

FINANCIAL POLICY

SECOND READING

ACCOUNTING

Monthly financial statements reflecting all monies received and expended by the Library must be reported to the Board of Trustees by the Director.

The Director will submit quarterly statements to the Board of Trustees that show a comparison of budgeted and actual expenses and revenues in order to ensure budgetary control.

Within 120 days of the end of the fiscal year, the Library Director shall prepare an annual written report to the governing body concerning Library funds.

DISBURSEMENTS

All disbursements must be authorized by the Treasurer before disbursement. Such authorization for payment of bills will require presentation of vouchers signed by the Director listing the amount of payment, account number(s); purchase order copy and/or list of quotes; receiving report; and original invoice. Presentation of these items may be done online, using a secure financial platform.

The Treasurer will prepare a list of bills to be ratified by the Board at its monthly meeting.

All checks must be signed by any combination of two members of the Board of Trustees. Signed checks may be issued through online approvals, using a secure financial platform.

CASH MANAGEMENT & INVESTMENTS

The Library Director is designated as investment officer of the Plymouth District Library and is responsible for investment decisions and activities. Treasurer will recommend to the Board the services of various financial institutions in order to properly and efficiently manage the funds of the Plymouth District Library.

Signature cards for bank accounts will be updated on an annual basis to include members of the Library Board, the Library Director, and any staff designated by the Library Director to support the financial health of the Library.

The Treasurer will work alongside the Library Director to invest temporary cash surpluses for the Plymouth District Library. The amount to be invested will be that amount in excess of current needs. It is the policy of the Plymouth District Library to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all state statutes and local ordinances governing the investment of public funds.

All investments will follow the guidelines set forth by Michigan Public Act 20 of the Public Acts of 1943, as amended.

~~For investment of surplus funds, see the Library's Investment Policy.~~

PURCHASING

If a purchase is under \$5,000, the Director will review the Purchase Order for appropriateness, budget availability, and compliance with policy. The Director signs the PO for approval, and the library staff member may submit the order.

If a purchase is greater than \$5,000 but less than \$25,000, staff must obtain three or more formal quotations from appropriate vendors. Quotations are reviewed by the Library Board at an official meeting, and the purchase is approved by resolution. Once the order is approved, the PO is signed by the Director, and the library staff member may submit the order.

If a purchase is over \$25,000, a formal bidding procedure is followed. Bid specifications are prepared alongside the Director for appropriateness and budget availability. A public notice and invitation to bid is issued. Bids are opened at the time designated in the bid package, witnessed by the Director and at least one other staff member. Bids are checked for compliance with specifications and references. Bids are reviewed by the Library Board at an official meeting, and the Board adopts a resolution approving the award of the bid. Once approved, the Director signs the purchase order, and the library staff member may submit the order.

**PLYMOUTH DISTRICT LIBRARY
FINANCIAL POLICY**

Accounting

1. Monthly financial statements reflecting all monies received and expended by the Library must be reported to the Board of Trustees by the Director.
2. The Director will submit quarterly statements to the Board of Trustees that show a comparison of budgeted and actual expenses and revenues in order to ensure budgetary control.

Disbursements

1. All disbursements must be authorized by the Treasurer before disbursement. Such authorization for payment of bills will require presentation of vouchers signed by the Director listing the amount of payment, account number(s); purchase order copy and/or list of quotes; receiving report; and original invoice.
2. The Treasurer will prepare a list of bills to be ratified by the Board at its monthly meeting.
3. All checks must be signed by any combination of two members of the Board of Trustees.

Cash Management and Investment

1. The Treasurer will recommend to the Board the services of various financial institutions in order to properly and efficiently manage the funds of the Plymouth District Library.
2. The Treasurer will invest temporary cash surpluses for the Plymouth District Library. The amount to be invested will be that amount in excess of current needs.
3. For investment of surplus library funds, see the Library's Investment Policy.

Approved 6/17/03

PURCHASING PROCEDURES

Purchasing Clerk receives request form staff for goods/services. Request forms should identify item, quantity, price, and at least two sources of comparable items in order to authenticate appropriateness of price.

1. Goods and Services

A. Purchase is under \$100.00.

- i If purchase is available from blanket P.O. vendor
 - a If purchase is under \$50, Clerk may proceed with purchase. Clerk signs.
 - b If purchase exceeds \$50, request is routed to Director for approval
 1. Director reviews for appropriateness, budget availability, and compliance with policy. Director signs.
- ii Purchase is not available from blanket P.O. vendor
 - a Director reviews for appropriateness, budget availability, and compliance with policy. Director signs.

B. Purchase is greater than \$100.00 but less than \$5,000.00

- i Purchasing Clerk contacts and documents three or more vendors for item and recommends a vendor issuance of a purchase order.
- ii Director reviews for appropriateness, budget availability, and compliance with policy, and resolves any problems with Purchasing Clerk. Director signs P.O.

