

SUPERIORLAND LIBRARY COOPERATIVE

**POLICIES
AND
PROCEDURES**

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**SUPERIORLAND LIBRARY COOPERATIVE
ADMINISTRATIVE POLICIES and PROCEDURES**

1. Confidentiality of Patron Records

The Superiorland Library Cooperative policy is to preserve the privacy of patron records to the fullest extent permitted by law. This policy applies to all patron records, including those in the Great Lakes Talking Books Advisory Outreach Center database and those in the UPRLC shared database.

1.1. Definitions of Library Record

1.1.1. *Agent or Employee.* An agent or employee includes an employee of the Library, a member of the governing body of the Library, an individual who is specifically designated as a volunteer and who is acting solely on behalf of the Library, and any other person who is lawfully performing services on behalf of the Library under a written contract, including a collection agency.

1.1.2. *Crime.* A crime means that term as defined in section 5 of the Michigan penal code, 1931 PA 328, MCL 750.5

1.1.3. *Law Enforcement Officer.* A law enforcement officer means an individual licensed under the Michigan commission on law enforcement standards act, 1965 PA 203, MCL 28.601 to 28.615.

1.1.4. *Library Record.*

1.1.4.1. Definition. As defined by the Michigan Library Privacy Act, for the purpose of this policy means:

“a document, record, or other method of storing information retained by a library that contains information that personally identifies a library patron, including the patron’s name, address, or telephone number, or that identifies a person as having requested or obtained specific materials from a library.”

For example, a Library Record would include, but not be limited to patron circulation records, internet browsing history, and program attendance records.

1.1.4.2. Excluded from Definition. The following are specifically excluded from the definition of Library Record.

1.1.4.2.1. *Non-Identifying Material.* Library Record does not include non-identifying material that may be retained for the purpose of studying or evaluating the circulation of library materials in general.

1.1.4.2.2. *Certain Video Surveillance.* A Library Record also does not include recorded video surveillance images made solely for security purposes that do not include images of any activity or any other document or record that identifies a person as having requested or lawfully obtained specific services, materials, or information resources from a library.

1.1.4.3. Cooperative Director Determination of “Library Record.” The Cooperative Director, or his/her designee, shall be responsible for determining whether a particular document meets the definition of Library Record or whether the video surveillance footage contains any images that would require it to be considered a “library record.”

1.2. Disclosure of Library Records

The Cooperative takes seriously its obligation to protect the privacy of every patron, as required by law, even if this commitment to patron’s privacy may appear to cause inconvenience on occasion. To that end, Library Records or other confidential information

shall be released or disclosed only as provided for herein or otherwise provided by Michigan or federal law.

1.2.1. *Freedom of Information Act Requests.* All requests for public records that are not subpoenas, court orders or other legal process must be processed according to the Michigan Freedom of Information Act (“FOIA”) and the Cooperative’s FOIA Procedures and Guidelines. See Procedures and Guidelines and Written Summary for additional information. Library Records are exempt from disclosure under the FOIA.

1.2.2. *Subpoenas, Court Orders or other Legal Process.* Any employee of the Cooperative who is served with a subpoena, court order, or other legal process to release or disclose any Library Record or other Cooperative document from (1) a state or local law enforcement agency or (2) a federal law enforcement agency shall promptly notify the Cooperative Director, or his/her designee. If neither is available, the Cooperative Board President shall be contacted.

1.2.2.1. Consultation with Attorney. The Cooperative Director, his/her designee, or the Board President has the authority to consult with the Cooperative Attorney regarding the sufficiency, scope or any other matter related to the subpoena, court order or other legal process.

1.2.2.2. Action by Cooperative Director. After review of the subpoena, court order or other legal process, the Cooperative Director, his/her designee, or the Board President shall take appropriate action to respond.

1.2.2.3. Opportunity to be Heard. Depending upon the type of subpoena, court order or other legal process, the Cooperative may appear and be represented by counsel at a hearing on the request for records.

1.2.2.4. Confidentiality. If a subpoena, court order or other legal process is submitted to the Cooperative, the Cooperative shall keep the subpoena, court order or other legal process confidential if required by court order, Michigan law or federal law. To that end, the Cooperative may not be able to inform the patron that his/her records were sought. The Cooperative Board acknowledges that the Cooperative Director, if required by a non-disclosure order or law, may not be permitted to inform the Board or its individual members that a local, state or federal agency has sought or obtained requested records.

