943,162.96	11,225,000.00	88.58
Renaissance Zone Reimbursement	0.00	0.00	62,000.00	0.00
Industrial Facilities Tax	32.99	40,710.69	63,000.00	64.62
Total Tax Revenue	<u>231,029.68</u>	<u>9,983,873.65</u>	<u>11,350,000.00</u>	<u>87.96</u>
<b>Penal Fines</b> -----				
Penal Fines Ingham County	0.00	0.00	360,000.00	0.00
Penal Fines Eaton County	0.00	0.00	10,000.00	0.00
Total Penal Fines	<u>0.00</u>	<u>0.00</u>	<u>370,000.00</u>	<u>0.00</u>
<b>State Aid</b> -----				
State Aid Direct	0.00	0.00	102,500.00	0.00
State Aid Indirect	0.00	0.00	102,500.00	0.00
PPT Reimbursement	0.00	162,581.31	173,000.00	93.98
Total State Aid	<u>0.00</u>	<u>162,581.31</u>	<u>378,000.00</u>	<u>43.01</u>
<b>Library Fees</b> -----				
Overdue Fines	417.81	2,740.84	0.00	0.00
Non Resident Fees	475.00	1,475.00	25,000.00	5.90
Printing Revenue	1,089.23	2,832.76	14,000.00	20.23
Total Library Fees	<u>1,982.04</u>	<u>7,048.60</u>	<u>39,000.00</u>	<u>18.07</u>
<b>Donations / Grants:</b> -----				
Donation Income Restricted	0.00	3,721.75	60,000.00	6.20
Donation Income Unrestricted	200.00	14,055.08	16,000.00	87.84
Grants	9,733.33	25,418.35	33,000.00	77.03
Total Donations	<u>9,933.33</u>	<u>43,195.18</u>	<u>109,000.00</u>	<u>39.63</u>
<b>Other Income</b> -----				
Interest Income	2,532.60	17,627.51	60,000.00	29.38

MMLC Reimbursement	0.00	0.00	102,500.00	0.00
Lost and Paid Books	1,486.03	5,846.05	18,000.00	32.48
Sponsorship Revenue	0.00	0.00	0.00	0.00
Misc Income	113.25	323.45	2,500.00	12.94
Universal Service Fund Income	0.00	0.00	9,055.00	0.00
Total Miscellaneous Income	4,131.88	23,797.01	192,055.00	12.39
Due From Fund Balances				
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Due from Pension Reserve	0.00	0.00	120,000.00	0.00
Due From Undesignated Fund Balan	0.00	0.00	84,000.00	0.00
Due From Automation Fund	0.00	0.00	133,000.00	0.00
Due From Operations Fund	0.00	0.00	405,000.00	0.00
Due from Donation Balance	0.00	0.00	105,000.00	0.00
Total Due From Funds	0.00	0.00	847,000.00	0.00
TOTAL OPERATING REVENUE	247,076.93	10,220,495.75	13,285,055.00	76.93

## Expenditures

	Current Month	Year to Date	2021 Budget	%
<b>Salaries and Benefits</b>				
Salaries	671,470.56	1,854,109.96	6,284,000.00	29.51
Unemployment Insurance	0.00	0.00	5,150.00	0.00
FICA Employer Share	49,287.36	123,872.35	480,500.00	25.78
Health Insurance	39,283.49	200,400.72	667,250.00	30.03
Prescription Expense	14,045.42	41,642.78	195,000.00	21.36
Dental Insurance	5,014.00	12,068.52	59,000.00	20.46
Vision Insurance	820.80	3,324.24	12,802.00	25.97
Life & Disability Insurance	1,520.01	2,357.19	4,654.00	50.65
Retirement	44,484.03	121,120.93	563,000.00	21.51
Workers Comp Insurance	(5.00)	12,876.25	18,500.00	69.60
Parking Main Library	3,362.00	16,810.00	41,000.00	41.00
Total Salaries and Benefits	829,282.67	2,388,582.94	8,330,856.00	28.67
<b>Materials</b>				
Books	84,973.47	275,478.22	901,955.00	30.54
Periodicals	0.00	29,342.78	61,587.00	47.64
DVD	16,377.15	77,295.56	276,113.00	27.99
Library of Things	1,310.07	7,010.88	47,350.00	14.81
Audiobooks	30,007.14	110,844.49	417,574.00	26.54
Music	3,420.98	8,879.10	56,044.00	15.84
Processing Supplies	2,910.77	5,285.66	24,250.00	21.80
Processing Fees	6,080.87	17,985.13	61,650.00	29.17
Subscription Services	0.00	73,366.11	91,358.00	80.31
Databases	2,507.15	94,316.06	99,479.00	94.81
Total Materials	147,587.60	699,803.99	2,037,360.00	34.35
<b>Supplies</b>				
Office Supplies	7,435.71	23,175.91	106,000.00	21.86
Postage Expense	156.00	1,340.24	11,200.00	11.97
Gas Delivery Vehicles	1,793.96	3,765.05	16,000.00	23.53
Gas Bookmobile	564.21	1,192.11	6,400.00	18.63
Janitorial Supplies	1,193.03	1,363.64	21,102.00	6.46
Total Supplies	11,142.91	30,836.95	160,702.00	19.19

