

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

5:30 PM, WEDNESDAY, MAY 21, 2025
BOARD ROOM
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 16, 2025](#) (enc)
6. Unfinished Business
7. General
 - a. [June, July, and August Meeting Date Recommendation](#) (enc)
8. Finance
 - a. [April 2025 Financial Report](#) (enc)
 - b. [Annual Investment Report](#) (enc)
 - c. [First Quarter Budget Amendment](#) (enc)
 - d. [Fund Balance Allocation Recommendation](#) (enc)
 - e. [FIN 101 Financial Policies](#) (enc)
9. Policies – No changes, for review only (enc)
 - a. [FIN 102 Investments](#)
 - b. [FIN 104 Purchasing Card Policy](#)
 - c. [FIN 105 Purchasing Policy](#)
 - d. [FIN 107 Library Lost and Found Policy](#)
 - e. [FIN 108 Fund Balance Policy](#)
 - f. [FIN 109 Grant Administration Policy](#)
 - g. [FIN 202 Conflict of Interest Policy](#)
 - 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 16, 2025

Members Present: Brian Baer, Debora Bloomquist, Sandy Drake, Ashley Smith, Mark Stewart, Julie Vandenboom

Members Absent:

Staff Present: Janet Elliott, Jolee Hamlin, Sheryl Knox, Julie Laxton, Jenny Marr, Miriam Mattison, Victoria Meadows, Michael Moore

Others Present:

Call to Order

The Chairperson called the meeting to order at 5:30 pm.

Roll Call

Baer – Present

Bloomquist – Late with notice (5:35 pm arrival)

Drake – Present

O'Donnell – Absent with notice

Smith - Present

Stewart – Present

Vandenboom – Present

Public Comments on Agenda Items

There were no public comments on agenda items.

Agenda

There were no changes to the agenda.

Memorandum for March 19, 2025

The Memorandum for March 19, 2025, was received.

Unfinished Business

There was no unfinished business.

General

a. HUM 231 Page Employee Manual

Language was added to the policy to account for earned sick time benefits for page employees.

b. HUM 241 Substitute Employees

Language was added to the policy to update for a standard rate of pay for substitute library assistants and substitute library clerks. Previously this was approved by the Board in a separate recommendation, and this update incorporates the information into the policy. Language was also added to clarify earned sick time benefits for substitute employees.

c. Evaluation Committee Update

Board members were reminded that Executive Director evaluations are due April 16. The Evaluation Committee will meet to discuss and be ready to present at the Board meeting on April 23.

Finance

a. March 2025 Financial Report

Finance Director Miriam Mattison presented the March 2025 financial report to the Board.

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 111 Use of Photographic Images
- h. SER 205 Social Media Policy

Rise and Report

The meeting was adjourned at 5:39 p.m.

June, July, and August Board Meeting Dates

May 21, 2025

Recommendation:

During the summer months of June, July, and August, the Board has previously approved combining the Committee of the Whole and Board meetings into one meeting per month. For 2025, it is recommended to keep both June dates and chose one date for July and August.

June 18 and 25, 2025

July 16 or 23, 2025

August 20 or 27, 2025

05/15/2025

BALANCE SHEET REPORT FOR CAPITAL AREA DISTRICT LIBRARIES

Balance As Of 04/30/2025

	YTD Balance	YTD Balance
GL Number	04/30/2024	04/30/2025
Fund: 101 GENERAL FUND		
*** Assets ***		
Account Type: Cash		
CASH	16,684,658.56	18,787,362.87
IMPREST CASH	2,312.00	2,312.00
INVESTMENTS	4,412,954.81	4,605,398.83
Cash	21,099,925.37	23,395,073.70
Account Type: Other Assets		
ACCOUNTS RECEIVABLE	0.00	3,912.95
INTEREST RECEIVABLE	123,191.25	134,659.10
PREPAID EXPENSE	39,886.58	58,967.83
TAXES RECEIVABLE	880,166.23	753,844.93
Other Assets	1,043,244.06	951,384.81
Total Assets	22,143,169.43	24,346,458.51
*** Liabilities ***		
Account Type: Accounts Payable		
ACCOUNTS PAYABLE	431,655.41	347,812.85
ACCRUED SALARIES PAYABLE STD PAYABLE - EMPLOYEE	53,909.30	1,898.89
Accounts Payable	485,564.71	349,711.74
Account Type: Liabilities-ST		
DEFERRED REVENUE	880,166.23	753,844.93
Liabilities-ST	880,166.23	753,844.93
Total Liabilities	1,365,730.94	1,103,556.67
*** Fund Equity ***		
Account Type: Unassigned		
FUND BALANCE AUTOMATION	1,000,000.00	1,000,000.00
FUND BALANCE CAPITAL PROJECTS	2,299,999.66	2,249,999.66
FUND BALANCE CONTINGENCY	5,342,849.10	5,342,849.10
FUND BALANCE DONATIONS RE FUND BALANCE DONATION RESTRICTED	555,255.95	528,491.29
FUND BALANCE DONATIONS UN FUND BALANCE DONATION UNRESTRICTED	512,955.93	460,478.21
FUND BALANCE OPERATIONS	715,550.00	715,550.00
FUND BALANCE PENSION RESERVE	1,560,000.00	1,560,000.00
FUND BALANCE UNDESIGNATED	814,140.31	2,160,784.56
Unassigned	12,800,750.95	14,018,152.82

Total Fund Equity	12,800,750.95	14,018,152.82
Total Fund 101 GENERAL FUND:		
TOTAL ASSETS	22,143,169.43	24,346,458.51
BEG. FUND BALANCE	12,800,750.95	14,018,152.82
+ NET OF REVENUES & EXPENDITURES	0.00	0.00
= ENDING FUND BALANCE	12,800,750.95	14,018,152.82
+ LIABILITIES	1,365,730.94	1,103,556.67
= TOTAL LIABILITIES AND FUND BALANCE	14,166,481.89	15,121,709.49
OUT OF BALANCE	7,976,687.54	9,224,749.02

BOARD FS FOR CAPITAL AREA DISTRICT LIBRARIES

Balance As of 04/30/2025

*NOTE: Pct Budget does not reflect amounts encumbered.

