



Northeast Ohio  
Regional  
Library System

# **The Northeast Ohio Regional Library System**

## **ADMINISTRATIVE POLICY MANUAL**

**Adopted by the Board of Trustees  
on March 14, 2017**

## **Introduction**

The purpose of this Policy Manual is to provide each employee and Board Member of the Northeast Ohio Regional Library System (herein after referred to as NEO-RLS) with a ready reference guide to the organization's policies and practices.

All employees must, as a condition of their employment, become familiar with and abide by said policies and practices.

Copies of this manual and updates or deletions from it will be provided to all employees and Board Members. Furthermore, an up-to-date copy of the manual will be available for inspection in the Executive Director's Office and the Fiscal Officer's Office. Changes to the manual will be announced through appropriate in-house communications or by distribution of updated pages.

This manual will be annually reviewed by the Bylaws/Policies Committee of NEO-RLS' Board. Changes and revisions will be approved by the full NEO-RLS Board of Trustees. Statements printed in the Board Minutes shall have the same effect and/or may supersede those found in the manual.

If the meaning or interpretation of a particular policy, practice, or update is unclear, an employee should consult with the Executive Director. In cases where interpretation is necessary, the Executive Director shall render the final judgment interpreting the statements in this manual.

Before adoption, the manual and updates will be reviewed by the NEO-RLS Board of Trustees. They may also be reviewed by legal counsel if deemed necessary. Within the confines of local, state, and federal law, the Board of Trustees of NEO-RLS retains the right to change, suspend or make exceptions to this manual at any time.

**ACKNOWLEDGEMENT PAGE**

**(A separate, signed copy of this form will be kept in the employee's personnel file.)**

I, the undersigned employee of the Northeast Ohio Regional Library System, acknowledge that I have received a current copy of the NEO-RLS Administrative Policy Manual.

I have had an opportunity to read and discuss its contents with the Executive Director. I agree to abide by the policies and practices contained in this manual.

I understand that my failure to abide by the policies and practices set forth in the manual and other appropriate communications may result in disciplinary action up to and including termination of employment.

I agree that nothing herein should be construed as a direct or implied contractual commitment between NEO-RLS and its employees with respect to the duration of employment, level of compensation, or any other terms or conditions that are part of the employment relationship.

I understand that the employment relationship between NEO-RLS and its employees is an at-will arrangement and may be terminated at any time by either party.

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Employee Name

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Date

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Executive Director's Signature

## **1. Introduction**

**1.1** This manual reflects changes made to the Administrative Policy Manual developed from 2008 to the present by members of the Bylaws/Policies Committee. The manual will be updated as changes in laws and policies mandate.

This manual not only serves as the NEO-RLS Board's policy manual, but may also provide examples of policies for those libraries creating a manual of their own. NEO-RLS member libraries are welcome to copy any part of this manual as needed.

## **2. General/Operational Policies**

### **2.1 Annual Board Calendar (\* = Requires Board Action)**

#### **JULY**

- Fiscal year begins July 1.
- Invoices for membership based on the Letters of Intent for the current fiscal year are sent to participating public, academic and special libraries.
- Membership dues from participating libraries for new fiscal year are due by July 31 for public and special libraries and by September 30 for school and academic libraries.
- Organizational meeting of the Board of Trustees held
  - Appointment of Executive Director/Deputy Fiscal Officer, Fiscal Officer for one year \*
  - Approval of the estimated revenue for all funds \*
  - Approval of the annual appropriations resolution for all funds, if not done previously \*
  - Administer oath of office to new Trustees, Fiscal Officer and Executive Director/Deputy Fiscal Officer \*
  - Authorization to Fiscal Officer to pay all bills in accordance with adopted appropriations \*
  - Set date/times of Board meetings for the fiscal year (includes at least six meetings) \*
  - Set amount of petty cash fund \*
  - Set public officials bond amount for Fiscal Officer and Deputy Fiscal Officer and blanket bond amount for staff for the fiscal year \*
- Quarterly fiscal report due to State Library of Ohio by tenth of the month.
- Year-end and quarterly narrative and statistical reports due to State Library of Ohio by the fifteenth working day of the month.

## **AUGUST**

- Biennium budget for state funding request is prepared

## **SEPTEMBER**

- Invoices for membership based on the Letters of Intent for the current fiscal year are sent to participating school libraries. Invoices are due September 30.
- Budget request for state funds is approved by Board. \*

## **OCTOBER**

- Quarterly fiscal report for the period July through September due to the State Library of Ohio by tenth of the month.
- Quarterly narrative and statistical reports for the period July through September due to the State Library of Ohio by the fifteenth working day of the month.
- Letters of Intent for NEO-RLS membership during the upcoming fiscal year are sent to all libraries.

## **NOVEMBER**

- Board meets to review and update Strategic Plan.

## **DECEMBER**

- Letters of Intent and optional program lists due back to NEO-RLS office by December 31.

## **JANUARY**

- Quarterly fiscal report for period October-December due to the State Library of Ohio by the tenth of the month.
- Quarterly narrative and statistical reports for period October-December due to the State Library of Ohio by fifteenth working day of the month.
- Bylaws/Policy Committee meets to review and update Bylaws and Administrative Policy Manual.

## **MARCH**

- Personnel Committee meets to review and update Staff Handbook and make recommendations to Finance Committee on staff salary increases.

## **APRIL**

- Quarterly fiscal report for period January-March due to the State Library of Ohio by the tenth of the month.

- Quarterly narrative and statistical reports for period January-March due to the State Library of Ohio by the fifteenth working day of the month.

**MAY**

- Finance Committee meets to review next year's budget for recommendation to Board (May - June). \*
- Personnel Committee conducts performance evaluation of Executive Director/Deputy Fiscal Officer and Fiscal Officer.

