

Howell Carnegie District Library  
Policy Committee Meeting  
Agenda for July 16, 2024

- 10:00 Call to Order/Approval of Agenda
  - Attendance
  - Review Investment Policy
  - Review Fund Balance Policy
  - Review Electronic Transaction Policy
  - Review Library Credit Card Use Policy
  - Review Payment by Financial Transaction Device Policy
  - Review Ethics Policy
- 10:50 Recommendations to Library Board
- 11:00 Adjourn

## INVESTMENT POLICY

### **I. Purpose.**

It is the policy of the Howell Carnegie District Library (“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 Library policies governing the investment of public funds.

### **II. Scope.**

This Investment Policy (“Policy”) applies to all transactions involving the financial assets and related activity of the Library except for any financial asset or money that is otherwise subject to a public act or bond authorizing ordinance or resolution that permits investment in fewer than all the investment options listed in this Policy or imposes one or more conditions upon an investment listed in this Policy. Further, this Policy does not apply to any funds which are governed by an act other than 1943 PA 20, the Investment of Surplus Funds of Political Subdivisions Act (“Act 20”).

### **III. Objectives.**

Funds of the Library will be invested in accordance with Act 20, as amended, and in accordance with the following objectives in order of priority:

- A. Safety - Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital and preservation of investment in the overall portfolio.
- B. Diversification - The investments shall be diversified by specific maturity dates, individual financial institution(s) or a specific class of securities in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- C. Liquidity - The investment portfolio will remain sufficiently liquid to meet all operating requirements which might be reasonably anticipated.
- D. Return on Investment - The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and cash flow characteristics of the portfolio.

#### **IV. Authority; Delegation of Authority.**

Authority to manage the investment program is derived from state law, including Act 20, as amended, and the District Library Establishment Act, 1989 PA 24. Management responsibility for the investment program is hereby delegated to the Finance Committee, which shall establish procedures and internal controls for the operation of the investment program, consistent with the Investment Policy. No person may engage in investment transactions except as provided under the terms of this Policy and the procedures established by the Finance Committee. The Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. The Library Board, after approval by the Finance Committee, may hire consultants, including a bookkeeper, to assist with Library investments. The Director shall be the Investment Officer.

#### **V. Authorized Instruments.**

In accordance with Act 20, as amended, the Finance Committee authorizes the Investment Officer to invest the surplus funds of the Library 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 a financial institution, 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. In addition, the Library Board by resolution may authorize its investment officer to invest the funds of the Library in certificates of deposit or depository accounts in accordance with all of the following conditions:
  1. Certificates of deposit in accordance with all of the following conditions:
    - a. The funds are initially invested through a financial institution that is not ineligible to be a depository of surplus funds belonging to this state under section 6 of 1855 PA 105, MCL 21.146.
    - b. The financial institution arranges for the investment of the funds in certificates of deposit in one (1) or more insured depository institutions, as defined in 12 USC 1813, or one (1) or more insured credit unions, as defined in 12 USC 1752, for the account of the public corporation.
    - c. The full amount of the principal and any accrued interest of each certificate of deposit is insured by an agency of the United States.
    - d. The financial institution acts as custodian for the public corporation with respect to each certificate of deposit.

- e. At the same time that the funds of the Library are deposited and the certificate or certificates of deposit are issued, the financial institution receives an amount of deposits from customers of other insured depository institutions or insured credit unions equal to or greater than the amount of the funds initially invested by the public corporation through the financial institution.
- 2. Deposit accounts of a financial institution that meet all of the following conditions:
  - a. The funds are initially deposited in a financial institution that is not ineligible to be a depository of surplus funds belonging to this state under section 6 of 1855 PA 105, MCL 21.146.
  - b. The financial institution arranges for the deposit of the funds in deposit accounts in one (1) or more insured depository institutions, as defined in 12 USC 1813, or one (1) or more insured credit unions, as defined in 12 USC 1752, for the account of the public corporation.
  - c. The full amount of the principal and any accrued interest of each deposit account is insured by an agency of the United States.
  - d. The financial institution acts as custodian for the public corporation with respect to each deposit account.
  - e. On the same date that the funds of the Library are deposited under subdivision b) above, the financial institution receives an amount of deposits from customers of other insured depository institutions or insured credit unions equal to or greater than the amount of the funds initially deposited by the Library in the financial institution.
- C. Commercial paper rated at the time of purchase within the two (2) highest classifications established by not less than two (2) 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 must be executed by the bank or dealer, and shall be negotiated only with dealers or financial institutions with whom the Library has negotiated a master repurchase agreement approved by the Library's legal counsel.
- E. Bankers' acceptances of United States Banks.