GL Number	Description	Activity For 04/30/2025	YTD Balance 04/30/2025	2025 Amended Budget	% Bdgt Used
Fund: 101 GENERAL FUND					
Account Category: Revenues					
MILLAGE INCOME					
402	Property Tax Revenue	1,643,573.20	13,289,908.67	14,006,000.00	94.89
404	Renaissance Zone Reimbursement			40,000.00	0.00
437	Industrial Facilities Tax		40,246.40	38,000.00	105.91
	MILLAGE INCOME	1,643,573.20	13,330,155.07	14,084,000.00	94.65
PENAL FINES					
658	Penal Fines Ingham County			120,000.00	0.00
659	Penal Fines Eaton County			7,500.00	0.00
	PENAL FINES	0.00	0.00	127,500.00	0.00
STATE AID					
410	PPT Reimbursement		135,150.92	140,000.00	96.54
553	State Aid Direct	65,547.82	65,547.82	125,000.00	52.44
554	State Aid Indirect	65,547.82	65,547.82	125,000.00	52.44
	STATE AID	131,095.64	266,246.56	390,000.00	68.27
LIBRARY FEES					
630	Printing Revenue	4,275.34	17,856.37	42,000.00	42.52
631	Non Resident Fees	2,375.00	8,850.00	26,000.00	34.04
	LIBRARY FEES	6,650.34	26,706.37	68,000.00	39.27
DONATIONS					
674	Donation Income-Friends/Restricted	1,829.88	9,312.63	11,000.00	84.66
677	Donation Income-Unrestricted	1,483.59	23,010.92	4,400.00	522.98
	DONATIONS	3,313.47	32,323.55	15,400.00	209.89
GRANTS					
540	Grants		7,500.00	7,500.00	100.00
543	Grants-MMLC			15,000.00	0.00
550	Grants-LSTA	3,095.00	19,845.00	0.00	100.00
	GRANTS	3,095.00	27,345.00	22,500.00	121.53
OTHER INCOME					
542	MMLC Reimbursement			125,000.00	0.00
628	Universal Service Fund Income			8,000.00	0.00
632	Lost and Paid Books	2,601.46	10,979.13	30,000.00	36.60
665	Interest Income	58,667.87	225,744.41	300,000.00	75.25
673	Sale of Fixed Assets	640.18	1,540.18	5,000.00	30.80
675	Misc Income	758.76	4,320.72	9,000.00	48.01
682	Insurance Claim Income			1,000.00	0.00
	OTHER INCOME	62,668.27	242,584.44	478,000.00	50.75
DUE FROM FUND BALANCES					
966	Due from Pension Reserve			360,000.00	0.00
974	DUE FROM SBITA			102,000.00	0.00
	DUE FROM FUND BALANCES	0.00	0.00	462,000.00	0.00
	Revenues	1,850,395.92	13,925,360.99	15,647,400.00	88.99
Account Category: Expenditures					
SALARIES AND BENEFITS					
702	Salaries	535,128.42	2,079,997.97	7,350,000.00	28.30
714	Unemployment Insurance			1,000.00	0.00
715	FICA EMPLOYER SHARE	40,275.56	156,634.60	562,280.00	27.86
716	HEALTH INSURANCE	95,150.62	239,973.21	850,000.00	28.23
717	Life & Disability Insurance	389.06	1,597.85	6,000.00	26.63
718	Retirement	66,138.70	273,286.81	960,000.00	28.47
719	Prescription Expense	9,877.41	67,150.79	300,000.00	22.38
720	DENTAL INSURANCE	5,593.34	18,895.35	48,000.00	39.37
721	VISION INSURANCE	1,750.29	4,482.45	12,000.00	37.35
722	Workers Comp Insurance		21,927.00	34,000.00	64.49
724	Parking Main Library	4,529.82	22,613.80	54,500.00	41.49
	SALARIES AND BENEFITS	758,833.22	2,886,559.83	10,177,780.00	28.36
MATERIALS					
727	Books	81,500.42	322,623.32	1,061,780.00	30.39
728	Periodicals		32,797.98	34,560.00	94.90
729	DVD	16,756.06	58,510.43	222,700.00	26.27
730	Library of Things	6,339.55	17,561.62	52,500.00	33.45
731	Audiobooks	57,105.22	204,182.40	638,250.00	31.99
732	Music	2,737.02	8,514.12	41,440.00	20.55

BOARD FS FOR CAPITAL AREA DISTRICT LIBRARIES

Balance As of 04/30/2025

*NOTE: Pct Budget does not reflect amounts encumbered.