## Professional Services

Membership Fees	994.90	3,396.40	21,500.00	15.80
Collection Agency Fees	0.00	0.00	2,425.00	0.00
Web Chat Service	895.00	2,685.00	11,070.00	24.25
Payroll & Print Service	3,634.20	13,060.13	37,875.00	34.48
Melcat Delivery Charges	0.00	18,780.12	37,000.00	50.76
Tutoring Services	0.00	11,441.25	15,500.00	73.81
Marketing	17,698.65	59,533.88	228,000.00	26.11
Bank Fees & Services	919.22	3,537.28	13,000.00	27.21
Cooperative Membership Fee	0.00	0.00	102,500.00	0.00
Total Professional Services	24,141.97	112,434.06	468,870.00	23.98

## Governance

Per Diem	0.00	270.00	10,000.00	2.70
Memberships	288.00	288.00	1,190.00	24.20
Conferences	0.00	0.00	10,250.00	0.00
Legal Services	1,605.00	3,167.00	50,430.00	6.28
Audit	0.00	9,800.00	13,000.00	75.38
Total Governance	1,893.00	13,525.00	84,870.00	15.94

## Staff Development

Recruiting Expense	0.00	0.00	1,050.00	0.00
Staff Training	49.00	1,125.00	30,500.00	3.69
Hospitality	142.04	224.24	3,428.00	6.54
Employee Recognition	211.90	423.80	8,051.00	5.26
Total Staff Development	402.94	1,773.04	43,029.00	4.12

## Maintenance and Utilities

Telephone	2,851.98	8,711.36	32,500.00	26.80
Steam and Gas	10,146.23	47,291.03	96,375.00	49.07
Electricity	13,814.65	32,753.69	190,969.00	17.15
Water and Sewer	1,640.69	6,463.45	25,000.00	25.85
Trash	351.51	1,440.81	7,200.00	20.01
Custodial Services	16,241.99	31,360.64	202,372.00	15.50
Security Services	7,051.11	25,658.70	123,000.00	20.86
Building Maintenance	3,752.91	18,715.24	69,672.00	26.86
Vehicle Maintenance	3,172.61	4,237.21	18,500.00	22.90
Total Maint. and Utilities	59,023.68	176,632.13	765,588.00	23.07

## Other Expenses

Millage Income Refund	0.00	1,215.57	34,000.00	3.58
Property & Liability Insurance	0.00	33,519.75	70,000.00	47.89
Donation Expense Restricted	286.13	682.59	165,000.00	0.41
Donation Expense Unrestricted	600.00	1,375.00	16,000.00	8.59
Miscellaneous	41.50	604.04	6,060.00	9.97
Sales/Use Tax	0.00	69.44	1,157.00	6.00
Local Travel	780.53	1,118.62	10,558.00	10.59
Total Other Expenses	1,708.16	38,585.01	302,775.00	12.74

## Technology Expenses

Internet Access	3,743.18	24,060.74	71,995.00	33.42
Computer Software	914.84	25,901.28	78,138.00	33.15
Computer Hardware	147.69	1,034.74	39,305.00	2.63
III Software & Hardware Maintenance	0.00	101,938.63	106,827.00	95.42
Computer System Services	1,043.68	6,415.32	39,640.00	16.18
Member Experience Improvements	0.00	0.00	12,400.00	0.00
VOIP Phone Project	0.00	0.00	85,000.00	0.00
Wired LAN Upgrade	0.00	0.00	15,000.00	0.00
Digital Signage Upgrade	0.00	0.00	10,000.00	0.00
People Counter Replacements	0.00	0.00	15,000.00	0.00
Offsite Backup Refresh	0.00	0.00	30,000.00	0.00
Staff Laptop Computers	0.00	0.00	45,000.00	0.00
Total Technology Expenses	5,849.39	159,350.71	548,305.00	29.06

## Capital Outlay

Staff Furn & Equipment	4,676.16	6,374.99	47,500.00	13.42
Building Upgrades	96.00	935.53	23,000.00	4.07
Public Service Grant Projects	0.00	6,168.00	6,200.00	99.48
Outreach Projects	2,635.71	7,648.16	51,000.00	15.00
HVAC Upgrades	0.00	0.00	30,000.00	0.00
New Delivery Vehicle	0.00	0.00	60,000.00	0.00
Chiller Roof Replacement	0.00	0.00	150,000.00	0.00
IT Renovation Project	0.00	0.00	100,000.00	0.00
Mason Renovation Project	0.00	0.00	75,000.00	0.00
Total Capital Outlay	7,407.87	21,126.68	542,700.00	3.89

Total Operating Expenditures	1,088,440.19	3,642,650.51	13,285,055.00	27.42
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Unapplied Fund Balance-Budget Net Income(Loss)	(841,363.26)	6,577,845.24	0.00	
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# Integrated Library System (ILS) Server Proposal

## May 19, 2021

**Recommendation:** Negotiate a 3-5-year contract for cloud hosting services from Innovative Interfaces, Inc. for our Sierra integrated library system (ILS) not to exceed \$22,500 for year one hosting fees, 3.5% annual increases, and a \$9,000 one-time migration service fee. The cloud hosting solution bundles hardware, operating system, data backup and secure network infrastructure that is scalable, reliable, secure, monitored, supported, and maintained specifically for the Sierra ILS software. It is a sole source purchase. In addition, to fund the expected current year cost of this proposal, complete a budget adjustment to record \$16,500 in revenue from the Automation Fund and the offsetting expense to the Computer System Services budget line item.