**JUNE**

- Approval of permanent or temporary appropriations and authorization to pay bills for the next fiscal year for the period July 1 through the date of the Organizational meeting. \*
- Approval of salaries of all staff for next fiscal year as recommended by Personnel and Finance Committees. \*
- All state funds from the current fiscal year must be encumbered by June thirtieth.

**2.2 Fiscal Officer**

The Board will meet during the first month of the fiscal year. The Board shall appoint a Fiscal Officer and a Deputy Fiscal Officer annually. The period of the Deputy Fiscal Officer and Fiscal Officer's employment shall be July 1 through June 30. The Board shall approve the employment of the Executive Director.

**2.2.1 Oath of Office**

All newly elected Board members, the Fiscal Officer and the Deputy Fiscal Officer shall take the oath of office.

The following Oath of Office shall be administered in compliance with state laws to all new Trustees:

I, \_\_\_\_\_, do solemnly swear (or affirm), under penalty of perjury, that I will support the Constitution of the United States, and the Constitution of the State of Ohio, that I will perform faithfully to the best of my ability the duties of a member of the Board of Trustees of the NEO-RLS.

**2.3 Annual Appropriations**

The Board shall approve the Annual Revenue Estimation as prepared by the Fiscal Officer for the Local Cash, Grant, Contracts, State and any other funds. The Board shall approve the Annual Appropriations Resolution, as prepared by the Executive Director and Fiscal Officer in accordance with the budget as approved by the State Library of Ohio.

## **2.4 Authorization of Fiscal Officer to Pay Bills**

The Board shall authorize the Fiscal Officer to pay all bills for the fiscal year in accordance with the budget as approved.

## **2.5 Petty Cash Account**

The Board shall set the amount of money annually to be maintained in the Petty Cash Account Fund.

## **2.6 Code of Ethics of NEO-RLS Board of Trustee Members**

NEO-RLS Board Members shall:

- a. Represent the interests of all people served by this organization and not favor special interests inside or outside the organization.
- b. Not use the organization or his/her service on the Board for his/her own personal advantage of his/her friends, relatives or supporters.
- c. Keep confidential information confidential unless subpoenaed by a court of law.
- d. Approach all Board issues with an open mind; be prepared to make the best decision for the whole organization.
- e. Do nothing to violate the trust of those who elected him/her to the Board or of those he/she serves.
- f. Focus his/her efforts on the mission of the organization and not on his/her personal goals.
- g. Never exercise authority as a Board Member except when acting in a meeting with the full Board or as he/she is delegated by the Board.
- h. The Board of Trustees and staff of NEO-RLS shall refrain from addressing issues and making decisions on matters not directly related to the “business” of NEO-RLS or its member libraries.
- i. Abide by any sections of the Ohio Ethics Laws that apply to NEO-RLS.

## **2.7 Authority to Make Statements about NEO-RLS**

The NEO-RLS Board of Trustees authorizes the Executive Director to make statements about NEO-RLS to the public, press and others. The Executive Director may approve and/or appoint a NEO-RLS employee to make such statements in his/her absence.

## **2.8 NEO-RLS Board Election Process**

On the first business day of April, the NEO-RLS staff will distribute the notice of vacant board positions to the appropriate member representatives. If any person is interested in running for his/her zone’s open seat, or if there is not an opening in their zone, than for an at large seat, the signed notice must be received by NEO-RLS on or before the last Friday in April. All notices received after this day will be disregarded.

On May 1<sup>st</sup>, the NEO-RLS staff will distribute the ballots to the appropriate membership representatives. All membership representatives of each group will be able to vote on

the seat for his/her group and all at-large seats. All ballots must be received by NEO-RLS on or before the last business day of May. No write-in candidates will be considered. If a ballot is received with a write-in candidate marked, the ballot will be disregarded and will not count as a vote. In the case of a tie, the final decision will be made by the Board President.

Once the elections are complete, the Nominating Committee meets and creates a slate of officers for the Vice President and Secretary to present to the NEO-RLS Board of Trustees for its June Board meeting. Elections for the Vice President and Secretary of the NEO-RLS Board of Trustees will be done at the July Board meeting.

## **2.9 Compliance with Ohio's Open Meeting Law**

### **2.9.1 Open Meetings and Agenda Notification**

NEO-RLS welcomes membership and public participation at its Board meetings. Meeting dates are determined at the Organization Meeting in July of each year. All announcements of meetings including any changes in location, date or time will be published on the NEO-RLS website.

The Trustees have a written agenda for each meeting. Any citizen or NEO-RLS member wishing to be part of the agenda must give the Executive Director twenty-four hours written notice of the request to address the Board. Each speaker will be permitted to speak for five minutes. Notification will allow the Board to better address these concerns at the meeting.

### **2.9.2 Types of Meetings**

The meetings of the NEO-RLS Board that are subject to the Sunshine Law are: regular monthly meetings, special meetings, or any other meeting where seven (majority) or more trustees are present. If decision-making is delegated by the NEO-RLS Board to another group, then the meetings of that group must also comply. In addition, all committees of the Board must comply with the Sunshine Law.

### **2.9.3 Minutes**

Minutes are kept of all regular and special meetings by the Board Secretary and maintained and housed with the Fiscal Officer. Board minutes may be viewed on the NEO-RLS website within a timely fashion after Board approval. Committee meeting minutes are on file at the NEO-RLS office.