1.2.3. *Consent.* In compliance with the Michigan Library Privacy Act, a person who is liable for the payment or return of the materials identified in a Cooperative Record or portion of a Library Record may provide written consent for the release of that Library Record. Further, a parent or legal guardian who signs to accept legal responsibility for return of his/her child’s (under the age of 18) library materials and accepts financial liability for that child’s library fines and other charges, may

authorize the disclosure of the minor's Library Records by signing the disclosure and release statement granting consent on behalf of the minor.

1.2.4. *Voluntary Disclosure without Court Order and Consent.* The Cooperative or an employee or agent of the Cooperative may disclose Library Records without a court order or written consent under either of the following circumstances:

1.2.4.1. Collection Agency. The Cooperative or an employee or agent of the Cooperative may report information about the delinquent account of a patron who obtains materials from a library to a collection agency under contract with the library. The Cooperative or an employee or agent of the Cooperative shall provide the collection agency with only the library records necessary to seek the return of overdue or stolen materials or to collect fines from the patron.

1.2.4.2. Interlibrary Loan. The Cooperative or an employee or agent of the Cooperative may disclose library records to another library or library cooperative for the purpose of conducting interlibrary loans. The Cooperative Records must be limited to those required for providing interlibrary loans.

1.3. Disclosures Regarding Alleged Crimes in the Cooperative

The Library Privacy Act does not prohibit an employee or agent of the Cooperative from providing a sworn statement or testimony to a law enforcement officer based solely on the personal knowledge of the employee or agent of the Cooperative regarding a crime alleged to have occurred at the Cooperative.

1.4 Local Policies and Procedures

Member libraries are urged to develop local policies and procedures governing confidentiality and patron privacy. In regard to information contained in the shared database, such local policies shall at a minimum meet the requirements of this Cooperative policy. The Cooperative will serve as a resource for these issues, but is not a substitute for local legal counsel. Each member library is responsible for developing procedures and training their staff to deal with these issues.

2. Finance Policies

2.1 Purchasing

This Purchasing Policy is intended to clarify and expand the Cooperative's protocol for the procurement of goods and services by the Cooperative consistent with the State Aid to Public Libraries Act, 1977 PA 89, and Michigan law.

2.1.1. Contracts Required.

The Director will determine which purchase of materials, supplies, equipment, and services will be by contract and which will be by purchase agreement.

2.1.2. Purchases.

All purchases of goods or services over \$5,000, or any non-routine purchases without appropriation in the current budget, shall be submitted to the Cooperative Board (or "Board") for approval prior to purchase, except as required under Section III, Emergency Purchases; Section IV, Specifically Authorized Purchases or Section V, Re-occurring Routine Purchases. The purchase request shall outline the need and provide justification for the goods or services. The purchase request information should include suggested vendors, quantity, specifications, shipping details and pricing. The Cooperative Board may require a budget amendment before approval of the purchase.

2.1.3. Minor Purchases.

Any purchases of goods or services \$5,000 or under, when the specific appropriation has been specified and included in the current budget authorized by the Cooperative Board as an approved expenditure for the fiscal year, may be completed after submittal to the Director, with documentation being provided to the Cooperative Board within a forty-five (45) day period.

2.1.4. Emergency Purchases.

In an emergency endangering the public peace, health, safety, or property the Cooperative, the Director or his or her designee may purchase supplies, materials, equipment, or services which are deemed immediately necessary to respond to and alleviate the emergency. A full report shall be filed by the Director with the Cooperative Board within a thirty (30) day period of such action.

2.1.5. Specifically Authorized Purchases that May Exceed \$5,000.

The Cooperative Board specifically authorizes the Director to make the following purchases that may exceed \$5,000:

Great Lakes Digital Libraries (OverDrive) Content, Computer Supplies, Equipment, and Group Subscriptions for resale to member libraries.

2.1.6. Re-Occurring Routine Payments; Authorizing Procedure.

The following payments shall be considered authorized and do not require prior Board approval pursuant to this Policy:

- 2.1.6.1. Payroll, insurance payments, and other employee benefits
- 2.1.6.2. Utilities
- 2.1.6.3. Invoices or bills with penalties or discounts that would be incurred if payment is not received prior to the Board Meeting at which such invoices or bills will be approved.
- 2.1.6.4. Other routine monthly bills.

However, all invoices and bills preapproved pursuant to this Section shall be post audited at the next Board meeting. The post audit shall indicate that the invoices and bills were preauthorized by policy.

2.1.7. Purchasing Agent.

The Director shall act as purchasing agent of the Cooperative, unless he/she shall designate another officer or the Cooperative employee to act as purchasing agent. Every purchase order shall be approved by the purchasing agent before being issued. The purchasing agent may adopt rules regulating requisitions and purchase orders.