GL Number	Description	Activity For 04/30/2025	YTD Balance 04/30/2025	2025 Amended Budget	% Bdg't Used
Fund: 101 GENERAL FUND					
Account Category: Expenditures					
MATERIALS					
733	Databases		94,007.40	100,530.00	93.51
734	Subscription Services	(69.55)	74,085.08	105,010.00	70.55
735	Processing Supplies	1,789.16	5,903.18	31,100.00	18.98
736	Processing Fees	5,476.19	19,571.65	68,000.00	28.78
MATERIALS		171,634.07	837,757.18	2,355,870.00	35.56
SUPPLIES					
740	Office Supplies	4,750.27	19,476.10	85,000.00	22.91
741	Postage Expense	2,015.10	2,320.35	5,000.00	46.41
776	Janitorial Supplies	1,566.46	4,831.91	17,700.00	27.30
862	Gas-Delivery Vehicles	1,763.03	6,521.33	23,000.00	28.35
SUPPLIES		10,094.86	33,149.69	130,700.00	25.36
PROFESSIONAL SERVICES					
820	Membership Fees	5,846.50	17,695.04	25,780.00	68.64
822	CONTRACTUAL SERVICES	86.45	1,322.45	35,000.00	3.78
823	Bank Fees & Services	1,822.92	5,523.09	16,000.00	34.52
824	Cooperative Membership Fee	65,547.82	65,547.82	125,000.00	52.44
825	Collection Agency Fees	305.50	1,858.75	6,500.00	28.60
826	Payroll & Print Service	3,878.08	16,812.48	46,000.00	36.55
827	Web Chat Service	895.00	3,580.00	11,000.00	32.55
828	Melcat Delivery Charges		23,668.55	51,000.00	46.41
829	Tutoring Services		2,250.00	3,000.00	75.00
831	Marketing	10,076.44	34,245.30	151,000.00	22.68
832	Programs	4,055.96	21,136.52	112,820.00	18.73
PROFESSIONAL SERVICES		92,514.67	193,640.00	583,100.00	33.21
GOVERNANCE					
805	Legal Services	3,876.50	7,546.00	40,000.00	18.87
806	Per Diem		330.00	10,000.00	3.30
807	Memberships - Board	64.17	77.34	1,250.00	6.19
808	Conferences - Board			10,000.00	0.00
809	Audit		12,000.00	22,000.00	54.55
GOVERNANCE		3,940.67	19,953.34	83,250.00	23.97
STAFF DEVELOPMENT					
810	Staff Training	930.49	5,347.59	39,250.00	13.62
811	Recruiting Expense			500.00	0.00
812	Hospitality		73.91	5,000.00	1.48
813	Employee Recognition			5,000.00	0.00
STAFF DEVELOPMENT		930.49	5,421.50	49,750.00	10.90
MAINTENANCE AND UTILITIES					
801	Custodial Services	15,624.56	68,948.89	237,970.00	28.97
802	SECURITY SERVICES	12,280.14	51,185.33	157,220.00	32.56
850	Telephone	1,717.32	6,869.25	22,260.00	30.86
864	Vehicle Maintenance - Delivery	119.62	1,949.67	10,000.00	19.50
922	Steam and Gas	12,100.54	60,951.70	110,300.00	55.26
923	Electricity	13,810.53	46,186.54	208,600.00	22.14
924	Water and Sewer	1,725.63	6,171.00	27,700.00	22.28
925	Trash	527.03	2,745.18	10,570.00	25.97
930	Building Maintenance	21,946.93	42,910.06	108,700.00	39.48
MAINTENANCE AND UTILITIES		79,852.30	287,917.62	893,320.00	32.23
OTHER EXPENSE					
861	Local Travel	2,717.68	4,999.55	15,000.00	33.33
955	Millage Income Refund	1,553.21	1,886.81	60,000.00	3.14
956	Property & Liability Insurance		40,971.52	68,000.00	60.25
957	Miscellaneous Expense	156.40	926.80	6,000.00	15.45
958	Sales/Use Tax		164.82	1,000.00	16.48
960	Donation Expense Restricted	1,298.00	13,093.23	2,070.00	632.52
961	Donation Expense Unrestricted	404.13	7,106.98	0.00	100.00
OTHER EXPENSE		6,129.42	69,149.71	152,070.00	45.47
TECHNOLOGY EXPENSES					
878	Firewall Upgrade Project	9,893.75	9,893.75	79,850.00	12.39
895	Internet Access	2,147.40	4,294.80	9,000.00	47.72
896	Internet Access - Hotspots	8,555.77	26,597.44	91,770.00	28.98
898	Computer System Services	3,308.51	13,828.46	34,350.00	40.26
905	Computer Software	934.29	51,900.35	75,000.00	69.20

BOARD FS FOR CAPITAL AREA DISTRICT LIBRARIES

Balance As of 04/30/2025

*NOTE: Pct Budget does not reflect amounts encumbered.

GL Number	Description	Activity For 04/30/2025	YTD Balance 04/30/2025	2025 Amended Budget	% Bdgt Used
Fund: 101 GENERAL FUND					
Account Category: Expenditures					
TECHNOLOGY EXPENSES					
906	Computer Hardware	9,940.93	20,156.72	51,500.00	39.14
907	III Software & Hardware Maintenance		161,422.74	168,040.00	96.06
911	Mobile Training Lab			51,000.00	0.00
	TECHNOLOGY EXPENSES	34,780.65	288,094.26	560,510.00	51.40
CAPITAL OUTLAY					
873	Building Upgrades			25,000.00	0.00
889	Okemos Renovation Project			10,000.00	0.00
914	HOLT REMODEL			100,000.00	0.00
915	STOCKBRIDGE REMODEL	23,672.70	37,712.74	125,000.00	30.17
967	Outreach Projects	2,068.60	9,405.94	70,000.00	13.44
980	Staff Furn & Equipment	1,866.37	4,505.16	46,550.00	9.68
982	BUILDINGS			175,000.00	0.00
987	GRANT EXPENSES		27,345.00	7,500.00	364.60
	CAPITAL OUTLAY	27,607.67	78,968.84	559,050.00	14.13
DEBT SERVICES					
929	SBITA/LEASE PRINCIPAL PAYMENTS			102,000.00	0.00
	DEBT SERVICES	0.00	0.00	102,000.00	0.00
	Expenditures	1,186,318.02	4,700,611.97	15,647,400.00	30.04
Fund 101 - GENERAL FUND:					
TOTAL REVENUES		1,850,395.92	13,925,360.99	15,647,400.00	88.99
TOTAL EXPENDITURES		1,186,318.02	4,700,611.97	15,647,400.00	30.04
NET OF REVENUES & EXPENDITURES:		664,077.90	9,224,749.02	0.00	