### **2.9.4 Executive Session**

The Ohio Sunshine Law specifies that at regular and special meetings of the Board, in the interest of effective government or confidentiality, certain discussions may be conducted within an executive session at which only certain specified individuals are present. Executive sessions may only be held as part of a regular or special meeting. Executive



session must be approved by a majority of the quorum and by roll call vote. The minutes of regular or special meetings must include a report of the general matter of the executive session. During an executive session, discussions and deliberations may take place on permitted matters. No final decision may be made during executive session. All voting shall take place in a public meeting. The topics that may be discussed in executive session are limited to personnel matters, real property transactions, conferences with attorneys and auditor's exit conferences.

#### **2.9.4.1 Personnel Matters**

An executive session may be called for the purpose of discussing the appointment, employment, dismissal, discipline, promotion, demotion or compensation of a public employee. The motion to hold an executive session need not list any names. Final decisions, if any, shall be made in a public meeting.

#### **2.9.4.2 Purchase or Sale of Property**

The purchase of property for NEO-RLS purposes or the sale of NEO-RLS property at competitive bidding may be discussed in executive session, in order to prevent premature disclosure of information and creating an unfair competitive advantage. The actual purchase or sale shall take place in a public meeting.

#### **2.9.4.3 Conferences between the NEO-RLS Board and its Attorney**

Conferences between the NEO-RLS Board and its attorney may be held in executive session as long as the conferences concern a dispute involving NEO-RLS in pending or imminent court action.

#### **2.9.4.4 Auditor Conferences**

By law, auditor exit conferences are confidential prior to release of the report.

#### **2.9.4.5 ORC 121.22**

Any other provisions of *ORC* 121.22 that could apply to NEO-RLS.

### **2.10 Library Bill of Rights/Freedom to Read**

The NEO-RLS Board of Trustees abides by the American Library Association's Library Bill of Rights and Freedom to Read Statement (See ALA website [ala.org](http://ala.org)).

### **2.11 Office Operations**

#### **2.11.1 Hours of Service**

The NEO-RLS office shall be open to the public and member libraries Monday through Friday, from 8:30 a.m. until 4:30 p.m. with the exception of the following holidays:

New Year's Day	Labor Day	Day before Christmas
Memorial Day	Thanksgiving Day	Christmas Day
Independence Day	Day after Thanksgiving	Day before New Year's Day
Columbus Day		

Members will be notified in advance of any additional changes to these hours when possible.

**2.11.2 Training Room Use**

The NEO-RLS meeting room shall be available for library-related and other functions as approved by the Executive Director. Those wishing to use the facility shall check its availability with the NEO-RLS office and should reserve it at least one week prior to use. All fire codes shall be followed by those using the room. Smoking and alcohol are not permitted in the meeting room or in other areas of the NEO-RLS offices. Setting up and taking down tables and chairs shall be the responsibility of the person or group using the meeting room. An easel, podium and A/V equipment may be available for use upon request. The Executive Director may refuse any person or group use of the facility, and may eject them from the room and/or NEO-RLS office. Hours of use shall be between 8:30 a.m. and 4:00 p.m., Monday through Friday.

**2.12 Disclosure of Public Records**

NEO abides by the *Ohio Revised Code* Section 149.43 which provides that all public records shall be promptly prepared and made available for inspection to any person at all reasonable times during regular business hours. Upon request, copies of the records are to be provided at cost. ORC 149.43 defines public records as any record kept by a public office including state, county, city, village, township and school district units. All requests from the public (which include vendor requests for records of NEO-RLS member libraries) must follow the following procedures.

**2.13 Retention and Disposal of Records**

NEO-RLS, like all other public entities in the State of Ohio, must retain records from year to year. Although the Ohio Revised Code does not set guidelines for libraries or regionals, the NEO-RLS Board of Trustees adopts the following policy for records retention:

**2.13.1 Records' Commission**

A Records Commission shall be annually established, composed of the Fiscal Officer, the Executive Director and the President of the Board of Trustees. The Commission shall meet annually, for the purpose of approving records to be disposed. The Fiscal Officer shall be designated as the Records Officer, and shall prepare the list of records to be disposed. The Executive Director shall be designated as the Commission Chair. The list shall be sent to the Ohio Historical Society if required for approval of the records. A file will serve as the official record of all actions taken by the Records Committee in regards

to the disposal of records. The file will contain all disposal lists and approvals, and will be considered permanent records of the Board of Trustees.

### **2.13.2 Records' Retention**

Records shall fall into two categories: Permanent and Non-Permanent. The following list shows the retention period of specific records, which is compiled from recommendations of the State Auditor's Office and the Ohio Historical Society.

#### **Permanent**

- 10- Annual Executive Director's Report
- 20-Annual Financial Reports to NEO-RLS Board
- 30-Annual Financial Reports to State Auditor
- 40-Annual Financial Report to State Library
- 50-Audit Reports
- 60-Board Minutes
- 70-Board Policy Files
- 80-Budgets (Annual)
- 90-Legal Opinions/Agreements/Documents
- 100-Personnel and Payroll Records
- 110-P.E.R.S Records
- 120-Equipment Inventories
- 130-W-2 Forms
- 140-W-4 Forms
- 150-Worker Compensation Files

#### **Non-Permanent**

- 160-Accounts Payable Ledger
- 170-Appropriation Ledger
- 180-Bank Deposit Receipts
- 190-Bank Statements
- 200-Bids - Successful
- 210-Bids - Unsuccessful
- 220-Cancelled Checks
- 230-Cash Journals
- 240-Check Registers
- 250-Committee Reports
- 260-Contracts for Services
- 270-Correspondence
- 280-Depository Agreements
- 290-Executive Director's Monthly Report
- 300-Employment Applications
- 310-Insurance Policies