2.1.8. Requisitions and Estimates.

All member libraries shall file with the purchasing agent detailed estimates of their requirements in supplies, materials, equipment, and contractual services in such manner, at such times, and for such future periods as the Director shall prescribe.

The requirement for preparing estimates shall not prohibit any department from filing with the purchasing agent at any time a requisition for any supplies, materials, equipment or contractual services the need for which was not foreseen when the detailed estimates were filed.

After purchase, the member library shall be billed for the purchase or the member library's portion of the purchase, as applicable.

2.1.9 Conflict of Interest.

No employee or Board member shall participate in any purchase or procurement when such participation is considered a conflict of interest under Michigan law. If any Board member or employee believes there may be a conflict of interest, the Board member or employee shall notify the purchasing agent of any actual or potential conflict of interest prior to any participation or as soon as the conflict is reasonably known. The purchasing agent, upon consultation with legal counsel and/or the Board shall determine whether the employee or Board member should participate.

2.1.10 Quotes.

Purchase of goods or services may be made in the open market, without advertisement and without formal competitive bidding. However, to the best extent possible, any such purchase over \$5,000 and less than \$15,000 shall have at least two bids. Contracts or purchases over \$15,000 shall be based on at least three (3) competitive quotes and the purchasing agent shall select the quote deemed most advantageous to the Cooperative.

2.2 Credit Cards

2.2.1. Purpose

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

2.2.2 Credit Card Regulations

- 2.2.2.1. The authorized credit limit of each credit card shall not exceed \$5,000.00. The Cooperative Board shall determine the maximum authorized limit on any credit card issued to the Cooperative. All credit cards shall be issued in the name of the Cooperative.
- 2.2.2.2. The Cooperative Board may include in its budget and pay the balance due on any credit card, including the annual fee and interest.
- 2.2.2.3. The Cooperative Director may delegate authority to use a credit card to Cooperative employees. However, all purchases over \$300 must be approved by the Director, unless the purchases are for items for resale to member libraries.
- 2.2.2.4. For purchases under \$300.00, each employee shall be permitted to make up to three (3) purchases each month without prior approval of the Cooperative Director as long as the Cooperative Board has budgeted for the purchase. After the three (3) monthly purchases, any additional purchases must be approved by the Cooperative Director.
- 2.2.2.5. Any authorized employee may request the use of a credit card from the Business Office. The Manager shall keep records of any credit card issued to an employee. Any employee issued a card shall have

the responsibility for its use and safekeeping. All credit cards shall be returned to the Business Office.

2.2.3. Responsibility of Cooperative Director or Designee

- 2.2.3.1 The Cooperative Director will be responsible for the issuance, accounting, monitoring, and retrieval and generally for overseeing compliance with this Policy.
- 2.2.3.2 The credit card may be used by the Cooperative Director and employees delegated the authority by the Cooperative Director. Credit cards shall be used only for Cooperative supplies, materials, services, travel related to technical support and on-site training, and staff continuing education/conferences to be used for the official business of the Cooperative. [Further, the Cooperative Director or his/her designee may not use any credit card for a purchase that that person does not have authority to make.
- 2.2.3.3 The Cooperative Director and any employee in possession or using the credit card is responsible for the protection of the credit card. Employees shall notify the Cooperative Director if a card is lost or stolen. Then, the Cooperative Director shall immediately notify the Cooperative Board and financial institution issuing the card if the card is lost or stolen.
- 2.2.3.4 The Cooperative Director or any Cooperative Director's designee employees must immediately surrender the credit card upon leaving the employ of the Cooperative.

2.2.4. Unauthorized Use

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

2.2.5. Payment

- 2.2.5.1 The balance including interest due on the credit card shall be paid within 60 days of the initial statement date.
- 2.2.5.2 Within one (1) week after a purchase, the employee using the credit card 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 employee using the credit card

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 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.

- 2.2.5.3 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.
- 2.2.5.4. The Cooperative 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 Cooperative Board.
- 2.2.5.5. The Cooperative shall not approve a payment to the entity issuing the credit card until all transactions have been verified, including the approval of all transaction invoices if issued. If the Cooperative 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 Cooperative Board. If a regular meeting does not occur before the invoice must be paid, the Cooperative Board President shall have the authority to verify the transactions and approve payment. However, the Cooperative Board shall be given a copy of the verified and authorized invoice at the next regular Board meeting.

2.2.6. Benefits

Any benefits derived from the use of the credit card shall be the property of the Cooperative.