**Background:** Almost exactly 5 years ago, the Board considered and approved a recommendation to purchase new server hardware, migration services, and “turnkey” hardware and operating system support for our Sierra ILS. This has been a periodic expense throughout the life of our system. Hardware for this always-on, critical system wears out and needs to be refreshed. At the time, we also evaluated whether to instead migrate to servers hosted in the cloud (i.e. in a secure data center accessed over the Internet) and maintained by Innovative, but decided that the service was not a good match for us at that time.

It is again time to replace our server hardware. Two recent events bring this to the front burner. First, the failure of one of our servers in March resulted in a 5-day outage. While Innovative did fulfill their turnkey support agreement and provided replacement hardware adequate to restore service, it does not change the need to refresh the system with new hardware. This experience also underlined for us the length of time required to recover from a failure of physical servers. Second, Innovative has announced that they are discontinuing the turnkey support option for on-premise servers. Innovative is requiring current turnkey support customers to either use their hosting service or get support for “software-only”, meaning the customer is fully responsible for maintaining the hardware and operating system environment, while Innovative supports only the Sierra software itself.

The two options are:

Option one: Procure hardware, hardware warranties, operating system software (Red Hat Enterprise Linux), and Red Hat administration expertise to replace our on-premise servers and assume full responsibility for maintaining the hardware and operating system environment. We would pay Innovative Interfaces a one-time fee for data migration services to the new hardware, an annual fee for software maintenance and support for the Sierra software, as well as continue our current annual subscription to cloud backup services.

Option two: Do not replace our local, on-premise servers, but instead migrate to a hosted version of Sierra. We would pay Innovative Interfaces a one-time fee for data migration services to the hosting service, an annual fee for hosting services, and an annual fee for software maintenance and support for the Sierra software. We would discontinue our annual subscription to cloud backup services because that function is included in the hosting service.

**Discussion:** The total annualized cost over 3 years of each option are comparable. Because of significant up-front investment in hardware, Option 1 has a higher year 1 cost with smaller ongoing costs in year 2 and 3, while Option 2 has consistent annual fees.

The notable advantages of moving to a hosted implementation are

- A better disaster recovery posture. This critical system would no longer reside in our data center, but rather in the highly redundant, physically secure Amazon cloud. In the event of physical failure in the cloud infrastructure, the time to restore our system elsewhere in the Amazon cloud infrastructure would be measured in hours instead of days.
- Avoiding the need to assume direct responsibility for the hardware and operating system. This would be a new burden on our department as we have no expertise in administering Red Hat Enterprise Linux. It would be a risk for the organization as we come up to speed or an expense as we hire outside expertise.

We have investigated potential disadvantages of the hosted solution and concluded the following:

- While a cloud hosted server means a higher dependence on Internet connectivity for access to our primary business system, we do enjoy very reliable Internet and plenty of bandwidth. Since we last evaluated this in 2016, we have quintupled our Internet bandwidth.
- Innovative has sufficient options for securing data transmissions between our network and the cloud hosted servers to protect data privacy and system access. Innovative has made significant improvements in this area since we last evaluated the service.
- We already depend on Innovative support personnel and processes for critical support. This will deepen that dependence, but we are confident in our ability to effectively manage our support relationship.
- Migrating our Sierra system to the cloud will be a large, complicated project because so many other services and systems integrate with it, but other customers have paved the way and we will benefit from their experience. The short-term pain will be worth the effort.

**CAPITAL AREA DISTRICT LIBRARY**  
**FIN 101 FINANCIAL POLICIES**  
OCTOBER 18, 2018

**Budget**

The Executive Director prepares the budget for presentation to the Library Board.

The proposed budget includes income, expenses, and surplus or deficit from the last completed fiscal year, the present fiscal year, and the future fiscal year.

The budget is adopted by the Library Board before the start of the fiscal year.

The budget is adopted by category totals for all categories.

**Cash**

Cash income is controlled by a cash register.

Receipts are issued to the payer for all cash collections other than mail receipts.

Proper security of cash receipts is maintained from time of receipt until funds are deposited.

Cash receipts are deposited at least once a month or whenever cash on hand exceeds \$250.

Cashing of checks out of currency receipts is prohibited.

**Petty Cash**

There will be a petty cash fund at each library and at Administration. Administration will have a petty cash checking account. Petty cash will be limited to \$500 at Administration, \$200 at the Downtown Lansing, Okemos, South Lansing, Haslett, Holt, and Mason Branches, and \$100 at all other branches.

The Library Head is responsible for handling petty cash funds at the branch and the Finance Director handles petty cash funds for Headquarters.

Petty cash funds are kept separate from other cash income or expenditure accounts.

Petty cash payments are limited to \$75 per transaction.

Petty cash is reconciled before each petty cash replenishment by the Library Head/ Finance Director.

Receipts or vouchers are required for all petty cash payments.

Cashing of checks out of petty cash is prohibited.

## **Bank Accounts and Investments**

Funds will be deposited in banks insured by the FDIC or NCUA. A local checking account will be established for each branch to use to deposit income. A main checking account will be set up for the library's general fund.

Funds in excess of those needed for normal operations are invested in interest bearing accounts or securities.

Surplus funds are invested according to PA 217, 1982 as last amended.

Surplus funds may be invested by the Finance Director in Certificates of Deposit at banking institutions that have a principal office or branch office in Michigan and that have a four star or higher rating from both Bauer Financial and Bankrate.com. The Finance Director is authorized to open financial accounts at those institutions. These accounts and investments must be approved by the Executive Director or Senior Associate Director.