#### **Retention Period**

- 5 Years Provided Audited
- 5 Years Provided Audited
- 5 Years Provided Audited
- 5 Years Provided Audited
- 15 Years
- 5 Years Provided Audited
- 5 Years Provided Audited
- 5 Years Provided Audited
- 5 Years Provided Audited
- 7 Years
- 5 Years Provided Audited
- 1-5 Years
- 5 Years
- 5 Years
- 5 Years If Not Hired
- 15 Years After Expiration

- 320-Invoices 5 Years Provided Audited
- 330-Monthly Financial Reports 5 Years Provided Audited
- 340-Payroll Bank Statements 5 Years Provided Audited
- 350-Purchase Orders 5 Years Provided Audited
- 360-Receipt Journals 5 Years Provided Audited
- 370-Quarterly Reports to State Library 5 Years Provided Audited
- 380-Time Sheets 5 Years Provided Audited
- 390-Vouchers 5 Years Provided Audited

Computer back-ups of any of the records listed above shall also be retained until superseded or are no longer of administrative value. Back-up tapes and archived data shall also be retained until it is not reasonably accessible or is expensive and unduly burdensome to recover.

**2.13.3 Electronic Mail**

As defined by the Ohio Revised Code, documents in electronic mail format are records when their content relates to the business of NEO-RLS. E-mail is to be treated in the same fashion as records in other formats and should follow the same retention schedules. E-mail may be deleted when printed and filed or no longer of use.

Records in private e-mail accounts used to conduct public business are subject to disclosure, and all NEO-RLS employees must retain e-mails that relate to public business and copy them to their business e-mail accounts.

**2. 14 Computer Resources - Use and Security**

**2.14.1 Training**

Computer resources may be used for training members and the general public if workshops are developed or approved by the Executive Director.

**2. 14.2 NEO-RLS Website**

The information hosted on the NEO-RLS website for and about member libraries must support the Mission of the NEO-RLS.

Website content must be relevant to the general interests and activities of its member libraries. It must affect, assist and inform the membership and/or Internet viewers.

NEO-RLS reserves the right to control the scope of the member libraries' information, to make final decisions on any adjustments or updates to the content, and to determine the length of time the information will be on the website.

Unless compiled by NEO-RLS staff, information about member libraries for the website must be submitted by authorized personnel from those libraries.

Hosting of member library information must adhere to local, state and federal laws. Material which violates the intellectual property or personal privacy of others shall not be used.

The NEO-RLS website shall not be used for commercial/personal activities that do not support its Mission or those of member libraries.

Member library content must be timely and accurate.

## **2.15 Disposal of NEO-RLS Audio-Visual Materials, Books, Equipment**

The NEO-RLS Board of Trustees may annually declare that surplus items may be identified and discarded by the Executive Director. Written permission must be acquired from the State Library of Ohio before disposing of any item that was purchased with LSCA or LSTA funds.

## **2.16 Optional Services**

The NEO-RLS Regional Library System shall make available various library and library technology related services that may be subscribed to by the library community.

The NEO-RLS Board shall adopt the services on a case-by-case basis as recommended by the Executive Director. The Board shall set the cost for new services.

The Board shall annually review the NEO-RLS Fees and Services structure (see Section 3.8.4).

### **2.16.1 Cancellation**

NEO-RLS reserves the right to cancel the contract with the member library for failure to follow established guidelines as specified in the agreement between the NEO-RLS Board and the participating library.

### **2.16.2 Damages**

Any damage to or loss of any items will be the financial responsibility of the participating library or library system. The participant should notify the NEO-RLS Office upon the discovery of a lost or damaged item.

## **2.17 Continuing Education Policy**

NEO-RLS offers a wide variety of continuing education experiences for various types of libraries and all levels of staff and trustees at these libraries. The purpose of these learning experiences is for attendees to: keep abreast of changes in the library world and in their own area of responsibility; improve their professional skills and knowledge; improve the quality of

service that their library provides; and share information among NEO-RLS' diverse membership.

The Continuing Education program NEO-RLS provides is a primary component of its mission statement, and NEO-RLS strives to offer quality programs at significantly lower costs than the private sector.

To determine the Continuing Education needs of NEO-RLS' diverse membership, a needs assessment will be conducted bi-annually. NEO-RLS will regularly evaluate programs offered to determine the effectiveness of the subject matter and the abilities of the presenters and topics for future presentations.

Continuing Education certificates may be awarded to individuals upon the completion of each NEO-RLS workshop.

### **2.17.1 Contracted Training**

NEO-RLS also may provide off-site training on a contracted basis. Fees are determined by "NEO-RLS Fees and Services" table (See Policy 3.8.4). In addition, costs of a trainer's travel (mileage costs at current IRS rates), meal costs, and overnight accommodations may be added.

### **2.17.2 Cancellation Policy**

Attendees will be expected to pay for program attendance at the time of registration. If the original attendee cannot attend, a substitute may attend instead. If no one attends, cancellation within seventy-two hours before the event, based on an emergency situation only, may result in reimbursement of fees.

NEO-RLS reserves the right to cancel a workshop at the discretion of the Continuing Education Coordinator or the Executive Director, based on inadequate attendance and/or weather conditions. Registration fees will be reimbursed for such cancellations.

### **2.17.3 Weather Policy**

Rarely is an event cancelled due to weather. Since weather may vary from county to county, there are often questions as to whether an event is being held. Registrants should check NEO-RLS' website for news.

### **2.17.4 Consulting Fees**

NEO-RLS staff is available to provide consulting services. Fees will be based on the NEO-RLS Fees and Services table (see Policy 3.8.4).

### **3. Financial Policies**

#### **3.1 Funds**

##### **3.1.1 Federal Funds**

Grant monies awarded to NEO-RLS, generally from LSTA funds, to be applied to specific projects applied for by NEO-RLS.