Capital Area District Library Investment Portfolio

As Of April 30, 2025

<u>CD Investment #</u>	<u>Maturity Date</u>	<u>Term</u>	<u>Bank</u>	<u>Amount</u>	<u>Rate</u>	<u>Annual Interest</u>	<u>Star Rating</u>
1	3/10/2030	60 month	Dart	\$265,335	3.00%	\$7,960	4
2	4/4/2028	36 Month	FNBA	\$260,000	4.04%	\$10,504	4
3	12/18/2028	60 month	MSUFCU	\$336,411	4.35%	\$14,634	4
4	12/18/2029	60 month	MSUFCU	\$316,478	3.65%	\$11,551	4
5	10/3/2025	30 month	PFCU	\$318,987	4.35%	\$13,876	5
6	7/31/2027	48 Month	LAFCU	\$258,588	3.70%	\$9,568	5
Total CD Return:				\$1,755,799	3.88%	\$68,093	

<u>Pool Investment #</u>	<u>Maturity Date</u>	<u>Term</u>	<u>Institution</u>	<u>Amount</u>	<u>Rate</u>	<u>Annual Interest</u>
1	7/14/2025	6 Month	MILAF	\$1,500,000	4.39%	\$65,850
2	10/31/2025	9 Month	MILAF	\$1,250,000	4.39%	\$54,875
3	N/A		MILAF	\$202,025	4.35%	\$8,788
Total Investment Pool Return:				\$2,952,025	4.39%	\$129,513

Total Portfolio Return: **\$4,707,824** **4.20%** **\$197,606**

2025 1st Qtr. Budget Adjustment Recommendations

	Original Budget	YTD Actual	Requested Adjustment	Revised Budget	
<u>Revenue</u>					
State Aid					
410 - PPT Reimbursement	140,000	135,151	(4,850)	135,150	Lower than expected
Donations					
677 - Donation Income Unrestricted	4,400	23,011	20,000	24,400	Okemo Donations
Grants					
550 - Grants LSTA	-	19,845	19,845	19,845	LSTA grant not budgeted
Due From Fund Balances					
974 - Due from SBITA	102,000	-	(102,000)	-	Correct accounting
Total Revenue	<u>102,000</u>	<u>19,845</u>	<u>(62,155)</u>	<u>39,845</u>	

<u>Expenditures</u>					
Other Expenses					
960 - Donation Exp Restricted	2,070	12,991	20,000	22,070	Higher than expected
961 - Donations Exp Unrestricted	-	7,107	10,000	10,000	Higher than expected
Capital Outlay					
987 - Grant Expense	7,500	27,345	19,845	27,345	LSTA Grant not budgeted
Debr Services					
929 - SBITA/Lease Principal Payments	102,000	0	39,850	141,850	Higher than budgeted
Total Expenses (Under)/Over	<u>111,570</u>	<u>47,443</u>	<u>89,695</u>	<u>201,265</u>	

Requested (use)/return of Undesignated Fund Bal.	<u><u>(151,850)</u></u>
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Undesignated Fund Balance 1.1.25	2,160,785
1st Qtr Adjustment	(151,850)
2nd Qtr Adjustment	
3rd Qtr Adjustment	
4th Qtr Adjustment	
Projected Fund Balance 12.31.25	<u>2,008,935</u>

CADL 2025 Fund Balance Reallocation Options

		Jan, 2025	Proposed Use for 2025 Budget	2025 Amendments	Revised Total	Possible Reallocation of Undesignated	
Undesignated	\$	2,160,785		\$ (151,850)	\$ 2,008,935	\$ (1,250,000)	\$ 758,935
Donations	\$	988,970			\$ 988,970	\$ -	\$ 988,970
Capital Projects	\$	2,250,000			\$ 2,250,000	\$ 1,000,000	\$ 3,250,000
Automation	\$	1,000,000			\$ 1,000,000		\$ 1,000,000
Operations	\$	715,550			\$ 715,550	\$ 250,000	\$ 965,550
Pension Fund	\$	1,560,000	\$ (360,000)		\$ 1,200,000	*	\$ 1,200,000
Contingency	\$	5,342,849			\$ 5,342,849		\$ 5,342,849
Total Reserves	\$	14,018,153	\$ (360,000)	\$ (151,850)	\$ 13,506,303	\$ -	\$ 13,506,303

* \$360,000 fund balance for Pension surplus from the 2024 budget was suggested to stay in the Pension Fund account.

CAPITAL AREA DISTRICT LIBRARIES
FIN 101 FINANCIAL POLICIES
~~JUNE 21, 2023~~ **MAY 28, 2025**

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 **DRAWER AND ACCOUNTING SYSTEM** register.