2.3 Checks Issued

Checks for over \$1,000 issued by the Cooperative shall be signed by two of three authorized signers that include the Director, one Board member, and the Assistant Director for Finance or other designated Cooperative staff member. The two signatures shall be required, except for the following: payroll checks, employee benefits (health insurance, life insurance, retirement, etc), bank loan payments, utility payments, and purchase of services and products when payment is demanded at the time of purchase.

2.4 Surplus Equipment or Items Policy

The Cooperative purchases or receives as donations books, materials, equipment, furniture, and other personal property used for Cooperative service. When the Cooperative determines that property is no longer needed for Cooperative service, the Cooperative shall dispose of this property pursuant to this Policy.

2.4.1. General Provisions.

These provisions are applicable to the disposal of all property by the Cooperative.

- 2.4.1.1. *Determination of Monetary Value.* The Cooperative shall determine if the personal property has monetary value. The Cooperative Board delegates that responsibility to the Cooperative Director, except for provided in subsection E below.
- 2.4.1.2. *No Monetary Value.* If the property has no monetary value, the Cooperative Director or his or her designee has authority to donate the material.
- 2.4.1.3. *Personal Property with Monetary Value under \$1,000.00.* Computers, tablets, and electronics, or other personal property that have monetary value less than \$1,000 may be sold by the Cooperative in any way the Cooperative Director determines that may maximize its value, including a publicly advertised or online sale. Proceeds shall be deposited in the General Fund of the Cooperative. If the property does not sell, the Cooperative shall deem it to have no monetary value and dispose of it according to subsection 2.4.2.2 above.
- 2.4.1.4. *Personal Property with Monetary Value Over \$1,000.* Items not covered by the above will be sold through publicly advertised sale, with any proceeds from such sale being deposited to the General Fund of the Cooperative. Prior to such sale, the Cooperative Director will prepare a list of those items to be included in the sale for approval by the Board of Trustees.
- 2.4.1.5. *Property of Unusual, Historic, or Artistic Value.* In an instance where an item of surplus inventory is determined by the Cooperative Director to have unusual, historic, or artistic value, it may be referred to the Cooperative Board for a determination of its value. This may necessitate the services of a professional appraiser or outside expert opinion.

2.4.2 Parties Entitled to Purchase.

If it is determined that personal property may be sold, they may be sold to the public or eligible staff members. If the Cooperative Board Members (or any members of their immediate family) desire to purchase the surplus material, such sale must be approved by the Cooperative Board. The Cooperative Director shall also consider a trade-in if the surplus property will decrease the price of new personal property.

2.5 Banking

2.5.1 Designated Institutions

The Cooperative Board will designate which financial institutions are authorized to hold the Cooperative's funds.

2.5.2 FDIC Insurance

The Federal Deposit Insurance Corporation must insure all Cooperative funds deposited in a bank. The National Credit Union Administration must insure all Cooperative funds deposited in a credit union.

2.6 Investment Policy

2.6.1. Purpose.

It is the policy of the Superiorland Library Cooperative ("the Cooperative") 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 the Cooperative's policies governing the investment of public funds.

2.6.2. Scope.

This Investment Policy ("Policy") applies to all transactions involving the financial assets and related activity of the Cooperative 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").

2.6.3. Objectives.

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

- 2.6.3.1. 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.
- 2.6.3.2. 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.
- 2.6.3.3. Liquidity - The investment portfolio will remain sufficiently liquid to meet all operating requirements which might be reasonably anticipated.
- 2.6.3.4. 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.

2.6.4 Authority; Delegation of Authority.

Authority to manage the investment program is derived from state law, including Act 20, as amended, and the State Aid to Public Libraries Act, 1977 PA 89. Management responsibility for the investment program is maintained by the Board of Directors, 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 Board of Directors. The Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. The Board of Directors, may hire consultants to assist with the Cooperative investments. The Director shall be the Investment Officer.

2.6.5 Authorized Instruments.

In accordance with Act 20, as amended, the Finance Committee authorizes the Investment Officer to invest the surplus funds of the Cooperative 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 Board by resolution may

authorize its investment officer to invest the funds of the Cooperative 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 Cooperative 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 Cooperative 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 Cooperative 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 Cooperative has negotiated a master repurchase agreement approved by the Cooperative'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.

2.6.6. Safekeeping and Custody.

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

2.6.7. 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.