##### **3.1.2 State Funds**

State Funds (Special Revenue Fund) Fund 200s

Proceeds that are legally restricted for specific expenditures for those specific services stated by the State Library of Ohio's bi-annual contract held with NEO-RLS.

##### **3.1.3 Local Cash**

Local Cash (General Operating Fund) Fund 101 are monies generated from annual fees assessed to the membership and to be used for operational purposes.

##### **3.1.4 Petty Cash Fund**

The NEO-RLS Petty Cash Fund, housed with the Fiscal Officer, shall be available for purchases of refreshments for meetings and for other items not obtainable through regular purchase order procedure. The amount of the petty cash fund shall be established annually by the NEO-RLS Board of Trustees at its Organizational Meeting. The amount of the fund may be reviewed periodically and changed if warranted.

##### **3.1.5 Other Funds**

Separate accounting shall be kept and produced when requested for optional services and any other special needs as determined by the Board.

##### **3.1.6 Fund Balance Policy**

The following policy has been adopted by the Northeast Ohio Regional Library System 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 Northeast Ohio Regional Library System and jeopardize the continuation of necessary public services. This policy will ensure that adequate fund balances and reserves are maintained in order to:

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

## **Fund Type definitions:**

The following definitions will be used in reporting activity in governmental funds across the Northeast Ohio Regional Library System when applicable.

**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 expenditures for specific purposes other than debt service or capital projects.

**Debt service funds** are used to account for all financial resources restricted, committed or assigned to expenditure for principal and interest.

**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 purposes of the Northeast Ohio Regional Library System.

## **Fund Balance Categories:**

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 a spendable form or (b) legally or contractually required to be maintained intact.

**Classification**— Non-spendable amounts will be determined before all other classifications and consist of the following items:

- The balance of any long-term outstanding balances due from others (including other internal funds).
- The value of prepaid items and any inventory balances.
- The principal of any permanent funds held legally or contractually required to be maintained intact.
- 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, 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 board of trustees

**Authority to commit**— Commitments will only be used for specific purposes pursuant to a formal action of the board of trustees of the Northeast Ohio Regional Library System. 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 NEO-RLS 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 Fiscal Officer and/or the Executive Director or their designee the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, or uncommitted) fund balance in any particular fund.

## **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. 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.

## **Encumbrance reporting**

Encumbering amounts for specific purposes for which resources have already been restricted, committed or assigned should not result in separate display of encumbered amounts. Encumbered amounts for specific purposes for which amounts have not been previously restricted, committed or assigned, will be classified as committed or assigned, as appropriate, based on the definitions and criteria set forth in GASB Statement No. 54.

## **Prioritization of fund balance use**

When expenditure is incurred for purposes for which both restricted and unrestricted amounts are available, it shall be the policy of the Northeast Ohio Regional Library System to consider restricted amounts to have been reduced first. When 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 Northeast Ohio Regional

Library System that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

### **Minimum committed fund balance for cash flow**

The Northeast Ohio Regional Library System will maintain a minimum committed fund balance in its General Fund sufficient to provide operating cash flow for the governmental pooled funds from July 1st through June 30th of each year. This minimum fund balance is to protect against cash flow shortfalls related to timing of projected revenue receipts.

**Replenishing deficiencies**— when fund balance falls below the minimum necessary to ensure sufficient cash flow for operations, NEO-RLS will replenish shortages/deficiencies by either reducing expenditures and/or increasing fees for services or other funding as soon as reasonably possible. The strategies and time frame to accomplish the replenishment shall be recommended by the Fiscal Officer and/or the Executive Director to the Finance Committee for review and approval.

**Surplus fund balance**— should there be surplus unassigned fund balance, NEO-RLS will determine use of such fund balance surpluses. These surplus funds will remain in the general fund as a surplus carryover until NEO-RLS determines its use.

### **Implementation and review**

Upon adoption of this policy, the board of trustees authorizes the Fiscal Officer to establish any standards and procedures which may be necessary for its implementation. The Fiscal Officer shall review this policy at least annually and make any recommendation for changes to the Finance Committee.

#### **3.1.7 Reserve Fund**

The Reserve Funds, which are part of the Local Cash Fund, are used to account for committed funds for the purpose of “going out of business.” Board action has established that \$60,000 will be kept in the Reserve Fund for this purpose.

#### **3.1.8 Technology Fund**

The Technology Fund is a capital projects fund to account for technology related purchases and expenses. This fund will be governed by existing expenditure policies.

### **3.2 Expenses**

#### **3.2.1 Checking Account**

The Checking Account is used to pay all expenses except those paid through the payroll clearance account.

All checks written from the regular account require two (2) signatures: that of (a) the Fiscal Officer or the Deputy Fiscal Officer and (b) the Board President or any officer currently authorized should the Board President be unavailable.

### **3.2.2 Payroll Clearance Account**

A separate account is maintained for payroll. One signature, that of the Fiscal Officer or Deputy Fiscal Officer, is required for all payroll and employee deduction checks. Money is transferred from the regular account to the payroll account to cover the gross payroll each pay period.

### **3.2.4 Purchase Orders**

A purchase order is required prior to any expenditure of funds, and must be signed by (a) the Executive Director and (b) the Fiscal Officer. The Executive Director is assuring that funds are properly expended and the Fiscal Officer is assuring that funds are available for the expenditure.