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

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

Cash receipts are deposited at least once a month or whenever cash on hand exceeds **\$150** ~~\$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 **ALSO** 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 t~~The Finance Director handles petty cash funds for **ADMINISTRATION** 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.

MISCELLANEOUS REIMBURSEMENT

ALL MISCELLANEOUS STAFF PURCHASES WILL BE REIMBURSED THROUGH ACCOUNTS PAYABLE. STAFF WILL SUBMIT A MISCELLANEOUS REIMBURSEMENT FORM TO ACCOUNTS PAYABLE ALONG WITH MATCHING RECEIPTS. ACCOUNTS PAYABLE WILL ISSUE AN ACH PAYMENT OR CHECK TO THE EMPLOYEE. ACH'S WILL BE ISSUED WEEKLY, AND CHECKS WILL BE ISSUED MONTHLY AROUND THE 20TH OF EACH MONTH.

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, certificates of deposit, or securities.

Surplus funds are invested according to PA 20, 1943 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 Assistant 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, cashier's check, or money order.

Expenditures

Vendor's original invoices are required for all disbursements.

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

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

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

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

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 **STUBS** ~~checks~~ contain details of gross pay and deductions.

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

139 **Property, Equipment, and Capital Expenditures**

140 Detailed records are maintained for fixed assets.

141
142 Wherever practical, equipment is tagged with metal tags or otherwise labeled with
143 identification.

144
145 Equipment is inventoried and detail records are adjusted annually.

146
147 **Tax Abatement Proposals (Brownfield, DDA, TIFA, etc.)**

148 The Finance Director will review all tax abatement proposals.

149
150 Any proposals that have a projected tax loss greater than \$250,000 over the life of the contract
151 or that are significant for other reasons will be presented to the Library Board.

152
153 Capital Area District Library will exempt itself from tax capture for all newly created
154 Downtown Development Authorities, Historic Neighborhood Tax Increment Finance
155 Authorities, Local Development Authorities, and Tax Increment Finance Authorities. A
156 resolution for each proposal will be adopted and filed with the clerk of each municipality
157 proposing to create the authority.

158
159 All other proposals will be filed.

160
161 **Taxing Authorities and Millage Capture**

162 With the initial passage of Public Acts 505 – 510 of 2016, further amended by The Recodified
163 Tax Increment Financing Act (Public Act 57 of 2018), Capital Area District Library millages
164 levied after December 31, 2016 are automatically exempt from capture from Downtown
165 Development Authorities, Local Development Financing Authorities, Water Resource
166 Improvement Tax Authorities, Tax Increment Finance Authorities, Corridor Improvement
167 Authorities and Historical Neighborhood Tax Increment Finance Authorities unless there is an
168 agreement between the library board and taxing authority detailing the terms of the capture
169 and a resolution by the Authority to opt in. If funds from CADL's millage are captured without
170 an agreement and resolution in place, the following process will be followed:

- 171
172 1. Municipality treasurer will receive an email and certified letter from the Finance
173 Director and Executive Director explaining that the funds were captured in violation
174 of the law and need to be refunded.
175
176 2. If the funds are not refunded within 30 days, the matter will be forwarded to Legal
177 Counsel to take the appropriate steps to recover the funds that have been illegally
178 captured.

179
180 **Accounting**

181 Funds are accounted for using a modified accrual basis.

182
183 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.

Adequate insurance is maintained for worker's compensation, general liability, and physical damage.

Personnel in a position of trust (the Executive Director, Finance Director, and Staff Accountant) are covered by employee dishonesty insurance at a minimum level of \$300,000.

CAPITAL AREA DISTRICT LIBRARIES
FIN 102: INVESTMENT POLICY
JUNE 20, 2018

Scope of Policy:

The Capital Area District Library derives its authority from 1989 P.A. 24, as last amended, the District Library Establishment Act, to establish the financial policies it deems appropriate to conduct its business.

It is the policy of The Capital Area District Library to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow needs of The Capital Area District Library and comply with all state statutes governing the investment of public funds.

This investment policy applies to all financial assets of The Capital Area District Library. These assets are accounted for in the various funds of The Capital Area District Library and include the general fund, capital project funds, and any new fund established by The Capital Area District Library.

Objectives:

The primary objectives, in priority order, of The Capital Area District Library's investment activities shall be:

Safety- Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.

Diversification- The investments will be diversified by security type and institution in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

Liquidity- The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

Return On Investment- The investment portfolio shall be designed with the objective of obtaining a rate of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

Delegation of Authority to Invest:

The Finance Director is authorized to invest surplus funds as authorized by PA 20 of 1943, titled Investment of Funds of Political Subdivisions.

All investments must be approved by the Executive Director, or the Director's designee prior to execution.

The Finance Director, with approval of the Executive Director, may execute investment transactions through a qualified broker, dealer or financial institution.

Allowed Investments:

US Treasury Notes, Bills, or Bonds

Treasury STRIPS (Separate Trading of Registered Interest and Principal Securities)

Treasury Inflation Protected Securities (TIPS)

US government agency obligations

Certificates of Deposit (CD's)

Savings Accounts

Commercial Paper

Investment Pools

DIVERSIFICATION:

The Finance Director shall diversify the use of investment instruments to avoid incurring unreasonable risks incurred by over investment in specific instruments, institutions, or maturities.

With the exception of U.S. Treasury Securities, no more than 60% of the total investment portfolio will be invested in a single security type and no more than 25% may be invested with a single financial institution.

To reduce interest rate risk, no investment maturity shall exceed 5 years in length.