2.6.8. Reports

The Board of Directors may require that certificates, other evidence of investments held by a financial institution, sufficient documentation and acknowledgment of investments held on behalf of the Cooperative be provided to the Cooperative on at least a quarterly basis. The Cooperative Director shall provide a quarterly report to the governing body concerning the investment of funds.

2.6.9. Conflict

The Finance Committee, Director and 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.

2.7 Fund Balance Policy

2.7.1. Purpose.

The Board of the Superiorland Library Cooperative seeks to assure that the fiscal integrity of the Cooperative, a community resource, can be maintained currently and well into the

future. The Cooperative Board (“Board”) recognizes that the maintenance of a fund balance (a/k/a reserve funds and contingency fund) is essential to the preservation of the financial health of the Cooperative. The Cooperative maintains reserves in a Fund Balance to support and ensure its operational viability, service provision and financial stability.

This policy provides guidance concerning the desired level of Fund Balance maintained by the Cooperative to provide financial stability, cash flow for operations, resources for future capital projects, and the assurance that the Cooperative will be able to respond to emergencies with fiscal strength.

The Fund Balance can be used for purposes approved by the Board of Trustees, including, but not limited to:

- 2.7.1.1 Provide cash flow for operational needs;
- 2.7.1.2. Offset significant economic downturns or revenue shortfalls including loss of Cooperative membership or state aid;
- 2.7.1.3. Provide for contingent liabilities;
- 2.7.1.4. Provide funds for emergency or other unanticipated needs;
- 2.7.1.5 Provide for future capital needs, including building repairs and maintenance, technology and special projects; and,
- 2.7.1.6. Maintain Investment grade bond ratings.

2.7.2. Definitions.

Fund Balance refers to the difference between assets and liabilities in governmental entities. It serves as a measure of the financial resources available to the Cooperative to budget or spend in the future.

A Fund Balance policy establishes a minimum and/or maximum level (target range) at which the projected end-of-year Fund Balance should be maintained.

2.7.3. Categories of Fund Balance.

The Fund Balance will be reported in the following categories based on the definitions and criteria set forth in GASB Statement No. 54:

2.7.3.1. *Non-Spendable* – includes amounts that cannot be spent because they are either (a) not in a spendable form (i.e., Prepaid Expenses) or (b) legally or contractually required to be maintained intact (i.e., principal balance of an endowment). 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.

2.7.3.2. *Restricted* – includes amounts that can be spent only for the specific purpose stipulated by external resource providers (grantors, donors) or through enabling legislation.

2.7.3.3. *Committed* – includes amounts that can be used only for the specific purposes determined by a formal action of the Board of Trustees. Amounts can only be moved from the category by formal action of the Board.

2.7.3.4. *Assigned* – includes amounts intended to be used for a specific purpose but do not meet the criteria to be classified as restricted or committed.

2.7.3.5. *Unassigned* – includes the residual amount not allocated to other classifications and are available and expendable for any library cooperative purpose; also known as Contingency Fund.

When multiple categories of fund balances are available for expenditure (e.g., a project is being funded partly by a grant, funds set aside by the Board, and unassigned fund balance), the Cooperative will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

2.7.4. Recommended Amount of Fund Balance.

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

The Cooperative'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 Cooperative.

2.7.4.1. *Unassigned (Contingency) Fund Category* – It is the goal of the Cooperative to maintain no less than three (3) and no more than six (6) months of annual operating expenses in the Contingency Fund.

Contingency Fund balances over the maximum at the end of the fiscal year may be transferred by the Board through Board resolution to the Committed or Assigned fund categories, to be used for maintenance and repair, construction, or other special projects/programs.

2.7.4.2. *Committed Fund – Cash Flow*

The Cooperative will maintain a Committed Fund Balance in the General Fund sufficient to provide operating cash flow and protect against cash flow shortfalls related to interruption of revenues. The Committed Fund Balance of the General Fund will contain an amount equal to 100% of the average of the previous three (3) years' revenue from State Aid. These funds cannot be spent or reassigned without the approval of the Cooperative Board of Directors.

2.7.4.3 *Committed Fund*

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

2.7.4.4 *Restricted Fund Balance Funds*

The Superiorland Library Cooperative will maintain the following Restricted Fund Balance Funds.

1. The Restricted Fund Balance – Accrued Leave.

2.7.4.5 *Assigned Fund Balance Funds*

The Superiorland Library Cooperative will maintain the following Assigned Fund Balance Funds.