### **3.2.5 Credit Card Policy**

The NEO-RLS Board of Trustees shall permit the Executive Director and other approved staff members to use credit cards for:

- Expenses incurred while travelling as official representatives of NEO-RLS
- Office Supplies
- Workshop Supplies
- Speaker Travel Expenses
- Emerging Tech Lab supplies
- Purchases not available through standard purchase order procedure

All credit card purchases must be accompanied by a receipt and a requisition form approved by the Executive Director. All of the NEO-RLS' regular purchasing procedures apply to credit card purchases. The credit cards shall list NEO-RLS and the names of the approved staff members as cardholders. It is the responsibility of the employee to report lost or stolen credit cards to the Fiscal Officer. The Fiscal Officer will then take proper measures to ensure that the card will be replaced. Opportunity will be given for review of credit card statements by those Board members who sign NEO-RLS' checks. Reimbursement for expenses incurred by use of personal credit cards will follow appropriate Financial Policy guidelines and office procedures. No personal purchases are to be made on a NEO-RLS credit card. The NEO-RLS Board of Trustees will periodically review use of the cards and the credit limits to ensure that use is in the best interest of NEO-RLS.

### **3.2.6 Bidding, Leasing, and Purchasing**

#### **3.2.6.1 Solicitation of Price Quotations**

The NEO-RLS Board of Trustees uses *Ohio Revised Code* Section 3375.41 as a guideline for the formal bidding process for expenditures over fifty thousand dollars as described in the code (see Board Policy #3.2.6.2 for more information on formal bidding). The following policy shall govern those purchases over fifteen thousand and under fifty thousand dollars and those that are not applicable to ORC 3375.41.

To eliminate any kind of favoritism, misrepresentation or misuse of public funds, NEO-RLS office staff will adhere to the following procedures when requesting price quotations for the purchase of equipment, supplies, or services for the NEO-RLS program and for member libraries:

1. Specifications for services and equipment will be sent to or requested from no less than three vendors. When appropriate, vendor suggestions will be solicited from knowledgeable sources, including member libraries whenever possible.
2. Staff will not divulge quotes to other vendors until after the established deadline of quote submittals.
3. When choosing a vendor, the location and past service as well as price will be considered. The vendor quoting the lowest price and/or best product and product support will be awarded the sale.
4. All companies which have provided quotations will be notified whether or not they received the sale.

#### **3.2.6.2 Bidding Procedure**

The NEO-RLS Board of Trustees uses *Ohio Revised Code* Section 3375.41 as a guideline for the formal bidding process for expenditures over fifty thousand dollars. Section 3375.41 applies only to construction, demolition, alteration, repair or reconstruction of a building. The bid process and legal advertisement must appear in a newspaper of general circulation once a week for a period of four weeks.

The bids shall be opened (by the Fiscal Officer, Board Member or other library employee as specified by Board Resolution) and read immediately after deadline for filing has expired. The bids shall be read publicly for the bidders present. A tabulation of the bids and the report of tabulation shall be made at the next Board meeting.

For expenditures of less than fifty thousand dollars and for items not applicable to ORC 3375.41, procedures in Board Policy Resolution #3.2.6.1 shall be followed.

### **3.2.6.3 Leasing/Maintenance of Equipment**

All equipment leased and applicable maintenance agreements made by the NEO-RLS Board of Trustees shall be contracted for, listing payment amount, duration of the lease/agreement and other pertinent information. All equipment leases and maintenance agreements in excess of \$15,000 shall be approved by the Board of Trustees.

### **3.3 Board Financial Reports**

The Fiscal Officer shall provide the Board, prior to each meeting, a comprehensive financial report detailing expenses, receipts, balances of all funds, and the list of checks written. The Fiscal Officer shall review these reports at each meeting of the Board. In the event that there is no scheduled meeting for a particular month, the Fiscal Officer shall provide the above reports in the Board packet of the next scheduled meeting.

### **3.4 Fiscal/Administering Agent**

#### **3.4.1 NEO-RLS as Agent**

NEO-RLS, with Board approval, may contract with member libraries or other entities to act as fiscal and/or administrating agent for levies, grants, etc. All legal fees, audit costs, additional bond premiums, supplies, travel and other expenses incurred and/or required by the arrangement shall be the financial responsibility of the library contracting with NEO-RLS. The NEO-RLS Board may also elect to assess an administration fee in addition to the above expenses. NEO-RLS and its Board shall not incur any liability for any of the contracting library's employees, including wages, fringe benefits, Workers' Compensation, unemployment compensation or other obligations. The NEO-RLS Board of Trustees will review such arrangements on a regular basis.

#### **3.4.2 Requests for Purchases**

All requests for purchases shall be made to the Executive Director in writing using the accounting software. All ordering information, including date needed, vendor address, phone number, contact person and prices shall be provided.

### **3.5 Audits**

Audits will be conducted on a bi-annual basis under the guidance of the State Auditor's Office.

## **3.6 Investment Policy - NEO-RLS**

### **3.6.1 Scope**

This written investment policy shall apply to all active, interim, and inactive monies of the NEO-RLS and shall remain in effect until such time as the Board of Trustees amends it.

### **3.6.2 Objectives**

The Library shall use in order the following objectives for management of the investments:

1. Safety - Ensure the preservation of capital and the protection of investment Principal.
2. Liquidity - Maintain sufficient liquidity to meet the fiscal operating requirements.
3. Yield - Strive to attain the best return on investments.
4. Diversification of maturity dates and investment sources.

### **3.6.3 Investing Authority**

The investing authority for the NEO-RLS shall be the Fiscal Officer or the Deputy Fiscal Officer.

### **3.6.4 Investment Instruments**

The Investing Authority may deposit and/or invest in the following instruments, as detailed in Section 135.14 of the *Ohio Revised Code* at a price not to exceed the fair market value of the specific investment instrument:

1. Bonds, notes or other obligations of, or guaranteed by, the United States, or those for which the faith of the United States is pledged for the payment of principal and interest thereon.
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality.
3. Time certificates of deposit or savings account, including, but not limited to passbook accounts, in any eligible institution mentioned in Section 135.14 of the *Ohio Revised Code*.
4. Bonds and other obligations of the State of Ohio.