- F. Obligations of the State of Michigan or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one (1) standard rating service.
- G. Mutual funds registered under the Investment Company Act of 1940, Title I of chapter 686, 54 Stat. 789, 15 U.S.C. 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. The authorization to invest in mutual funds includes securities whose net asset value per share may fluctuate on a periodic basis. However, a mutual fund is not disqualified as a permissible investment solely by reason of the following:
  - 1. The purchase of securities on a when-issued or delayed delivery basis.
  - 2. The ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned.
  - 3. The limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes.
- H. Obligations described in 5A through 5G above if purchased through an interlocal agreement under state law (Urban Cooperation Act of 1967) e.g., the MBIA Michigan CLASS program.
- I. Investment pools organized under the Local Government Investment Pool Act, 1985 PA 121 and the Surplus Funds Investment Pool Act, 1982 PA 367.

## **VI. Safekeeping and Custody.**

All security transactions, including collateral for repurchase agreements and financial institution deposits, entered into by the Library shall be on a cash (or delivery vs. payment) basis. Securities may be held by a third-party custodian designated by the Finance Committee and evidenced by safekeeping receipts as determined by the Finance Committee.

## **VII. 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.

## **VIII. Reports**

The Finance Committee may elect to have certificates and other evidence of investments held by a financial institution and sufficient documentation and acknowledgment of investments held on

behalf of the Library, provided that such documentation is provided on a quarterly basis. The Finance Committee shall provide a quarterly report to the governing body concerning the investment of funds.

**IX. Conflict**

The Finance Committee, Director and Library Board Members shall comply with all statutes related to public fund investments. Any provision of this Policy in conflict with state law, as amended from time to time, is void.

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**HOWELL CARNEGIE DISTRICT LIBRARY**

**CERTIFICATION**

I hereby certify that I have received the Investment Policy of the Howell Carnegie District Library, have personally read the Investment Policy, and agree to comply with the terms of the Investment Policy regarding the investment of the Howell Carnegie District Library funds.

Any investment not conforming with your Investment Policy will be disclosed promptly.

We also pledge to exercise due diligence in informing you of all foreseeable risks associated with financial transactions conducted with our firm.

\_\_\_\_\_  
Institution

\_\_\_\_\_

\_\_\_\_\_  
Address

\_\_\_\_\_  
Authorized Official & Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

POLICY APPROVED: \_\_\_\_\_

EFFECTIVE: \_\_\_\_\_

PRESIDENT: \_\_\_\_\_

## **FUND BALANCE POLICY**

### **PURPOSE**

The following policy has been adopted by the 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 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** (Fund 101- General Fund) is used to account for all financial resources not accounted for and reported in another fund.

**Special revenue funds** (Fund 272 – Gifts and Donations) 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.

**Debt service funds** (Fund 371 – Debt Service) are used to account for all financial resources restricted, committed or assigned to expenditure for principal and interest.

**Capital expenditure funds** (currently not used) are used to account for all financial resources restricted, committed or assigned to expenditure for the acquisition or construction of capital assets.

**Endowment funds** (Fund 155- Endowment) are used to account for resources restricted to the extent that only earnings, and not principal, may be used for purposes that support the library’s purposes. These funds are held by the Community Foundation for Southeast Michigan and include:

- Howell Carnegie District Library Endowment Fund
- Grace Song Line and Winfield H. Line Fund
- James Ross Memorial Fund

### **FUND BALANCE REPORTING IN GOVERNMENTAL FUNDS.**



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

### **Non-spendable 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 intact. Non-spendable amounts will be determined before all other classifications and consist of the following items:

1. The balance of any long-term outstanding balances due from others (including other internal funds);
2. The value of prepaid items and any inventory balances;
3. The principal of any permanent funds held legally or contractually required to be maintained intact; and,
4. The balance of any nonfinancial assets held for sale.

### **Restricted fund balance**

Definition — includes amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers (grantors; donors), or through enabling legislation.

### **Committed fund balance**

Definition — includes amounts that can be used only for the specific purposes determined by a formal action of the the Board of Trustees.

Authority to Commit — commitments will only be used for specific purposes pursuant to a formal action of the Board of Trustees. A majority vote is required to approve a commitment and a two-thirds majority vote is required to remove a commitment.

### **Assigned fund balance**

Definition — includes amounts intended to be used by the Library for a specific purpose 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 Board of Trustees delegates to the Library Director or 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.

