



TO: Plymouth District Library Board **DATE:** March 8, 2022
RE: Financial Policy, Third Reading **FROM:** Shauna Anderson,
Director

Attached is the draft update of the library's financial policy.

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 maybe 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.

CREDIT CARD PURCHASES

As a district library, Plymouth District Library is authorized to obtain and use their own credit cards. These cards will be obtained by the Library Director in conjunction with the Library Board Treasurer. The Library Director or their designee is responsible for the

issuance, accounting, monitoring, and general compliance oversight over the Library's credit cards.

A credit card may only be used by an employee of the Library for goods or services used for official business of the Library. The employee using the credit card shall submit documentation that details the goods or services purchased, their purpose, their cost, and the date of the purchase. When an employee has signed out the credit card, they are responsible for its protection and shall immediately notify the library if the credit card is lost or stolen. Unauthorized use of a Library credit card will result in disciplinary measures consistent with the Library's Employment Handbook.

Credit card transactions will be documented through journal entries in the Library's general ledger. The balance due shall be paid within 60 days of the initial statement date. Credit card payments will be reported to the Library Board for monthly approval.

ELECTRONIC (ACH) TRANSACTIONS

The Library may elect to utilize electronic platforms to provide payment for goods and services that support official Library business. The Library Director or their designee is responsible for the library's ACH agreements, including payment approval, accounting, reporting, and compliance oversight. All ACH transactions will be recorded through journal entries in the Library's general ledger, and such documentation will include the goods or services purchased, the cost, and the date of the payment. All ACH transactions will be approved by the Library Director before payment is authorized.



TO: Plymouth District Library Board
RE: Board By-Laws, Second
Reading

DATE: March 8, 2022
FROM: Shauna Anderson,
Director

I am bringing forth the board by-laws again for review. [Rochester Hills Public Library Board By-Laws](#) are consistently brought forth by United for Libraries (the national association of library trustees) as a model to emulate. I have also included the By-Laws chapter of the Library of Michigan Trustee Guidebook in this packet.

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

CHAPTER 2 BYLAWS

A. Bylaws and Board Organization

Bylaws

Bylaws are rules of behavior that govern the board. Effective bylaws fulfill several important functions:

- Provide the operational philosophy and principles of the organization
- Provide a structure for conduct at meetings
- Provide guidance as to the extent and the practice of the Board's authority
- Describe the board's primary duties
- Act as a guidepost for decision making and problem solving
- Provide necessary checks and balances
- Provide policies for compliance with necessary laws
- Provide transparency to ensure board fulfills its public trust

State library establishment statutes empower library boards to adopt rules and regulations for their own governance. Boards (both governing and advisory) fulfill this requirement by writing and adopting bylaws.

Bylaws are the basic rules relating to the library board as an organization. They define the primary characteristics of the library board and describe how the board functions. Good bylaws can act as a user manual on the operation of a productive board. Incomplete or badly written bylaws can cause conflict and hamper the operation of the board – and the library.

When creating bylaws from scratch, start by looking at the work done by other libraries. There are many excellent examples to be found on the internet or on the United for Libraries website, a resource provided to all Michigan public libraries. (See [Appendix A](#))

There are many areas that can be covered by board bylaws and creating them can easily become overwhelming. A wise practice is to start with the basics and then build on them over time. A good set of bylaws is an organic publication that gets tweaked and updated over time as the needs of libraries and library patrons change over time.

A comprehensive, initial set of Library Board Bylaws should include the following:

- A statement of the official name of the library (along with a citation to the applicable resolution or ballot measure, if applicable).
- Confirmation of the authority of the library board to exist, citing the establishment statute or the source of the library's existence, e.g. the County Libraries Act or the city charter, or some other higher authority.
- Description of the board's powers and duties, both stated and delegated.
- An outline of board participation in strategic planning, policymaking and funding decisions.
- Provision for periodic evaluation of the director's job performance.
- Outline of delegation of library administration.
- Outline of the board's responsibility for prudent stewardship and management of the finances and resources of the library.
- Policy on the receipt of gifts (eg: not permitted where there could be the perception of influence).