All other investments are authorized by the Finance Director or Executive Director and Board Chairperson or Board Treasurer.

Securities are protected by leaving them on deposit with the bank.

Records are maintained detailing date of acquisition, purchase cost, physical location of item, interest/dividend/income rates, and accrual/receipt dates.

## **Revenue and Receivables**

All revenues, including rental fees, are deposited intact.

Deposits are made at least once each month.

Cash income is not used for petty cash expenditures.

Clear and separate accounting records are kept for the receipt of tax funds, special purpose funds, and other monies.

Payments for library goods or services returned from our bank for any reason will be assessed a \$25 fee.

Restitution for returned checks must be made with cash, cashiers check, or money order.

## **Expenditures**

Vendor's original invoices are required for all disbursements.

All disbursements are made by check, petty cash, or approved EFT or ACH transaction.

Checks from the Library's main account must be stamped by the Executive Director or Senior Associate Director. This stamp should contain the signatures of the treasurer and Executive

Director or the treasurer and Senior Associate Director and be locked in a secure area when not in use.

Checks transferring funds from local library deposit accounts to the Library's main account must be signed by the Executive Director or Senior Associate Director.

The transfer of funds via ACH from one library account to another library account must be approved by the Executive Director or Senior Associate Director.

All disbursements from the main checking account and petty cash are reviewed by the Board after payment has been made.

All bank accounts are reconciled promptly at the end of each month by the Finance Director.

Total expenditures may not exceed total appropriations.

### **Electronic Payment of Invoices**

Electronic payment of invoices may be authorized by the Finance Director and approved by the Executive Director for certain expenditures.

These may include payments to vendors with aggressive payment terms to avoid penalties, or to avoid processing charges for vendors who require this type of payment.

These charges will be recorded as an expense at the time they are incurred and reconciled to the bank statement each month by the accounting assistant.

The bank statement reconciliation will be reviewed and approved each month by the Finance Director.

### **Payroll**

Electronic time cards must be submitted by all employees. Supervisors and/or management review all time cards thoroughly and approve them before they are processed.

Payroll checks contain details of gross pay and deductions.

Paychecks are direct deposited. Employees may view their check stub online.

### **Property, Equipment, and Capital Expenditures**

Detailed records are maintained for fixed assets.

Wherever practical, equipment is tagged with metal tags or otherwise labeled with identification.

Equipment is inventoried and detail records are adjusted annually.

### **Tax Abatement Proposals (Brownfield, DDA, TIFA, etc.)**

The Finance Director will review all tax abatement proposals.

Any proposals that have a projected tax loss greater than \$250,000 over the life of the contract or that are significant for other reasons will be presented to the Library Board.

Capital Area District Library will exempt itself from tax capture for all newly created Downtown Development Authorities, Historic Neighborhood Tax Increment Finance Authorities, Local Development Authorities, and Tax Increment Finance Authorities. A resolution for each proposal will be adopted and filed with the clerk of each municipality proposing to create the authority.

All other proposals will be filed.

### **Taxing Authorities and Millage Capture**

With the passage of legislation in the form of Public Acts 505 – 510 of 2016, Capital Area District Library millages levied after December 31, 2016 are automatically exempt from capture from Downtown Development Authorities, Local Development Financing Authorities, Water Resource Improvement Tax Authorities, Tax Increment Finance Authorities, Corridor Improvement Authorities and Historical Neighborhood Tax Increment Finance Authorities unless there is an agreement between the library board and taxing authority detailing the terms of the capture. If funds from CADL's millage are captured without an agreement in place, the following process will be followed:

1. Municipality treasurer will receive an email and certified letter from the Finance Director and Executive Director explaining that the funds were captured in violation of the law and need to be refunded.
2. If the funds are not refunded within 30 days, the matter will be forwarded to Legal Counsel to take the appropriate steps to recover the funds that have been illegally captured.

### **Accounting**

Funds are accounted for using a modified accrual basis.

The state standard chart of accounts is used to record income and expenditures.

Financial reports are prepared monthly and reviewed at board meetings.

### **Audit**

Funds are audited annually by a CPA according to generally accepted accounting principles.

### **Insurance**

Minimum levels of coverage are established for all exposures.

**Government Contracts:**

To obtain the benefits of volume purchasing or reduced administrative expenses when purchasing similar goods and services, the Library may utilize existing governmental contracts. Examples of these could be from the State of Michigan, City of Lansing, County of Ingham, the Regional Education Media Center (REMC), and MICTA. If an existing, beneficially priced agreement is active, the Library may forego its normal quoting or bidding process and negotiate for goods and services using the terms of another governmental unit's contract. Any purchase through this process must be documented on the purchase order, with reference to the governmental unit and contract number.

**Minority/Women Owned Businesses:**

To improve vendor diversification, the Library will advertise our intent to solicit RFQ's and RFP's via our website in minority and female focused newspapers on a quarterly basis for all goods / services over the \$5,000 threshold. These advertisements will explain the process the Library uses to accept quotes, and will not be for specific goods or services.

**Non-discrimination:**

The Library will require all vendors shall, as a condition of providing goods and services, as required by law and/or the Library's Equal Opportunity Employment/Non -Discrimination Policy, not discriminate against persons to be served or an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, sexual orientation, disability that is unrelated to the individuals ability to perform the duties of a particular job or position, height, weight, marital status, or political affiliation.

**Local Vendor Preference:**

Whenever the cost and quality of materials and equipment are comparable to those available outside the local area, preference shall be given to local suppliers, especially those within the Library district.