### **Unassigned fund balance**

Definition - includes the residual classification for the library's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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 nature of the net resources that are reported in a governmental fund. An individual governmental fund may include non-spendable 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 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 library that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

Recommended Amount of Fund Balance:

While it is prudent and necessary to maintain adequate reserves in support of the Library's operations and viability, it is not appropriate or intended that excessive amounts of public moneys be held in reserve. A reasonable, stable, fund balance is recognized as an element of effective long-range planning.

The Library's primary objectives for establishing a reasonable fund balance are to maintain an adequate level of financial resources to protect against reducing service levels, avoid borrowings to meet cash flow needs due to revenue shortfalls or unanticipated emergencies, or other necessary expenditures that may tend to impair the fiscal integrity of the Library as follows:

**Minimum unassigned fund balance** — the library will maintain a minimum of nine months of the operating expenditures in the unassigned fund balance in the General Fund to ensure cash availability when required payments are due. This large fund balance is necessary to maintain the cash flow of the library. The library's fiscal year runs July 1 to June 30, and the majority of the Library's income is received between January and March.

**Minimum Committed Fund Category** – The Committed Fund category will be funded, as noted above, by Board resolution to support commitments to future capital projects determined by Library's Strategic Plan. Capital Projects will include expenditures more than \$5,000 with a useful life of at least two (2) years.

**Other Fund Categories** – Other fund balances will be determined by stipulated restrictions or Board or management decision, as defined.

**Replenishing deficiencies** — Fund balances may fall occasionally outside of the target ranges because of special projects, emergencies, and other extenuating circumstances. The Library will

reduce recurring expenditures or pursue other funding sources to replenish the funds to the minimum level within a reasonable time frame, typically two (2) years.

**Surplus fund balance** – In the event that at the end of the fiscal year, the Library’s unassigned fund balance is greater than 15 months of operating expenditures, the Library will develop a plan to commit, assign or spend the funds.

### **Use of Fund Balance**

Library Board authorization (simple majority) is required for the use of fund balance. Fund balance may be used for the following purposes:

- To balance the fiscal year budget when budgeted expenditures exceed budgeted revenues.
- Replacement of equipment, primarily capital equipment.
- Purchases related to one-time projects or non-recurring expenditures (e.g., renovations, technology).
- Loans to other funds (e.g., for capital expenses that will be reimbursed by a funding agency).

At the end of the fiscal year, any decrease in fund balance should not exceed the total of the authorized, one-time uses of fund balance. Generally, fund balance should not be reduced by regular operating expenses. If regular expenses do exceed revenues, a more conservative approach to budgetary fund balance should be used in the following fiscal year.

### **Note on use of the Technology Fund Balance vs. Annual Budget**

Ongoing maintenance and annual expenditures are budgeted for from annual revenue. The Technology Fund Balance is for one-time purchases of hardware, software and professional services.

### **Implementation and review.**

Upon adoption of this policy, the Board of Trustees authorizes the Library Director to establish any standards and procedures that may be necessary for its implementation. The Library Director shall review this policy at least annually and make any recommendations for changes to the Board of Trustees.

### **Reporting and Monitoring**

Library staff shall present the Library Board with a report on the fund balance in conjunction with the annual budget recommendation. In addition, library staff will show the impact of budget adjustments on the budgetary fund balance prior to requesting authorization for each adjustment

## **Electronic Transactions of Public Funds Policy**

### **I. Purpose.**

The purpose of the Electronic Transactions of Public Funds Policy (“Policy”) is to authorize and regulate electronic transactions of public funds involving the Howell Carnegie District Library (“Library”) and to provide for the powers and duties of certain Library officials and staff.

### **II. Definitions.**

- A. “Automated clearing house” or “ACH” means a national and governmental organization that has authority to process electronic payments, including, but not limited to, the national automated clearing house association and the Federal Reserve System.
- B. “ACH arrangement” means the agreement between the originator of the ACH transaction and the receiver of an ACH transaction.
- C. “ACH transaction” means an electronic payment, debit, or credit transfer processed through an automated clearing house.
- D. “Electronic Transactions Officer” or “ETO” means the person designated by the Library to have the authority granted under this Policy.
- E. “Director” shall mean the Howell Carnegie District Library Director. “Bookkeeper” shall mean the Howell Carnegie District Library Director. “Staff member shall mean a Howell Carnegie District Library staff member.