C. Purchase is greater than \$5,000.00 but less than \$25,000.00

- i Staff obtains three or more formal quotations from appropriate vendors.
- ii Quotations are reviewed by Library Board at an official meeting, and purchase is approved by resolution.
- iii Purchasing Clerk prepares purchase order signed by Director.

D. Purchase is over \$25,000.00 (Formal bidding procedure is followed):

- i Bid specifications are prepared under review of Director for appropriateness and budget availability.
- ii Invitation to bid is issued.
 - a List of desirable vendors may be used.
 - b Advertisement of public notice in newspapers.
- iii Bids are opened at time designated in bid package, witnessed by Director, and at least one other staff member.
 - a Bid tabulation prepared and signed.
 - b Bids checked for compliance with specifications and references.
- iv Bids reviewed by Library Board at official meeting.
 - a Board adopts resolution approving award of bid as appropriate confirming all information including budget allocation.
- v Purchasing Clerk prepares purchase order.
- vi Director reviews purchase order for agreement to terms of bid. Director signs P.O.
- vii Purchasing Clerk issues P.O.

2. Books and Materials

- A. All items purchased for the Library's collections will be selected according to the Library's Selection Policy, based on budget allocations assigned by the Director.
- B. A list of pre-approved vendors for primary purchase of materials will be approved by the Library Board annually. Vendors will be selected on the basis of inventory, price, and availability.
- C. Blanket purchase orders will be issued for pre-approved vendors.
- D. Any materials not purchased from a pre-approved vendor will be subject to the Library's general purchasing policy and procedures.
- E. The Library will establish and maintain a comprehensive system for tracking purchases on an item- and vendor-specific basis. All items purchased for Library collections will be entered into this system. Reports will be provided to selectors and the Library Business office to assure adequate inventory and budgetary control.

Filing of purchasing forms will be as follows:

In all cases one copy of the requisition will be filed in a Purchasing file; either in an alphabetic requisition file, or, if purchase is made by P.O., with original P.O. in numeric file. Second copy is routed to accounting for verification of purchase authorization.

Bid files: All documentation, including requisition, any quotations, all bid response, proof of publication, bid tabulation, and resolution of Board shall be filed with P.O. in numeric file.

Any Board action approving exception from purchasing policy will also be filed with any P.O.'s issued as a result of such exception.

Approved 7/17/12

THE PLYMOUTH DISTRICT LIBRARY

WAYNE COUNTY

MICHIGAN

INVESTMENT POLICY

APRIL 21, 1998

1.0 PURPOSE:

It is the policy of the Plymouth District Library to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all state statutes and local ordinances governing the investment of public funds.

2.0 SCOPE:

This investment policy applies to the investment activities of the Plymouth District Library except for its employee pension funds and its employee deferred compensation funds which are organized and administered separately. These funds are accounted for in the annual financial report and include the following funds:

- General Fund
- Debt Service Fund
- Construction Fund
- Any new fund created by the governing body, unless specifically exempted by the governing body

This investment policy applies to all transactions involving the financial assets and related activity of all the foregoing funds.

3.0 OBJECTIVES:

Funds of the Plymouth District Library will be invested in accordance with Michigan Public Act 20 of Public Acts of 1943, as amended, and in accordance with the following objectives in order of priority.

3.1 Safety of Capital - safety of principal is the foremost objective of the Plymouth District Library. Each investment transaction shall seek to first ensure that capital losses are avoided whether they be from defaults or erosion of market value.

3.2 Diversification - Assets shall be diversified to eliminate the risk of loss resulting from

over concentration in a specific maturity, individual financial institution (s) or a specific class of securities. Diversification strategies shall be determined and revised by the Plymouth District Library treasurer from time to time to meet diversification objectives (to reduce overall portfolio risks while attaining market average rates of return).

Investment maturities for operating funds shall be scheduled to coincide with projected cash flow needs, taking into account large routine expenditures (payroll, debt service) as well as considering sizable blocks of anticipated revenue (taxes, state revenue sharing payments).

3.3 Liquidity - The Plymouth District library investment portfolio shall be designed in a manner to attain a rate of return throughout budgetary and economic cycles consistent with the Plymouth District Library to meet all operating requirements which might be reasonably anticipated.

4.0 DELEGATION OF AUTHORITY:

The Library Director is designated as investment officer of the Plymouth District Library and is responsible for investment decisions and activities. The Library Director shall develop and maintain administrative procedures of the operation of investment program, consistent with the investment policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in investment transactions except as provided under the terms of this policy and the administrative procedures established by the Library Director. The Library Director shall also establish a system of controls to regulate the activities of subordinate officials and shall be responsible for all transactions undertaken.