1. The Assigned Fund Balance-Unfunded Pension Liability. This fund *will* be used to defray the unfunded pension liability for the Cooperative's MERS plan.
2. The Assigned Fund Balance Fund-Capital Improvements. Capital improvements will be defined as permanent structural modifications to the Cooperative's facility or property in an amount of \$1,000 or above. The purchase of any one item at a cost of \$1,000 or above will be considered a capital asset.
3. The Assigned Fund Balance for Program and Services Enhancement. This fund can be used to purchase databases, licenses, equipment, professional and contractual services or materials to improve and enhance Cooperative Programs and Services to member libraries. These funds can also be used as matching funds for grants.
4. The Assigned Fund Balance-Accrued Leave. This fund will be used to defray the accrued leave for the Cooperative's employees.

2.7.4.6 *Unassigned Fund Balance*

Should there be surplus unassigned fund balance, the Superiorland Library Cooperative will use such fund balance surpluses for one-time expenditures that are nonrecurring in nature or to make an investment in Cooperative programs and services.

2.7.4.7 *Other Fund Categories*

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

2.7.5 Maintaining Fund Balance.

Fund balances may fall occasionally outside of the target ranges because of special projects, emergencies, and other extenuating circumstances. The Cooperative 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.

2.7.6. Annual Review of Fund Balance.

As an integral part of the annual budgeting process, consistent with prudent budgeting practices necessary for the continued services of the Cooperative, the Board will fully review, consider, and determine the appropriate level of Fund Balance.

The Director and SLC Board shall annually determine assigned fund balances for each category based on fiscal year data.

The Superiorland Library Cooperative Board of Directors shall annually review the allocations to fund balance categories prior to the end of the fiscal year.

Any and all use of the Fund Balance Accounts will be recommended by the Cooperative Director and must be approved by the Superiorland Library Cooperative Board of Directors in formal Board action.

3. Conflict of Interest

Cooperative staff and Board members must avoid situations in which personal interests might be served or financial benefits gained at the expense of library users, colleagues, the institution, or the situation. It is incumbent upon any staff to disqualify himself/herself immediately whenever the appearance of a conflict of interests exists. Board members should notify the Director and the Board President to determine whether a legal conflict of interest exists.

4. Service Policies

4.1 Ownership of Equipment Places in Member Libraries

Superiorland library Cooperative may seek grants or other funding to place computer equipment, software, and other equipment and adaptive technology in its member libraries. Under most circumstances, ownership of Local Area Network hardware and software will be transferred immediately to the member library when the equipment is delivered.

- 4.1.1 A description of items (model, serial number, value, vendor & date of purchase) shall be provided to the member library at the time ownership is transferred.
- 4.1.2 After delivery, the member library is responsible for insurance.
- 4.1.3 After the warranty period, the member library is responsible for maintenance and repair.
- 4.1.4. Ownership of some equipment will be retained by the Superiorland Library Cooperative. Other exceptions to this policy will be made as necessary and noted in writing to the member library before the item is placed in the Library.

4.2 Compliance with the Americans with Disabilities Act

The Cooperative is subject to the provision of the Americans with Disabilities Act (“ADA”). The ADA requires that no qualified individual with a disability shall, on the basis of a disability, be denied the benefits of local government services, programs, or activities.

4.2.1. Policy: Reasonable Accommodations

4.2.1.1. *Applicability.* Reasonable accommodations may be made in accordance with the law for individuals with a disability. A “disability” is defined as a physical or mental impairment that substantially limits one or more major life activities.

4.2.1.2. *Accommodations Requested.* Individuals needing special auxiliary aids or services or other reasonable accommodations for access to Cooperative programs, services, activities, or meetings should make a request by contacting the Cooperative Director within a reasonable time in advance of the needed service, program, activity, or meeting in order that arrangements may be made.

The person requesting the accommodation shall work with the Director to determine whether there is a reasonable accommodation that would enable the person to participate in the program, service, or activity at issue. This may include providing information regarding the requested accommodation to the extent such inquiries are permitted by law.

4.2.1.3. *Reasonable Accommodations.* The Cooperative shall make reasonable modifications to policies, practices, or procedures when the modifications are necessary to avoid discrimination on the basis of disability, unless the public entity can demonstrate that making the modifications would fundamentally alter the nature of the service,

program, or activity or impose an undue financial or administrative burden. The reasonable accommodation is not always the accommodation that is requested.

4.2.2. Policy: Service Animals

4.2.2.1. *Service Animals Permitted.* Animals are not permitted in the Cooperative other than Service Animals (as defined by law) for those individuals with disabilities, those used in law enforcement or for Cooperative programming. Service Animals are permitted to accompany individuals with disabilities in all areas of the Cooperative where the public is allowed to go.