- Conflict of Interest statement (eg: Board members may not contract or otherwise enter into an arrangement of agreement with the library where the Board member will directly or indirectly receive a financial or other tangible benefit). Board members must also recuse themselves from discussions or decisions involving family members or organizations they have direct or indirect business or relationships with.
- Description of duties of the library director and a discussion of the board's duties in relation to the Director's.
- Description of the structure of the board, officer titles, descriptions of the duties & powers of each position.
- Most boards elect a president, vice president and secretary. Some include a treasurer. (Note that a board secretary does not take and keep minutes of the board meetings. This activity effectively removes them from participation in the meeting. Use a staff member [not the director] to take board minutes, except for closed sessions.)
- Procedure for how officers are elected, terms for each office, schedule for elections, how to fill seats that become vacant mid-term, and officer rotation.
- Wise boards rotate officers to keep new ideas flowing and to educate board members in all aspects of board management
- Procedure and causes for officer removal. (Note that in some cases this process is governed by statute)
- Statement of parliamentary procedure.
 - Parliamentary procedure is the formal process by which meetings are run and by which business is brought before and considered by formal bodies. There are two primary forms of parliamentary procedure, Roberts Rules of Order, and The Standard Code of Parliamentary Procedure (formerly the Sturgis Standard Code). The Board will want to determine which style of procedure is best for them, and then include in the bylaws a statement of which procedure is to be followed for board business.
 - See [Appendix H](#) for a listing of resources on parliamentary procedure.
- What constitutes a quorum.
- Description of standing committees including names, number of members and rotation of members.
 - It is a good idea to rotate committee members, just as you would rotate board officers. This gives each board member a chance to learn and grow. It also keeps members from becoming entrenched in certain roles.
- Procedure for establishing & abolishing committees
 - Committees may not act for the board as a whole. They are simply a mechanism used by the board to assist in compiling information or proposing solutions.
 - It is not necessary to have committees. The board can act as a committee of the whole and many smaller libraries run perfectly well without them. However, board committees can prove helpful, especially in the areas of personnel, policies, finance, bylaws and board recruitment.
 - Committees can be standing or ad hoc.
 - An ad hoc committee should go out of existence with the completion of its purpose. For example, a building committee ends when the building project is completed.
 - A standing committee is a permanent committee of the board that has ongoing responsibilities.
 - A finance committee
 - A personnel/HR committee
 - Meeting Details – (The ALA division United for Libraries has a useful toolkit called Trustee Board Meetings – Effective Meetings for Library Boards of Trustees (See [Appendix A](#))).
 - A description of how often meetings will be held (Monthly, bi-monthly, etc.)

- The schedule of meetings (day, & time, & location)
- The procedure for setting up the meeting (reserving the space, arranging AV, etc.)
- The criteria and procedure for changing/canceling a meeting (for bad weather, etc.)
- The procedure of noticing/announcing a meeting (or meeting change)
- The procedure and policies for public comment at meetings
 - Anyone attending a meeting is not required to give their name or address, but you may require this information if they wish to speak during the public comment portion of a meeting.
 - If you wish to limit the time an individual may speak, include that in your bylaws.
- The procedure for minutes (taking and keeping and posting)
 - Who is responsible for posting and maintaining online.
 - Who records or takes minutes (as stated before, the secretary is probably not the best candidate for this job).
- Determine the order of business. The order of business is the blueprint for board meetings. A typical agenda may look like the following:
 - Call to order
 - Approval/amendment of the agenda
 - Approval of the last meeting’s minutes
 - Treasurer’s report
 - Committee reports
 - Director’s report
 - Old business
 - New business
 - Public comment
 - Adjournment
- Description of how bylaws may be amended.

B. Board Relations

Board discussion, even vigorous debate, is a healthy part of reconciling diverse views. However, ongoing board contention can be a sign of trouble. Discussion strengthens a board’s ability to govern, but constant contention can destroy it. It is the responsibility of the board leadership to resolve conflict among board members. It is inappropriate for a director to be put in the position of chastising a board member, who is ultimately the director’s employer.

There are steps the board chair can take to keep conflicts from escalating into contentiousness:

First, use the controlled environment of the board meeting to close down those members who seek to create dissention and conflict:

- Establish time limits for each portion of the agenda. These limits give you a tool to move the meeting away from fruitless arguing.
- Limit the amount of time each speaker can use to debate a point or issue. If an issue is up for discussion, and each speaker gets 5 minutes, no one can monopolize the time allotted for a particular agenda item.