5.0 AUTHORIZED INSTRUMENTS:

In accordance with Michigan Public Act 20 of the Public Acts of 1943, as amended, the surplus funds of the Plymouth District Library may be invested as follows:

- (A) Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- (B) Certificates of deposit, savings accounts, deposit accounts, or depository receipts of financial institutions, but only if the financial institution is eligible to be a depository of funds belonging to the state under a law or rule of this state or the United States.
- (C) Commercial paper rated at the time of purchase within the highest classification established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- (D) Repurchase agreements consisting of instruments listed in subdivision (a) above. Repurchase agreements shall be negotiated only with dealers or financial institutions with whom the Plymouth District Library has negotiated a Master

Repurchase Agreement. Repurchase Agreements must be signed with the bank or dealer and must contain provision comparable to those outlined in the Public Security Association's model Master Repurchase Agreement.

- (E) Bankers' acceptances of United States banks.
- (F) Mutual funds registered under the investment company act of 1940, maintain a \$1.00 per share net asset value, and with authority to purchase only investment vehicles that are legal for direct investment by a public corporation.

6.0 SAFEKEEPING AND CUSTODY:

All securities purchased by the Plymouth District Library under this section shall be properly designated as an asset of the Plymouth District Library and held in safekeeping. No withdrawal of such securities, in whole or in part, shall be made from safekeeping except by the Library Director as authorized herein, or by their respective designees.

Transactions in negotiable instruments which have a value exceeding SIPC insurance protection, and other insurance protection as may be applicable, with any dealer will be required to be settled on a Delivery-vs-Payment basis. A Trust Receipt from the contra-party and proof of SIPC and other insurance will be required when the transaction is covered by insurance. Non-negotiable, non-collateralized Certificates of Deposit, as is the law in the State of Michigan, shall be evidenced by a safekeeping Receipt from the issuing bank.

7.0 PRUDENCE:

The standard of prudence to be applied by the investment officer shall be the "prudent person" rule which states: "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." The prudent person rule shall be applied in the context of managing the overall portfolio. Investment officers acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported to the chief executive in a timely fashion and appropriate action is taken to control adverse developments.

8.0 REPORTS:

Within 120 days of the end of the fiscal year, the Library Director shall prepare an annual written report to the governing body concerning the investment of the funds.

9.0 EFFECTIVE DATE:

This policy shall become effective on April 22, 1998, the day following adoption by the Plymouth District Library Board.

PLYMOUTH DISTRICT LIBRARY
BOARD OF TRUSTEES
BY-LAWS

ARTICLE I
NAME

Section 1. This organization shall officially be known as the Plymouth District Library. However, this organization may also be referred to as the Plymouth Dunning-Hough District Library.

ARTICLE II
MEMBERSHIP

Section 1. In accordance with Public Act 24 of 1989 (the "District Library Establishment Act") the Board of Trustees of the Plymouth District Library shall consist of seven (7) members elected from the District at large for terms of four (4) years, who shall serve until the election and qualification of a successor.

Section 2. Any vacancy shall be filled by appointment by majority vote of the remaining members of the Board of Trustees until the expiration of the vacating board member's term, unless such vacancy occurs 140 days or more before the first regularly scheduled election of board members that follows the beginning of the term of the board member vacating office. In such case, the vacancy shall be filled in accordance with the District Library Establishment Act.

ARTICLE III
POWERS OF THE BOARD OF TRUSTEES

Section 1. The Board of Trustees may exercise any and all of the powers granted to it in the District Library Establishment Act or other law. The Board may delegate such powers to the Officers of the Board and/or the Library Director as it deems necessary and as permitted by law.

Section 2. The Board of Trustees shall have the exclusive control of the budget of the District Library.

Section 3. The fiscal year of the District Library shall be January 1 through December 31.

Section 4. The Board of Trustees shall approve a budget prior to January 1 of the fiscal year. A budget proposal shall be submitted by the Library Director at a meeting of the Board September preceding the fiscal year. A budget proposal must be approved by a majority of the Board members present at an official meeting.

Section 5. The Board of Trustees may require the Treasurer or Library Director to submit to the Board on a monthly basis data regarding the actual and estimated budget to date. The

Board may then revise or amend the budget as deemed necessary by a majority of Board members voting on the questions.

ARTICLE IV OFFICERS

Section 1. Officers of the Board of Trustees shall be President, Vice-President, Secretary, and Treasurer.

Section 2. The officers shall be elected for a term of one year at the Annual Meeting of the Board.

Section 3. Vacancies in office shall be filled by the Board at the next regular meeting of the Board following the occurrence of a vacancy, except for the office of President, in which case the Vice-President shall assume the duties of the office for the unexpired term. A successor Vice-President shall be elected to fill the vacancy so created in that office.