Qualified Institutions:

Certificates of Deposit and Savings accounts at banking institutions must have a principal or branch office in Michigan and have earned a four star or higher rating from both Bauer Financial and Bankrate.com. These ratings shall be monitored quarterly.

The Finance Director shall maintain a list of financial institutions authorized to provide investment services. In addition, a list of all broker/dealers selected by credit worthiness who are authorized to provide investment services in the State of Michigan will be maintained.

Management Responsibility:

Management responsibility for the investment program is hereby delegated to the: Finance Director who shall establish written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts.

No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director. The Executive Director shall be

responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

INVESTMENT POLICY REVIEW:

Before executing an order to purchase or trade the funds of The Capital Area District Library, the financial intermediary, broker, or dealer shall be provided with a copy of the Investment Policy and shall acknowledge receipt of the Policy and agree to comply with the terms of the Policy regarding buying or selling of securities by signing the attached form.

SAFEKEEPING AND CUSTODY:

All security transactions, and financial institution deposits, entered into by The Capital Area District Library shall be on a cash (or delivery vs. payment) basis. Securities may be held by a third party custodian designated by the Finance Director and evidenced by safekeeping receipts as determined by the Finance Director.

PRUDENCE:

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

ETHICS AND CONFLICTS OF INTEREST:

CADL Board members and staff involved in the investment process shall refrain from personal business activity that could conflict with proper execution and management of the investment program, or which could impair their ability to make impartial investment decisions. CADL officers shall disclose any material financial interest in financial institutions that conduct business with the organization, and they shall further disclose any large personal financial or investment positions that could be related to the performance of the investment portfolio. CADL officers shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of the organization.

PERFORMANCE EVALUATION AND REPORTING:

The Finance Director shall produce and present to the board of trustees an annual report of all investments in the organization portfolio. The report shall include the amount of the investment, the institution, maturity date, interest rate, insured level, and financial strength star rating as determined by Bauer Financial. This report shall be made in February of each year after the close of the financial books from the prior year.

CAPITAL AREA DISTRICT LIBRARIES
FIN 104 PURCHASING CARD POLICY
JUNE 21, 2023

I. Purpose

- 1.1 It is the policy of the Capital Area District Library to use purchasing 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, purchasing cards may be issued to the following individuals with the following limits:
- a) Executive Director - \$10,000
 - b) Assistant Director - \$5,000
 - c) Finance Director - \$10,000
 - d) Marketing Director - \$5,000
 - e) IT Director - \$2,500
 - f) Operations Director - \$2,500
 - g) Administrative Assistant - \$2,500
 - h) Office Assistant - \$1,000
 - i) Acquisitions Lead Staff - \$1,000
- 2.2 Other purchasing 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.

Purchasing cards for contracted or budgeted items can be issues through the purchasing card system as virtual cards up to the approved and budgeted amount.

3. Authority

- 3.1 The Finance Director is responsible for issuing, accounting, monitoring, and retrieving Library purchasing cards.
- 3.2 The Finance Director will keep an up-to-date record of all purchasing cards issued and be responsible for the collection and cancellation of credit cards due to employee termination.
- 3.3 Library purchasing 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 purchasing cards for any personal expenditure. Purchasing cards may only be used for legitimate business expenses of the Library.
- 4.2 Any benefits derived from the use of purchasing cards are the sole property of the Capital Area District Library.
- 4.3 Employees who use Library purchasing 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 purchasing 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.
- 5.3 Verification in the form of receipts must be attached to the purchasing card bill prior to payment.
- 5.4 Approval of purchasing card invoices for payment shall be made by the Executive Director or Finance Director. The Executive Director's purchasing card purchases will be presented to the Board on a monthly basis.
- 5.5 All purchasing card balances due will be paid within 45 days of the statement date.

6. Safekeeping and Custody

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

CAPITAL AREA DISTRICT LIBRARIES
FIN 105 PURCHASING POLICY
MAY 17, 2023

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 fair and equitable procurement practices to ensure the Library is maximizing the value of public funds.

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) Pension employer contributions
- 11) Gasoline for company vehicles
- 12) Board member per diem
- 13) Millage income refund to Ingham County
- 14) Bank fees

Purchase Requisitions:

Purchase requisitions and the master supply order form are the source documents to initiate a purchase. These forms are available electronically via the intranet. They should be completed, approved by the requestor's supervisor and submitted to the Finance Department for final approval at which time a purchase order will be issued.

Purchase Orders:

Purchase orders shall be generated by the Finance Department. They must be approved before the purchase is made. Purchase orders will be required on all purchases. Blanket purchase orders for recurring services such as maintenance agreements, items purchased in bulk, and service agreements can be used. Other goods and service purchases can be made by the requisitioner, after receiving notification of 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 \$3,000	One	Finance Director, Marketing Director, IT Director, Operations Director, Assistant Director, or Executive Director
\$3,000 - \$9,999	Two	Finance Director, Marketing Director, IT Director, Operations Director, Assistant Director, or Executive Director
\$10,000 - \$24,999	Three	Executive Director, Finance Director, or Executive Director's Designee
\$25,000 +	Three	Executive Director and Board of Trustees

For purchases between \$10,000 - \$24,999 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 \$25,000 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.

The Executive Director has the authority to approve purchases up to \$7,500 for items not included in the current fiscal year's budget. Purchases will not be artificially divided so as to constitute a "small purchase."

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.

Because the purpose of the library as a public library is to use taxpayer provided funds for library services only, such funds may not be distributed to any other charitable purpose.