### **III. Responsibility for ACH Agreements.**

- A. The Library designates the Director as the ETO.
- B. The Director is responsible for the Library’s ACH agreements, including payment approval, accounting, reporting, and generally for overseeing compliance with the ACH policy.
- C. The Bookkeeper shall submit to the Library documentation detailing the goods or services purchased, the cost of the goods or services, the date of the payment, and payment of public funds made by electronic transfer. This report may be contained in the Library’s electronic general ledger software system or in a separate report to the Library Board.

### **IV. Internal Accounting Controls to Monitor Use of ACH Transactions.**

The following system of internal accounting controls will be used to monitor the use of ACH transactions made by the Library:

- A. The Director and Bookkeeper shall prepare a list of vendors authorized to be paid by an ACH transaction and provide that list to the Library Board.
- B. The Bookkeeper initiates the transaction upon receipt of an invoice from a vendor on the authorized ACH list identified in Section IV.A. above. The transaction is approved by the appropriate staff member (staff member who orders the materials or services) and the Director.
- C. The Library Board shall approve all ACH invoices pursuant to the Bill Payment Policy.
- D. The Library Bookkeeper shall retain all ACH transaction documents for audit purposes.
- E. The Library shall use recommend security features, such as Positive Pay or current offerings.
- F. For deposits from state, county, and/or federal authorities, and from third-party payment processors, e.g. (Banks, vendors), the Director shall obtain the amount of the deposit and shall provide notification to the Bookkeeper for General Ledger accounting.

**V. ACH Not Subject to Revised Municipal Finance Act.**

An ACH arrangement under 2002 PA 738 is not subject to the Revised Municipal Finance Act, 2001 PA 34 (MCL 141.2101, *et seq.*), or to provisions of law or charter concerning the issuance of debt by a local unit.

## **CREDIT CARD USE POLICY**

### **I. Purpose.**

The purpose of the Credit Card Use Policy (“Policy”) of the Howell Carnegie District Library (“Library”) is to facilitate the Library’s purchase of goods, materials, and services, while maintaining accountability. The Policy provides a system of internal controls to ensure that the Library complies with all applicable laws, including Michigan Public Act 266 of 1995 (Credit Card Transactions).

### **II. Credit Card Regulations.**

- A. The authorized credit limit of each credit card shall not exceed \$15,00.00. The Howell Carnegie District Library Board (“Library Board”) shall determine the maximum authorized limit on any credit card issued to the Library. One credit card, for the Library Director, shall be issued in the name of the Library.
- B. The Library Board may include in its budget and pay the balance due on any credit card, including the annual fee and interest.
- C. The Library Director may delegate authority to use a credit card to a Library employee. However, all purchases over \$2,000.00 must be approved by the Library Director.
- D. For purchases under \$2,000.00, each employee shall be permitted to make up to a monthly maximum of \$2,500.00 without prior approval of the Library Director as long as the Library Board has budgeted for the purchase. Purchases above the monthly maximum of \$2,500.00 must be approved by the Library Director.
- E. The credit card shall be held by the Library Director.

### **III. Responsibility of Library Director or Designee.**

- A. The Library Director will be responsible for the issuance, accounting, monitoring, and retrieval and generally for overseeing compliance with this Policy.
- B. The credit card may be used by the Library Director and employees delegated the authority by the Library Director. Credit cards shall be used only for Library supplies, materials, services, and staff continuing education/conferences to be used

for the official business of the Library. The maximum amount of a single purchase is \$15,000.00 (credit card limit). Further, the Library Director or his/her designee may not use any credit card for a purchase that that person does not have authority to make.

C. The Library Director and any employee in possession of or using the credit card is responsible for the protection of the credit card. Employees shall notify the Library Director if a card is lost or stolen. Then, the Library Director shall immediately notify the Library Board and financial institution issuing the card if the card is lost or stolen.

D. The Library Director or any Library Director's designee employees must immediately surrender the credit card upon leaving the employ of the Library.

#### **IV. Unauthorized Use.**

The Library will use disciplinary measures consistent with current law for unauthorized use of the credit card.

#### **V. Payment.**

A. The balance including interest due on the credit card shall be paid within 30 days of the initial statement date.

B. The Library Director or his/her designee, within one (1) week after a purchase, shall submit a copy of the vendor's credit card slip detailing the goods or services purchased, the cost of the goods or services, the date of purchase, and the official business for which it was purchased to the Business Office. If no credit card slip was obtained that described the transaction, the Library Director shall submit a signed voucher that shows the name of the vendor or entity from which goods or services were purchased, the date and the amount of the transaction, and the official business that required the transaction. Vouchers shall also include a statement explaining why a credit card slip was not obtained. All credit card receipts or vouchers will be retained for attachment to the monthly credit card statement, prior to approval for payment.