Section 4. No officer shall serve more than two consecutive one-year terms in the same office.

ARTICLE V DUTIES OF THE OFFICERS

Section 1. The President shall preside at all meetings, appoint committees with the approval of the Board, authorize calls for any special meetings and generally perform the duties of a presiding officer.

Section 2. In the absence of the President, the Vice-President shall perform the duties of the President. In the case of a vacancy in the office of the President, the Vice-President shall assume the office for the unexpired term.

Section 3. The Secretary of the Board shall see that a true and accurate account of all proceedings of the Board meetings is kept. In compliance with any requirements of state law regarding the holding of meetings, the Secretary shall issue notices of all regular meetings, and, on the authorization of the President, of all special meetings, and shall have custody of the minutes and other records of the Board of Trustees. With the approval of a majority of the Board, the Secretary may delegate any of these responsibilities to the Library Director.

Section 4. The Treasurer shall have charge of the funds of the Plymouth District Library, providing for their safe custody and investment as directed by the Board, subject to limitations for investment of public funds as provided by law. The Treasurer shall control expenditures from the Library fund through a system of vouchers presented by authorized personnel. A record of all moneys received or deposited to the Library fund, and all disbursements, sales and transfers from the fund shall be kept by the Treasurer, and reported monthly to the Board of Trustees at its regular meeting. In addition, the Treasurer shall perform such other duties as may

be prescribed for him or her by State or Federal law and these by-laws. With the approval of a majority of the Board, the Treasurer may delegate any of these responsibilities to the Library Director.

ARTICLE VI MEETINGS

Section 1. The regular meeting of the Plymouth District Board of Trustees shall be held each month, the date and hour to be set by the Board at its annual meeting. Within ten (10) days following the annual meeting a notice shall be posted in a public place setting forth the dates, times, and places of all regular meetings scheduled for the ensuing year. Any changes to the schedule, as required, shall be posted in a public notice stating the new dates, times, and places of its regular meetings within 3 days after the meeting at which the change is made. For a rescheduled regular meeting, a public notice stating the date, time, and place of the meeting shall also be posted at least 18 hours before the meeting. The Library may also post the changes in the monthly announcement of the regular meeting.

Section 2. The Annual Meeting of the Plymouth District Library Board of Trustees shall be the first regular meeting of the fiscal year, and shall be for the purpose of the election of officers and consideration of such other organizational matters as may be required.

Section 3. Special meetings may be called by the President or upon written request of two Trustees, provided eighteen (18) hours of notice is given of the time and purpose for which such meeting is called. For a special meeting, a public notice stating the date, time, and place of the meeting shall be posted at least 18 hours before the meeting. Trustees not present at the time of announcement of such special meeting shall be notified by the Secretary.

Section 4. Notices of regular meetings with agenda shall be posted in a public place and shall be distributed by the Secretary to all members at least three (3) days before the meeting.

Section 5. The following items will constitute the agenda for regular meetings, unless otherwise changed by motion of the Board at any meeting:

- Call to order and attendance
- Approval of minutes
- Citizens' comments
- Financial Report, including approval of bills
- Librarian's report
- Committee reports
- Old business
- New business
- Adjournment

Section 6. A quorum for the transaction of business shall consist of four (4) members of the Board.

Section 7. Any Board action, to be official, must be approved at an official Board meeting. Actions with respect to the levy of taxes, incurring of debt and expenditure of funds shall require a vote of four (4) members of the Board. All other action must be approved by a majority of the quorum, unless otherwise required by law.

Section 8. The Plymouth District Library Board of Trustees will maintain compliance with the Open Meetings Act, 1976 PA 267, at all times.

ARTICLE VII LIBRARY DIRECTOR

Section 1. The Library Director shall be appointed by the Board and shall be considered the executive officer of the Library.

Section 2. The Library Director shall have sole charge of the administration of the Library under the direction and review of the Board. The Library Director shall be responsible for the care of the building and equipment; for the employment, development and direction of the staff; for the efficiency of the Library's service to the community; for the annual preparation of a budget proposal; for the operation of the Library under the financial conditions set forth in the budget approved by the Board; and for the submission to the Board at its regular April meeting a written annual report of the state of the Library, including the audited financial statements.

Section 3. The Library Director or his/her representative shall attend all meetings of the Board, unless otherwise directed by the Board President.

ARTICLE VIII AMENDMENTS

Section 1. These by-laws may be amended at any regular meeting of the Board by a majority vote of all members, provided the amendment was presented in writing at the previous regular meeting.

Adopted by the Plymouth District Library Board of Trustees at its regular meeting on March 15, 2011.

By

Eric Bacyinski
Secretary