5. Written repurchase agreements.
6. The State Treasurer's investment pool (Star Ohio)

### **3.6.5 Maturities**

No investment shall have a maturity date of more *than five (5) years* from its date of purchase, except repurchase agreements shall have a maturity date not to exceed thirty (30) days.

### **3.6.6 Collateral Requirements**

All investments shall be collateralized as detailed in Section 135.181 of the *Ohio Revised Code*. The following may serve as collateral for deposits provided no such securities pledged as collateral are at any time in default as to either principal or interest.

1. Obligations of or fully insured or fully guaranteed by the United States or any federal government agency, at face value.
2. Obligations partially insured or partially guaranteed by any federal government agency at face value.
3. Obligations of or fully guaranteed by the federal national mortgage association or the federal home loan mortgage corporation, at face value.
4. Obligations of any state, county, municipal corporation, or other legally constituted authority of any state, or any instrumentality of any state, county, municipal corporation, or other authority which are secured as to the payment of principal and interest by the holding in escrow of obligations of the United States for which the full faith and credit of the United States is pledged, at face value.
5. Obligations of this state, or any country or other legally constituted authority of this state, or any instrumentality of this state, or such county or other authority, at face value.
6. Obligations of any other state; at ninety percent of face value.
7. Obligations of any county, municipal corporation, or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation, or their authority; at eighty percent of face value.
8. Notes representing loans made to persons attending or planning to attend eligible institutions of education and their parents and insured or guaranteed by the United States or any agency, department, or other instrumentality thereof, or guaranteed by the Ohio Student Sid Commission, at face value.
9. Any other obligations the treasurer of state approves, at the percentage of face value prescribed.

10. Shares of no-load money market mutual funds and repurchase agreements, at face value.

### **3.6.7 Authorized Public Depositories**

The Board of Trustees of the NEO-RLS shall establish a depository agreement with any eligible institution, not to exceed five years in length. Any eligible institution is described as one that can meet the requirements of Section 135.01 of the *Ohio Revised Code*. As required by the *ORC*, the Public Depositories for which NEO-RLS does business with will sign off on NEO-RLS' investment policy.

### **3.6.8 Distribution of Interest**

The Board of Trustees may decide how to distribute any earned interest at the last board meeting of the fiscal year.

### **3.6.9 Safekeeping and Custody**

The Investing Authority shall be responsible for the safekeeping of all documents evidencing a deposit or investment acquired under this section including, but not limited to, safekeeping receipts evidencing securities deposited with a qualified trustee, and documents confirming the purchase of securities under a repurchase agreement and deposited with a qualified trustee, provided, however, that if the participating institution is a designated depository of NEO-RLS for the current period of designation, the securities that are the subject of the repurchase agreement may be delivered to the Investing Authority or held in trust by the participating institution on behalf of the Investing Authority. Signature cards will be maintained per *ORC* 3375.35 to insure the safety of NEO-RLS' investments.

### **3.6.10 Reporting**

An investment journal including the financial institution, rate of return, purchase amount, duration of the investment, and the expiration of the depository agreement shall be submitted to the Board of Trustees by the Fiscal Officer upon request. The signature of a representative of the current financial institution shall be maintained on file in the Business Office.

## **3.7 Independent Contractors**

### **3.7.1 General**

When independent contractors are hired by the NEO-RLS Board of Trustees, all federal, state and local laws shall be followed. A contract, signed by the Executive Director, Fiscal Officer, or Board member and the independent contractor shall be kept on file. NEO-RLS shall issue Form W-9 - Request for Taxpayer I.D. Number and Form 1099-MISC if payments to the contractor total \$600.00 or more in the calendar year in



accordance with Internal Revenue Service laws. Independent contractors must provide proof of Workers' Compensation coverage before work begins in order to limit liability to the NEO-RLS Board of Trustees.

Presenters, speakers, trainers and temporary positions are considered independent contractors, and excepting workers' compensation, the above rules shall apply to them. Board Policy on workshop presenters continues below.

### **3.7.2 Workshop Presenters/Honoraria**

NEO-RLS contracts with qualified presenters and trainers for workshops and other continuing education activities.

Presenters employed by Ohio libraries may receive federal mileage reimbursement if travel exceeds 100 miles.

Honoraria contracts will be negotiated on an individual basis with presenters not employed by Ohio libraries.

## **3.8 Fees and Dues**

### **3.8.1 Workshops & Events**

All fees for workshops & events sponsored by NEO-RLS will be based on the NEO-RLS Fees and Services Scheduled (see 3.8.4). Food charges will be added to workshop fees, if applicable.

### **3.8.2 Vouchers**

Any library may purchase NEO-RLS vouchers. If a library does not renew membership, the library may continue to use any balance of vouchers for NEO-RLS services at the geographic-member rate. Vouchers are non-refundable and may be used to pay for any NEO-RLS expense.