Emergency Purchases:

If there is evidence of imminent danger to persons or property, emergency purchases may be authorized by the Executive Director in excess of the \$25,000 limit outlined above. Prior to authorizing these emergency purchases, the Executive Director must consult with the Chairperson of the Board of Trustees or their 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
- Where the services required are for professional skills (training)
- If a contractor is providing an ongoing service to the library's satisfaction and as long as the annual increase does not exceed 2%; such services shall be put out for bid at least every 4 years

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.

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. We will comply with all grant funding qualifications.

Contract Terms and Renewals:

The library will have legal counsel evaluate all new service contracts with an initial purchase commitment of greater than \$50,000 annually or for a term of more than one year. 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 LIBRARIES

FIN 108 FUND BALANCE POLICY

MAY 20, 2015

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.

CAPITAL AREA DISTRICT LIBRARIES
FIN 109 GRANT ADMINISTRATION POLICY
MAY 17, 2023

1. PURPOSE AND DEFINITIONS.

- a. The purpose of this policy is to ensure that grant applications are within the scope of CADL's strategic goals, coordinate CADL contacts through the lifecycle of a grant, and ensure proper administration and accounting of all grants.
- b. Library staff are encouraged to seek out alternative sources of funding, including grants. However, all grant applications need to be completed and approved pursuant to the terms of this policy. This process applies to all grants regardless of the size of award or the method of submission. When contemplating applying for grant funds, the applicant should be aware of the source of funding, the eligibility requirements, restrictions on the use of the funds, and whether there is a requirement that the Library provide matching funds.
- c. The definition of a "grant" for purposes of this policy is as follows: An award of financial assistance in the form of money or property by a funding source including the federal government, state government, other local governments, non-profit agencies, and private businesses and citizens.
- d. The "Program Director" for purposes of this policy refers to the individual employee designated for each grant to be responsible for coordinating and executing any grant related activities as documented in the grant documents.

2. GRANT APPLICATION AND APPROVAL PROCESS.

- a. Deciding to Apply for a Grant – Before beginning any grant application process, the staff member seeking to apply for the grant must discuss the grant with his/her/their supervisor to get the supervisor's approval to work on the grant application.
- b. Grant Application – The staff member applying for the grant is required to first complete a draft of the grant application including gathering any additional information required to be enclosed with the grant application and submit to the Finance Director.
- c. Matching Funds – Grants that require any kind of matching funds must be coordinated through the Finance Director. At a minimum, the Finance Director must identify the funds within the existing budget to provide the match, or a budget amendment will be required. If a budget amendment is required, the same will need to be submitted to the Board for approval at the next regularly scheduled meeting.

- d. Application Approval Before Submission – No grant applications may be submitted to the funding agency or organization without approval of the Library Board. After the grant application has been submitted to the Finance Director, the grant application will be put on the agenda for the next board meeting.
- e. Submission of the Grant Application – Only after the above process is completed will the staff member be authorized to submit the grant application for consideration. Only the Board members, Executive Director, and Assistant Director are authorized signatories on any grant applications or agreements.
- f. Inquiries during the Grant Process – If the staff member gets an inquiry from the granting entity during the grant process, such inquiries should be submitted to either the Finance Director or the Executive Director for response.

3. GRANT PROGRAM IMPLEMENTATION

- a. Notification and Acceptance of an Award – Official notification of a grant award is typically sent by a funding agency to the staff member, Program Director, and/or other official designated in the original grant proposal. Any staff member who receives notification of a grant award must promptly notify the Executive Director or Assistant Director. All grant award acceptances must have approval from the Board, Executive Director, or Executive Director's Designee. Only the Board members, Executive Director, and Assistant Director are authorized signatories on any grant acceptances or agreements. Upon acceptance of grant agreements, the Program Director will be responsible for the overall implementation of the project and the timely completion of all grant program requirements as set out in both the terms of the grant and as required by CADL's internal procedures.
- b. Use of Grant Funds – The authorization to spend grant funds is derived from the Board through the approval of a grant budget. The Program Director may not begin utilizing grant funding until the funding is part of a Board-approved budget, as verified by the approval of the Finance Director. In the event grant funds are approved after the original budget is established, a budget adjustment may be necessary. The Program Director must coordinate with the Finance Director to determine if any adjustments are necessary or if the funds are available.
- c. Establishment of Accounts – The Program Director will provide the Finance Director with information needed to establish revenue and expense accounts for the project. Ordinarily, this information will include a copy of a summary of the project and a copy of the full project budget.
- d. Purchasing Guidelines – All Library purchasing guidelines apply to the expenditure of grant funds. The use of grant funds does not exempt any purchase from normal purchasing requirements. All bidding requirements and all

normal staff approvals per FIN 105 apply. When in doubt, the Program Director should contact the Finance Director for further assistance.