C. The Employee to whom the procurement and line-item budget authority has been delegated must review the credit card statements with respect to those line items.

D. The Library Director shall review each credit card statement as soon as possible to ensure that transactions comply with this Policy. Any transactions that appear on the statements that are not documented with a credit card slip or a signed voucher shall be immediately investigated. Transactions that do not appear to comply with this Policy shall be reported to the Library Board.

E. The Library shall not approve a payment to the entity issuing the credit card until all transactions have been verified. If the Library Board holds a regular meeting before the credit card invoice must be paid so that no late fees or interest will accrue, the credit card invoices shall be verified and approved by the Library Board. If a regular meeting does not occur before the invoice must be paid, the bill will be paid according to the Bill Payment Policy

**VI. Benefits.**

Any benefits derived from the use of the credit card shall be the property of the Howell Carnegie District Library.

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## **PAYMENT BY FINANCIAL TRANSACTION DEVICE POLICY**

### **I. Purpose.**

The purpose of the Payment by Financial Transaction Device Policy of Howell Carnegie District Library is to facilitate the Library's acceptance of the payment of certain fees by credit card (or other financial transaction device) to ensure that the Library complies with all applicable laws, including Michigan Public Act 280 of 1995 (Financial Transaction Device Payments). For the convenience of its patrons, the Library provides the option of paying library, assessments or fees via credit/debit card

### **II. Authority to Accept Payment by Financial Transaction Device.**

A. The Library authorizes the payment for all library costs, fess and donations by a financial transaction device (meaning a credit or debit card).

B. As recommended and approved by the Treasurer and approved by the Library Board, the Library accepts **American Express, Visa, MasterCard, and Discover cards.**

C. The Library is subject to compliance with all laws, statutes, and reasonable terms and conditions associated with accepting these credit cards.

D. The Library may assess the fees charged by American Express, Visa, MasterCard and Discover for credit card use as part of the total payment. Payments are encrypted to protect patron financial information.

E. Credit card payments will not be accepted by mail or e-mail.

### **III. Responsibility of Treasurer.**

A. The Library Treasurer and the Library Director shall be responsible for determining the types of financial transaction devices that may be used. However, the Library Board must finally approve all financial transaction devices that may be used.

B. The determination of the financial transaction devices that may be accepted shall comply with any resolution for the deposit of public money under Section 2 of the Depositories for Public Moneys Act, 1932 PA 40 (1<sup>st</sup> Ex. Sess.) applicable to the Library. Accordingly, the Library designates Bank of Ann Arbor as the depository institution for the financial transaction devices.

## **ETHICS POLICY**

### **I. Purpose.**

The Howell Carnegie District Library Board understands that the trust of its community is crucial to achieving its mission. Therefore, all Board members must conduct business on behalf of the Howell Carnegie District Library with the highest level of integrity avoiding any impropriety or the appearance of impropriety.

### **II. Policy.**

1. Board members and employees must perform their duties diligently. Board members should understand their fiduciary obligation to act in the best interests of the Library.
2. Board members and employees should not engage in discrimination of any kind, including discrimination that violates state or federal law.
3. Board members and employees should understand and follow the requirements of the United States and Michigan Constitution. Board members shall also follow all federal, state, and applicable local laws, including but not limited to the Michigan Library Privacy Act.
4. Board members and employees should avoid situations in which their personal interests, activities or financial affairs are, or are likely to be, perceived as being in conflict with the best interests of the Library.
5. A conflict of interest shall include, but is not limited to, a matter pending before the Library Board in which the Board member has a direct pecuniary interest. The Board member has an obligation to notify the Board President if there is a matter that is or may be a conflict of interest. If the Library Board determines a legal conflict of interest exists, the Board member shall not participate in the discussion or decision involving the matter.
6. Board members should not use or attempt to use their position with the Library to obtain unwarranted privileges or advantages for themselves or others. Board members should adhere to all procedures and policies of the Library and shall not attempt to obtain special privileges relating to the use of the Library.
7. Board members should engage in civil discussions on Library Board issues and agenda items. Once a decision is made, Board members are expected to support the decision of the Board even if the Board member did not vote in favor of the decision.

### **III. Conflict of Interest Statement.**

Upon taking the oath of office, each Board member shall read this policy and sign a statement agreeing to comply with the policy.

By signing this document, I agree to follow the policy and adhere to the standards set forth in the policy:

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

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