### 3.8.4 Memberships, Fees & Service Costs

<b>APPROVED MEMBER FEE SCHEDULE FOR 2017-2018 (July 1, 2017 - June 30, 2018)</b>				
<b>SERVICE</b>	<b>GOLD MEMBER CHARGE</b>	<b>SILVER MEMBER CHARGE</b>	<b>BRONZE MEMBER CHARGE</b>	<b>GEOGRAPHIC MEMBER CHARGE</b>
<b>Memberships</b>				
Public Library	\$125/FTE	\$100/FTE	\$75/FTE	
Academic, Special & School Library	\$250	\$175	\$100	
<b>Continuing Education</b>				
<b>In-Person Workshops</b>				
Full Day	\$15 (surcharge*)	\$80 + \$15 (surcharge*)	\$120 + \$15 (surcharge*)	\$160 + \$15 (surcharge*)
Half Day	FREE	\$40	\$60	\$80
<b>Special Events**</b>				
Children's Summer Reading***	\$25 (surcharge*)	\$25 + \$25 (surcharge*)	\$37.50 + \$25 (surcharge*)	\$50 + \$25 (surcharge*)
Adult & Teen Summer Reading***	\$15 (surcharge*)	\$25 + \$15 (surcharge*)	\$37.50 + \$15 (surcharge*)	\$50 + \$15 (surcharge*)
Critical Conversations	\$25 (surcharge*)	\$80 + \$25 (surcharge*)	\$120 + \$25 (surcharge*)	\$160 + \$25 (surcharge*)
Emerging Tech Symposium	\$25 (surcharge*)	\$80 + \$25 (surcharge*)	\$120 + \$25 (surcharge*)	\$160 + \$25 (surcharge*)
Fall Membership Meeting	\$25 (surcharge*)	\$25 (surcharge*)	\$25 (surcharge*)	*25 (surcharge*)
Back to Book & Back to Book Jr.	\$25 (surcharge*)	\$80 + \$25 (surcharge*)	\$120 + \$25 (surcharge*)	\$160 + \$25 (surcharge*)
Staff Day****	\$25 (surcharge*)	\$25 + \$25 (surcharge*)	\$37.50 + \$25 (surcharge*)	\$50 + \$25 (surcharge*)
<b>Webinars</b>				
Per Person	FREE	FREE	\$24	\$40
Group (10+)	FREE	FREE	\$240	\$400
<b>Archived Webinars</b>				
Per Person	FREE	FREE	FREE	\$20
Group (10+)	FREE	FREE	FREE	\$200
<b>NEO Staff Consulting</b>	<b>4 Hours FREE</b>			
Staff Training/Presentations	\$100/hr	\$125/hr	\$150/hr	\$200/hr
Strategic Planning	\$100/hr	\$125/hr	\$150/hr	\$200/hr
Technology Planning	\$100/hr	\$125/hr	\$150/hr	\$200/hr
Staff Days	\$100/hr	\$125/hr	\$150/hr	\$200/hr
Tailor-Made Training	\$100/hr	\$125/hr	\$150/hr	\$200/hr
Leadership	\$100/hr	\$125/hr	\$150/hr	\$200/hr
Communication	\$100/hr	\$125/hr	\$150/hr	\$200/hr
Management	\$100/hr	\$125/hr	\$150/hr	\$200/hr
Director & Fiscal Officer Searches	\$100/hr	\$125/hr	\$150/hr	\$200/hr
Finance and Budgeting	\$100/hr	\$125/hr	\$150/hr	\$200/hr
<b>Emerging Tech</b>				
Tech Lab	\$150	\$175	\$200	\$300
2nd presenter additional charge				
<b>Collection Circuits</b>				
Book Discussion Sets	\$200	\$200	\$200	\$400
Video Game Circuits	\$250	\$250	\$250	\$500
<b>E-Rate Filing</b>				
	The greater of 20% of reund or \$500	The greater of 20% of reund or \$500	The greater of 20% of reund or \$500	

\*Surcharge includes facility use and amenities

\*\*Special events are charged differently due to surcharge. These prices are subject to change based on pricing at the time of the event. The following are NEO's special events: Staff Day, Fall Membership Meeting, Critical Conversations, Back to the Book, Back to the Book Junior, Summer Library Symposium, Youth Services Symposium, Summer Reading, and Emerging Tech Symposium.

\*\*\*Price reflects benefit of subsidy from SLO

\*\*\*\*Price reflects per person cost for entire staff to attend

**APPROVED MEMBERSHIP FEES FOR 2018-2019**

<b>Total Operating Revenue*</b>	<b>Gold</b>	<b>Silver</b>	<b>Bronze</b>
\$30,000,001 - and up	11,550	9,009	6,468
\$20,000,001 - \$30,000,000	9,240	7,207	5,174
\$10,000,001 - \$20,000,000	8,820	6,880	4,939
\$6,000,001 - \$10,000,000	7,980	6,224	4,469
\$5,200,001 - \$6,000,000	7,140	5,569	3,998
\$4,600,001 - \$5,200,000	6,300	4,914	3,528
\$4,000,001 - \$4,600,000	5,460	4,259	3,058
\$3,000,001 - \$4,000,000	4,620	3,604	2,587
\$2,200,001 - \$3,000,000	3,780	2,948	2,117
\$1,500,001 - \$2,200,000	2,940	2,293	1,646
\$1,300,001 - \$1,500,000	2,520	1,966	1,411
\$1,000,001 - \$1,300,000	2,100	1,638	1,176
\$800,001 - \$1,000,000	1,785	1,392	1,000
\$625,001 - \$800,000	1,470	1,147	823
\$450,001 - \$625,000	1,155	901	647
\$375,001 - \$450,000	840	655	470
up to \$375,000	630	491	353

\*Based on most current Public Library Statistics available at the time letters of intent are compiled

### **3.8.5 Reciprocal Memberships**

Libraries paying dues to another regional system in Ohio qualify for the Bronze level Membership discount.

### **3.9 Mileage and Expense Reimbursement**

Board of Trustee Members, and other NEO-RLS members attending events on behalf of NEO-RLS, may be reimbursed for mileage, meals, lodging and other expenses following the Employee Handbook guidelines.