**Contract Terms and Renewals:**

The library will have legal counsel evaluate all new service contracts with an initial purchase commitment of greater than \$10,000 annually. The library shall have the option of renewing expired contracts provided a fair price can be negotiated and the Library has determined the renewal to be in its best interest. Renewal terms shall not require Board approval, with the exception of audit and legal services. These services are commissioned by the Library Board and will need to be renewed by a majority vote upon contract expiration.

## **FIN 104 Credit Card Policy**

### **Aug 19, 2020**

#### **1. Purpose**

- 1.1 It is the policy of the Capital Area District Library to use credit cards to facilitate the convenient and timely purchase of goods or services. This policy provides the framework for the internal control and accountability for the use of these cards.

#### **2. Issuance**

- 2.1 At the discretion of the Executive Director, Visa credit cards may be issued to the following individuals with the following limits:
  - a) Executive Director - \$10,000
  - b) Finance Director - \$7,500
  - c) Marketing Director - \$5,000
  - d) IT Director - \$2,500
  - e) Operations Director - \$2,500
  - f) Administrative Assistant - \$2,500
  - g) Office Assistant - \$1,000
  - h) Acquisitions Lead Person - \$1,000
- 2.2 Other charge cards for miscellaneous small items such as tools, supplies, gasoline, etc. may be issued by the Finance Director based on need. Each of these cards shall have a credit limit of \$1,000.

#### **3. Authority**

- 3.1 The Finance Director is responsible for issuing, accounting, monitoring, and retrieving Library credit cards.
- 3.2 The Finance Director will keep an up to date record of all credit cards issued and be responsible for the collection and cancellation of credit cards due to employee termination.
- 3.3 Library credit cards may be cancelled at any time at the sole discretion of the Executive Director.

#### **4. Ethics and Conflict of Interest**

- 4.1 Employees involved in the purchasing process shall not use credit cards for any personal expenditure. Credit cards may only be used for legitimate business expenses of the Library.
- 4.2 Any benefits derived from the use of credit cards are the sole property of the Capital Area District Library.
- 4.3 Employees who use Library credit cards for unauthorized purchases must reimburse the Library. They shall be subject to disciplinary actions up to and including dismissal.

## **5. Procedures**

- 5.1 Individuals using Library credit cards will be required to follow the same procedures that are used for non-credit card purchases of goods and services.
- 5.2 Approved Purchase orders are required for all purchases. The Board Treasurer will approve the Executive Director's credit card purchases.
- 5.3 Verification in the form of receipts must be attached to the credit card bill prior to payment.
- 5.4 Approval of credit card invoices for payment shall be made by the Executive Director or Finance Director.
- 5.5 All credit card balances due will be paid within 60 days of the statement date.

## **6. Safekeeping and Custody**

- 6.1 Holders of Library credit cards are responsible for their protection and custody and shall inform the Finance Director immediately if the card is lost or stolen.
- 6.2 Credit cards shall not be loaned or transferred to another employee. Violations shall result in disciplinary action.
- 6.3 Individuals shall return any Library credit card upon termination of his/her employment with the library.

## **FIN 105 Purchasing Policy**

### **March 18, 2020**

#### **Introduction:**

This policy sets forth the requirements that govern the purchase of goods and services for the Capital Area District Library. Hereafter referred as (the Library).

The intent of this policy is to maximize the use of the Library's funds by using prudent and professional procurement practices to ensure the Library is receiving the best value available.

#### **Nature of Policy:**

This policy provides the framework for the purchase of all goods and services by Library personnel. Purchases of all goods and services, unless noted by exemption, are subject to the requirements and restrictions in this policy. No purchase of goods or services on the Library's behalf may be made in any manner, which violates this policy.

This policy does not apply to the following:

- 1) Goods or services accepted by grant, gift, or bequest
- 2) Postage
- 3) Petty Cash Purchases
- 4) Water, sewer, steam, gas, electrical utility, & telephone services
- 5) Travel and expense reimbursement
- 6) Library materials
- 7) Periodical subscriptions
- 8) State sales & use tax expenses
- 9) Employee benefits such as health, dental & prescription expenses
- 10) MERS & ICMA employer contributions
- 11) Gasoline for company vehicles
- 12) Board member per diem
- 13) Millage income refund to Ingham County

#### **Purchase Requisitions:**

Purchase requisitions and the master supply order form are the source documents to initiate a purchase. These forms are available either in paper format or electronically via the intranet. They should be completed fully, approved by the requestor's supervisor and submitted to the purchasing clerk for purchase order generation.

#### **Purchase Orders:**

Purchase orders shall be generated by a person designated by the Finance Director. They must be approved before the purchase is made. Purchase orders will be required on all purchases greater than \$50. Blanket purchase orders for recurring services such as maintenance agreements, items purchased in bulk, and service agreements will be used. Other goods and service purchases can be made by the requisitioner, after receiving an approved purchase order.

**Authority to Purchase:**

The following table establishes the levels of purchasing authority for the organization and the minimum number of bids or quotes required at each level.

\$ Amount	Bids or Quotes	Approval Level
Less than \$1,000	One	Finance Director, Marketing Director, IT Director, Operations Director
\$1,000 - \$4,999	Two	Finance Director, Marketing Director, IT Director, Operations Director
\$5,000 - \$10,000	Three	Executive Director, Finance Director, or Designee
\$10,000 +	Three	Executive Director or Board of Trustees

For purchases above the \$5,000 threshold, a Request for Quotation (RFQ) will be generated and posted to a specific page of the CADL website. The RFQ will contain a standardized format for goods and service proposals, contact information, and deadline for submittal.