4.2.2.2. *Permitted Inquiries.* The Cooperative is permitted to ask the person requiring a Service Animal the following questions: (i) is the animal a service animal required because of a disability? (ii) what work or task has the animal been individually trained to perform? The Cooperative may not ask about the individual's disability, require medical documentation, require a special identification card, or ask that the service animal demonstrate its ability.

4.2.2.3. *Removal of Service Animals.* A service animal may be removed for either of the following reasons: (i) the animal is out of control and the handler does not take effective action to control it; or (ii) the animal is not housebroken.

4.2.3. Policy: Reasonable Accommodations Dealing with Wheelchairs, Mobility Aids, and Other Power Driven Mobility Devices

4.2.3.1. *When Permitted.* Wheelchairs, Mobility Aids, and Other Power Driven Mobility Devices ("OPDMDs") are only permitted by those who require them because of a disability. All other uses of OPDMDs inside the Cooperative are prohibited. The Cooperative is permitted to ask the person using the device to provide a "credible assurance" that the device is necessary because of a disability. The Cooperative Director or his or her designee shall obtain such credible assurances if required.

4.2.3.2. *Where Permitted.* OPDMDs shall be permitted in all areas where patron pedestrian traffic is permitted. When not in use, OPDMD's must be left [insert location]

4.2.3.3. *Speed.* OPDMDs shall be operated at the speed of walking pedestrian traffic, which is approximately 3 miles per hour.

4.2.3.4. *Prohibited OPDMDs.* OPDMDs that use a gas or

combustion engine are prohibited from operating inside of the Cooperative.

4.2.4. Grievance Procedure

This Grievance Procedure is established to meet the requirements of the ADA. It may be used by anyone who wishes to file a complaint alleging discrimination on the basis of disability by the Cooperative in the provision of its services, activities and programs. Please note that the policy applies to patrons and users of the Cooperative.

A complaint should be in writing and contain information about the alleged discrimination such as name, address, phone number of complainant and location, date, and description of the problem. Alternative means for filing a complaint, such as personal interviews or a tape recording, will be made available for persons with disabilities upon request. A complaint should be submitted by the grievant or his/her designee as soon as possible but no later than 15 business days after the date of the alleged violation to:

Cooperative Director
Superiorland Library Cooperative
1615 Presque Isle, Marquette MI
(906) 228 7697

Within 15 business days after receipt of a complaint, the Cooperative Director or designee will meet with the complainant to discuss the complaint and possible resolutions. Within 15 business days of the meeting, the Cooperative Director will respond in writing and, when appropriate, in a format accessible to the complainant, such as large print or audio tape. The response will explain the position of the Cooperative and offer options for substantive resolution of the complaint.

If the response by the Cooperative does not satisfactorily resolve the issue, the complainant or his/her designee may appeal the decision within 15 business days after receipt of the response to the Cooperative Board. After receipt of the appeal, the Cooperative Board shall hear the appeal and notify the complainant in writing and, when appropriate, in a format accessible to the complainant, with a final resolution of the complaint.

All written complaints received by the Cooperative Director or the Cooperative Board of Trustees will be retained by the Cooperative for at least three years.

5. Public Relations Policy

The Superiorland Library Cooperative's public relations / communications plan

promotes the Cooperative's mission and goals, as developed in the Cooperative's Strategic Plan. Public awareness and advocacy are the priorities established by the Board. The Cooperative offers member libraries opportunities to improve their own communications and advocacy skills and to improve their promotion of local programs and services.

5.1 Advocacy

The Cooperative participates in the Michigan Library Association's efforts to improve and protect library funding.

- 5.1.1. The Cooperative provides and promotes advocacy training for librarians, Friends, and trustees, in collaboration with other partner organizations across the state.
- 5.1.2. The Cooperative provides timely updates on regional, statewide, and national issues important to its members.
- 5.1.3. The Cooperative director or designee communicates regularly with state and federal legislators and governmental officials to advocate for the interests of the membership.
 - 5.1.3.1. The Cooperative Board determines the Cooperative's position on an issue. Individual libraries, if in disagreement, may state their own positions.
- 5.1.4. The Board President and the Director are the designated points of contact and the official spokespeople for the Cooperative. Employees and other members of the Cooperative Board ("Cooperative Board") should (1) refer all requests for information about the Cooperative, its policies and operations to the Board President or Cooperative Director and (2) may not speak or represent they are speaking (either verbally or in writing) on behalf of the Cooperative unless otherwise authorized.
- 5.1.5. Press Releases, Promotional Materials and Media Appearances

The Cooperative Director approves all press releases or statements to the press and all promotional materials prior to being issued from the Cooperative. All requests for interviews by the media should be directed to the Cooperative Director and the Cooperative Director shall have the authority to determine if an interview is conducted.