4. FINANCIAL, BUDGETARY, and GRANT TERM COMPLIANCE

- a. Monitoring Grant Funds – The Staff Accountant maintains all information on grant revenues, expenditures, and budgetary compliance in accounting software, and this is considered to be the Library’s official accounting system by the granting agencies. The Program Director is to use accounting software reports provided by the Staff Accountant for their grant tracking. If the Program Director chooses to maintain an internal mechanism to monitor grant revenues, expenditures, and budgetary compliance it is the responsibility of the Program Director to ensure that the program’s internal records agree with the Library’s accounting system.
- b. Fiscal Years – Occasionally, the fiscal year for the granting agency will not coincide with the Library’s fiscal year. This may require adjustments to the Library’s internal budget accounts and interim financial reports as well as special handling during fiscal year-end close. It is the responsibility of the Program Director to bring such discrepancies to the attention of the Finance Director at the time the grant accounts are established.
- c. Grant Budgets – Grant funds must be spent in the fiscal year in which they are received or within the timeframe specified by the grant. The terms of each specific grant will dictate whether any budget transfers between budgeted line items will be permitted. In no case will staff be authorized to exceed the total budget authority provided by the grant. If grant funds have not been totally expended by fiscal year-end and the same is permitted by the grant documents, it is the responsibility of the Program Director to notify the Finance Director that budget funds need to be carried forward to the new fiscal year. The Program Director must verify the amount of unspent funds needed to be included in the subsequent years budget.
- d. Capital Assets – The Library is responsible for maintaining an inventory of assets purchased with grant monies. The Library is accountable for them and must make them physically available for inspection during any audit. FIN 211 and FIN 212 apply to assets purchased with grant monies.
- e. Monitoring Compliance with Grant Terms – The Program Director must submit quarterly reports to the Executive Director or the Executive Director’s Designee, as the Executive Director so designates, for the life of the grant. The quarterly reports will be tailored to each specific grant but must detail the requirements from the grant agreement and CADL’s progress toward meeting those requirements. Additionally, the Program Director, in cooperation with their supervisor, the Executive Director or the Executive Director’s Designee, will comply with all terms of the grant which may include but are not limited to

submission of specified reports, performance of evaluative measures and providing data after the completion of the grant period and project.

5. RECORD KEEPING

- a. Record Keeping Requirements – Grant record keeping requirements may vary substantially from one granting agency to another and from one grant to another. Consequently, a clear understanding of these grant requirements at the beginning of the grant process is vital. The Program Director and/or staff member applying for the grant must provide the Finance Director copies of all grant expenditures, and all approved grant agreements (including budgets or attachments).
- b. Grant Tracking - The Finance Director will maintain an ongoing spreadsheet listing of all open grants. This will be available to be viewed in the Pub Heads / Finance Report directory on TEAMS and be updated by the 15th of each month. Information for each grant will include:
 - i. Program Director/Staff member who applied for the grant
 - ii. Amount of original grant
 - iii. Date funds were received
 - iv. Grantor
 - v. YTD expenses as of previous month end
 - vi. Reporting requirements
 - vii. Status of Open / Closed

6. CLOSE OUT

Once the grant funds are fully expended, the Program Director must submit to the Executive Director or the Executive Director's Designee, as the Executive Director so designates, a final close out report for approval which details how the grant funds were used and how CADL complied with all grant requirements.

Some grants require close out reports to be submitted to the granting agency. Any such reports must be prepared by the Program Director and submitted to the Executive Director or the Executive Director's Designee for approval before submitting to the granting agency.

CAPITAL AREA DISTRICT LIBRARIES
FIN 202: CONFLICT OF INTEREST
JULY 20, 2022

A Library Board member or staff member may not derive any personal profit or gain, directly or indirectly, by reason of their association with Capital Area District Libraries. Each individual shall disclose to the Library Board any personal interest which they 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 their 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.

CAPITAL AREA DISTRICT LIBRARIES
FIN 211 FIXED ASSET DISPOSAL POLICY
MAY 17, 2023

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:
 - i. Advertising salable items through established and reputable internet sites such as Ebay and Craigslist.
 - ii. Selling items via library listserves such as michlib-l.
 - iii. Offering items to be sold through the State of Michigan Federal Surplus Property Program.
 - iv. Items can be sold via online or live auctions and through a surplus store.
 - v. Selling items through reputable private online auction businesses.
 - vi. Items may be sold at local sales held by Capital Area District Libraries and listed online in a surplus store.
 - vii. Vehicles or equipment may be traded in as part of the purchase offer on a replacement.
 - viii. Items may be transferred for use from one location to another
 - ix. Items can be salvaged for metal, junked, destroyed, or used for parts.
 - x. Items may be recycled with reputable recyclers.
 - b. Single assets having an estimated residual value greater than \$5,000 will be brought before the Finance Committee for their recommendation and then brought to the full Board for approval to be sold. Approved sales methods are:
 - i. A sealed bid process
 - ii. Sold through reputable auction business
 - iii. Vehicles or equipment may be traded in as part of the purchase offer on a replacement
 - c. 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.

CAPITAL AREA DISTRICT LIBRARIES
FIN 212 ASSET CAPITALIZATION POLICY
MAY 17, 2023

Purpose

To establish financial accounting policies and procedures to capitalize and depreciate fixed assets.

General Policy

All owned assets having an acquisition cost of \$5,000 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 and Buildings – 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 Furniture and Equipment – The cost of purchased furniture or equipment should be capitalized if all the following criteria are met:
 1. The item cost is at least \$5,000.
 2. The useful life of the item is at least 2 years.
 3. The item is able to function by itself.
- f. Vehicles – The cost to be capitalized will include the cost of outfitting and getting the vehicle ready to use.
- g. Library Materials – The cost of books, movies, and music.

- h. Leases – Each lease should be reviewed to determine whether it should be expensed or capitalized based on GASB Statement No. 87.
- i. Donated Assets – Any asset donated with a 2-year life and value greater than \$5,000 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:

- a. Building – 40 years
- b. Land and Building Improvements – 5 to 25 years
- c. Furniture and Equipment – 5 to 10 years
- d. IT Items and Upgrades – 3 to 25 years
- e. IT Equipment – 3 to 10 years
- f. Vehicles – 5 to 10 years
- g. Library Materials – 3 YEARS

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.