For purchases above the \$10,000 threshold, a Request for Proposal (RFP) will be generated and a sealed bid process will be used when appropriate. RFP's will be available on the organization's website and will be advertised in local newspapers.

The above limits shall be applied to service contracts, blanket purchases, and any other similar arrangement, which obligates or commits the Library's funds to purchases at these levels. Splitting orders to circumvent these limits is prohibited.

**Emergency Purchases:**

If there is evidence of imminent danger to persons or property, emergency purchases may be authorized by the Executive Director or his/her designee in excess of the \$10,000 limit outlined above. Prior to authorizing these emergency purchases, the Executive Director must consult with the Chairperson of the Board of Trustees or his/her designee. The Executive Director shall document the reason for any emergency purchase and inform the Library Board of Trustees at the next regularly scheduled meeting.

**Sole Source Purchases:**

The number of bids or quotes requirement can be foregone if the purchase can only be made from a single source. Justification for each sole source purchase shall be documented in writing and approved by the Finance Director prior to any purchase. Sole-source purchases may include:

- Product or service is available from only one vendor
- Purchase must match an existing product or service
- There is a compelling and valid interest in selecting a particular vendor
- The proposed vendor is uniquely qualified to provide the product or service

**Government Contracts:**

To obtain the benefits of volume purchasing or reduced administrative expenses when purchasing similar goods and services, the Library may utilize existing governmental contracts. Examples of these could be from the State of Michigan, City of Lansing, County of Ingham, the Regional Education Media Center (REMC), and MICTA. If an existing, beneficially priced agreement is active, the Library may forego its normal quoting or bidding process and negotiate for goods and services using the terms of another governmental unit's contract. Any purchase through this process must be documented on the purchase order, with reference to the governmental unit and contract number.

**Minority/Women Owned Businesses:**

To improve vendor diversification, the Library will advertise our intent to solicit RFQ's and RFP's via our website in minority and female focused newspapers on a quarterly basis for all goods / services over the \$5,000 threshold. These advertisements will explain the process the Library uses to accept quotes, and will not be for specific goods or services.

**Non-discrimination:**

The Library will require all vendors shall, as a condition of providing goods and services, as required by law and/or the Library's Equal Opportunity Employment/Non -Discrimination Policy, not discriminate against persons to be served or an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, sexual orientation, disability that is unrelated to the individuals ability to perform the duties of a particular job or position, height, weight, marital status, or political affiliation.

**Local Vendor Preference:**

Whenever the cost and quality of materials and equipment are comparable to those available outside the local area, preference shall be given to local suppliers, especially those within the Library district.

**Contract Terms and Renewals:**

The library will have legal counsel evaluate all new service contracts with an initial purchase commitment of greater than \$10,000 annually. The library shall have the option of renewing expired contracts provided a fair price can be negotiated and the Library has determined the renewal to be in its best interest. Renewal terms shall not require Board approval, with the exception of audit and legal services. These services are commissioned by the Library Board and will need to be renewed by a majority vote upon contract expiration.

# CAPITAL AREA DISTRICT LIBRARIES FIN 107 LIBRARY LOST AND FOUND

March 21, 2012

1. **Purpose** – This policy establishes procedures in the event items are either found or lost at any Capital Area District Library location. These include procedures to handle and return found items in the library, the disposition of unclaimed items, and a mechanism to track items reported lost.

It is intended to be consistent with Michigan Compiled Law (MCL) 434.21 – 29, which comprise the State of Michigan’s lost property statutes. In the event that any issue regarding lost property is not covered by this policy, the above cited statute shall control.

2. **Lost Items** – All items of major value (see below for thresholds) reported lost by patrons shall be recorded in a log kept in an area designated by the Head Librarian. A person may list a lost item along with contact information which includes their name, email, or phone number. Staff will contact the person if the item is turned into the library
3. **Found Items** – All found items shall be turned into the staff person working in an area designated by the Head Librarian. Misappropriation of any found item may be treated as theft or fraud and handled in accordance with library policy. Items will be categorized into one of the following categories:
  - a. Currency
  - b. Property of Major Value (Estimated Value at greater than \$100)
  - c. Property of Minor Value (Estimated value at less than \$100) This includes items such as birth certificates, drivers licenses, passports, credit cards, and other forms of ID.
  - d. Junk (No estimated value)
  - e. Contraband
4. Staff will record items of major and minor value such as wallets, purses, currency, jewelry, keys, backpacks, and electronic devices, including cell phones on the log sheet titled “Found Items of Value” at the time they are turned in. Library staff will be responsible for completing the logbook accurately, including a detailed description of the property. Completed logbooks will be kept at every library location.
5. A staff member will attempt to contact the owner if there is sufficient identification for the found item. Verification will also be made on the “Lost Items” list to identify if the item had been reported lost at an earlier date.
6. Items of major value and currency will be kept in a secure, locked location after being turned over to library staff. The Head Librarian will be responsible for determining the location for

which these items will be stored. Items of minor value will be kept on library premises in a designated area determined by the Head Librarian. Junk items may be held for a period of time determined by the head librarian and then disposed in any manner by the library.

7. **Disposition of Property** – Categories of items will be disposed according to the following:
  - a. Currency – A **detailed** description of the amount and denominations of bills must be presented to library staff before ownership is determined. Upon sufficient evidence of ownership, library staff may release currency to the person who lost it.
  - b. Property of Major Value – A **detailed** description of the found item must be presented to library staff before a determination of ownership is made. Once established, property of major value can be returned to its owner by library staff.
  - c. Property of Minor Value – All property of minor value shall be returned to the legal owner when library staff are reasonably satisfied of that ownership.
  - d. Contraband – Shall be turned over to local authorities immediately.
  
8. **Disposition of unclaimed property** – Property that is not claimed will be disposed in the following manner :
  - a. Currency and Property of Major value will be held for 6 months. In the event the finder of the property can be identified and located, the item will be turned over to the finder at their request.
  - b. If the finder of the property is a staff member who found the item during normal work hours, the property will not be turned over to the staff member. It becomes the property of the library.
  - c. If the finder of the property cannot be identified and found, the property will be used in one of the following ways:
    - i. Retained for use by the library system
    - ii. Sold at public auction and the proceeds deposited into the general fund of the library
    - iii. Release the property to a charitable organization.
  - d. Property of minor value will be held for three months. In the event it is not claimed and the finder cannot be located, property of minor value can be disposed in any manner the library sees fit.

# CAPITAL AREA DISTRICT LIBRARY FIN 108 FUND BALANCE POLICY MAY 20, 2015

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**Purpose.** The following policy has been adopted by the Capital Area District Library Board of Trustees in order to address the implications of Governmental Accounting Standards Board (“GASB”) Statement No. 54, *Fund Balance Reporting and Governmental Fund Definitions*. The policy is created in consideration of unanticipated events that could adversely affect the financial condition of the Library and jeopardize the continuation of necessary public services. This policy will ensure that the Library maintains adequate fund balances and reserves in order to:

- a. Provide sufficient cash flow for daily financial needs,
- b. Secure and maintain investment grade bond ratings,
- c. Offset significant economic downturns or revenue shortfalls, and
- d. Provide funds for unforeseen expenditures related to emergencies.

This policy and the procedures promulgated under it supersede all previous regulations regarding the Library’s fund balance and reserve policies.

**Fund type definitions.** The following definitions will be used in reporting activity in governmental funds across the Capital Area District Library. The Library may or may not report all fund types in any given reporting period, based on actual circumstances and activity.

The general fund is used to account for all financial resources not accounted for and reported in another fund.

Special revenue funds are used to account and report the proceeds of *specific revenue sources* that are *restricted* or *committed* to expenditure for *specific purposes* other than debt service or capital projects. Donated funds are an example of special revenue funds.

Capital projects funds are used to account for all financial resources restricted, committed or assigned to expenditure for the acquisition or construction of capital assets.

Permanent funds are used to account for resources restricted to the extent that only earnings, and not principal, may be used for purposes that support the government’s purposes.

**Fund balance reporting in governmental funds.** Fund balance will be reporting in governmental funds under the following categories using the definitions provided by GASB Statement No. 54:

I. Nonspendable fund balance

*Definition* – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained in-tact.

*Classification* – Nonspendable amounts will be determined before all other classifications and consist of the following items (as applicable in any given fiscal year):

- The Library will maintain a fund balance equal to the balance of any long-term outstanding balances due from others (including other funds of the government)
  - The Library will maintain a fund balance equal to the value of inventory balances and prepaid items
  - The Library will maintain a fund balance equal to the corpus (principal) of any permanent funds that are legally or contractually required to be maintained in-tact
  - The Library will maintain a fund balance equal to the balance of any land or other nonfinancial assets held for sale
2. Restricted fund balance  
*Definition* – includes amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
3. Committed fund balance  
*Definition* – includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority.
- Authority to Commit* – Commitments will only be used for specific purposes pursuant to a formal action of the CADL Board of Trustees. A majority vote is required to approve or remove a commitment.
4. Assigned fund balance  
*Definition* – includes amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.
- Authority to Assign* – The CADL Board of Trustees delegates to the Executive Director or his/her/their designee the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.
5. Unassigned fund balance  
*Definition* – includes the residual classification for the government’s general fund and includes all spendable amounts not contained in the other classifications.

**Operational guidelines.** The following guidelines address the classification and use of fund balance in governmental funds:

Classifying fund balance amounts – Fund balance classifications depict the types of net resources that are reported in a governmental fund. An individual governmental fund may include nonspendable resources and amounts that are restricted, committed, or assigned, or any combination of those classifications. The general fund may also include an unassigned amount.

Prioritization of fund balance use – When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be

the policy of the Capital Area District Library to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the Capital Area District Library that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

Minimum unassigned fund balance – The Library will maintain a minimum unassigned fund balance of 25 percent of subsequent years operational expenses. This minimum fund balance is to protect against cash flow shortfalls related to timing of projected revenue receipts and to maintain a budget stabilization commitment.

*Replenishing deficiencies* – If the fund balance falls below the minimum 25 percent level, Library Management will replenish shortages/deficiencies using the budget strategies described below.

The following budgetary strategies shall be utilized by the Library to replenish funding deficiencies:

- The Library will reduce recurring expenditures to eliminate any structural deficit or,
- The Library will increase taxes in accordance with law, fees for services or pursue other funding sources, or,
- Some combination of the two options above

**Implementation and review.** Upon adoption of this policy the CADL Board of Trustees authorizes the Finance Director to establish any standards and procedures which may be necessary for its implementation. The Finance Director shall review this policy at least annually and make any recommendations for changes to the Finance Committee.

**FIN 202: CONFLICT OF INTEREST**  
**October 22, 2014**

A Library Board member or staff member may not derive any personal profit or gain, directly or indirectly, by reason of his or her association with Capital Area District Libraries. Each individual shall disclose to the Library Board any personal interest which he or she may have in any matter pending before the Board and shall refrain from participation in any decision on such matter.

A Library Board member or staff member may not participate, directly or indirectly, in any arrangement, agreement, investment, or other activity (excluding passive investments through publicly traded stocks) with any vendor, supplier, or other party doing business with Capital Area District Libraries which has resulted or could result in his or her personal benefit.

A Library Board member or staff member may not receive, directly or indirectly, any salary payments or loans or gifts valued at more than \$25 or any free service or discounts or other fees from or on behalf of any person or organization engaged in any transaction with Capital Area District Libraries.

**FIN 211 FIXED ASSET DISPOSAL POLICY  
MAY 20, 2015**

1. Purpose: This policy outlines the means to dispose of assets no longer of use to Capital Area District Libraries.
2. Reasons for Disposal include obsolescence, damage, safety concerns, item is too costly to repair, or the item is of no use to the organization.
3. Options for disposal:
  - a. Any single asset having an estimated residual value of \$5,000 or less shall be sold / disposed / salvaged at the discretion of the Finance Director with approval of the Executive Director. Every effort will be made to obtain the maximum value for any asset disposed. Approved disposal methods are:
    - a. Advertising salable items through established and reputable internet sites such as Ebay and Craigslist.
    - b. Selling items via library listserves such as michlib-l.
    - c. Offering items to be sold through the State of Michigan Federal Surplus Property Program. Items can be sold via online or live auctions and through the MI surplus store
    - d. Selling items through reputable private online auction businesses.
    - e. Items may be sold at a local sale held by Capital Area District Libraries.
    - f. Vehicles or equipment may be traded in as part of the purchase offer on a replacement.
    - g. Items may be transferred for use from one location to another
    - h. Items can be salvaged for metal, junked, destroyed, or used for parts.
    - i. Items may be recycled with reputable recyclers.
4. Single assets having an estimated residual value greater than \$5,000 shall be sold using a sealed bid process. Items can be advertised through local media outlets, reputable internet sites, or the CADL website. The bid offers will be brought to the Finance Committee for their recommendation and then brought to the full board for their approval.
5. Donations – Items with no book value may be donated to other worthwhile community organizations as determined by the Capital Area District Libraries' Board of Trustees. All donations of any value must be approved by this governing body prior to disposal.

## **FIN 212 ASSET CAPITALIZATION POLICY**

### **June 16, 2004**

#### **Purpose**

To establish a financial accounting capitalization policy for land, land improvements, building improvements, equipment, and library materials.

#### **General Policy**

All owned assets having an acquisition cost of \$2,500 or more and a useful life of greater than 2 years will be recorded as an asset and depreciated in the library's accounting records.

#### **Types of Assets Covered**

- a. Land – Cost to be capitalized includes all costs associated with the acquisition and preparation of the land for its intended purpose. These costs may include purchase price, real estate commissions, legal costs, title costs, surveying, clearing, and filling land.
- b. Land Improvements – Cost to be capitalized include the cost of landscaping, utility systems, parking lot paving, and lighting.
- c. Building Improvements and Replacements – Costs for these will be capitalized if they meet one of the following characteristics:
  1. The useful life of the asset is extended.
  2. The quantity of services provided by the asset is increased.
  3. The quality of the services provided by the asset is enhanced.

An improvement is the substitution of an asset currently in use with a better asset.

A replacement is the substitution of an existing asset with a similar asset.

- d. Building Repairs and Maintenance – Costs should be capitalized if they meet the established capitalization criteria.
- e. Purchased Equipment – The cost of purchased equipment should be capitalized if all the following criteria are met:
  1. The item cost is at least \$2,500.
  2. The useful life of the item is at least 2 years.
  3. The item is able to function by itself.
- f. Leases – Each lease should be reviewed to determine whether it should be expensed or capitalized.

- g. Donated Assets – Any asset donated with a 2 year life and value greater than \$2,500 will be capitalized at fair market or appraised value at the time of the gift.

### **Sales or disposal of capitalized assets**

The book value (purchase cost less depreciation) will be removed from the financial records when disposed or sold.

### **Useful Lives**

The library will use the following useful life classifications as a guideline:

1. 3 years – Computers, replacement hard drives,
2. 5 years – Office copiers, notebook computers, peripherals, fax machines, servers, delivery vehicles, software, motors & pumps, carpeting
3. 7 years – Library books, books on tape, music & circulating CD's, video cassettes, microform, office & library furniture, book shelving,
4. 10 years – Bookmobiles, HVAC systems, phone systems, access control systems, mail machines, theft protection systems, fire alarm systems, book returns, pipes

### **Bulk Purchases**

Purchases of bulk items such as computers, peripherals, furniture, and library materials will be capitalized if the aggregate purchase price of all items meets capitalization criteria.

### **Works of Art and Historical Treasures**

Works of Art and Historical Treasures should be capitalized unless they meet all of the following conditions:

- Items are held for public exhibition, education, or research in furtherance of public service, rather than financial gain.
- Items are protected, kept unencumbered, cared for, and preserved.
- Items are subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collection.