5.1.6. Crisis Management

If there is a crisis or incident in the Cooperative that requires police or emergency services intervention, the Cooperative Director or the most senior staff person at the Cooperative at the time of the incident shall call 911, if possible. The person shall then inform the Cooperative Board President. Depending upon the situation and acting in compliance with the Open Meetings Act, the Cooperative Board of

Trustees shall be contacted if necessary and as timely as the situation will allow. If an emergency Cooperative Board meeting is required, the Cooperative shall convene such a meeting in compliance with the Open Meetings Act.

6. Superiorland Library Cooperative Headquarters Filtering and Other Procedures to Comply With the Children's Internet Protection Act

All public computers WEB BROWSERS will be filtered through a Superiorland Library Cooperative firewall. All staff computers will have filtering software that blocks sites rated for inappropriate images and content as defined by the Children's Internet Protection Act.

Staff computers may be disabled on a case by case basis when staff or adults are engaged in bona fide research. Some examples of staff research include, but are not limited to

* Research in response to a member library or a patron's query for a subject search through the Reference and Interlibrary Loan service.

Staff may ask the library director or the library network administrator to review and unblock any site if it is not obscene, does not contain child pornography, and is not harmful to minors as defined by CIPA and the library's Internet policy.

E-MAIL attachments will be scanned by virus software on all staff and public workstations. This block will prevent harm to the network.

E-MAIL attachments that have image file extensions will not be blocked on staff computers because work-related images are frequently exchanged between staff, , member libraries, etc.

No staff member will disclose, use, or disseminate personal identification information regarding minors.

--effective 30 June 2004

7. Internal Policies and Procedures For Requests for Library Records

Record Retention Policy

Network Security Investigations

Adopted by the Superiorland Library Cooperative

Board of Directors on July 18, 2003

SUPERIORLAND LIBRARY COOPERATIVE

Internal Procedures To Respond To Law Enforcement Requests for Patron Records

Purpose:

Guidelines for staff to follow when state and local law enforcement offices and federal agents present a request for records.

Compliance Statement:

The Superiorland Library Cooperative and staff will comply with all state and federal laws that protect the privacy of patron records, including but not limited to the Michigan Library Privacy Act and the USA Patriot Act.

Staff Authorized By The Board of Directors To Release Library Records:

If the request is a Freedom of Information Act request, it shall be processed under the Library’s FOIA policies.

For all other requests, they shall be forwarded to the Director, or designee, immediately.

Any request for information shall be sent immediately to the Director. If the Director is unavailable, the Alternate shall proceed as directed herein, first notifying the Library Attorney. The Alternate also shall make an effort to locate the Director by phone right away. If the Director, the IT Manager, and the Alternates are not available, staff will contact the Director and the Library Attorney by phone.

Director:	Dillon Geshel	Information Technology Manager:	
		Gordon Tellefsen	
Alternate 1:	Pamela Malmsten	Alternate 2:	Josh Collins

Library Attorney: Anne Seuryneck

Unless the court order provides law enforcement with the ability to obtain documents immediately and without Library control, only the Director has authority to release library records. The Director shall notify the Library Attorney when presented with a written request for library records. To obtain electronic records, the cooperation and assistance of the Information Technology Manager, or designee, will likely be required. In situations that involve libraries in the Network, it also may be necessary for the Superiorland Director to notify and seek assistance to obtain a record from a Network library director and/or local IT manager.

Procedures for Potential Breach of Security or Misuse Of the Network

NOTICE to libraries that are members of the Superiorland Library Cooperative's Wide Area Network for Internet Access: Reported and perceived violations of the Superiorland or local Library's Acceptable Use Policy ("AUP") or unlawful activity involving the Library's computers or Internet Connectivity shall be immediately reported to the Director of the Superiorland Library Cooperative or to the Superiorland IT Manager. The IT Manager will report this information immediately to the Superiorland Director.

If local **Network** library staff is served by a warrant or court order under the Foreign Intelligence Surveillance Act (FISA) (USA Patriot Act amendment), staff is not permitted to disclose that the warrant has been served or that records have been produced pursuant to the warrant or order. The only exception will be if the record sought can only be obtained from a Superiorland Library Cooperative server log. In this instance, with permission of the federal agent in charge, the local library staff may contact the Superiorland Director or designee, who is the only person authorized to disclose library records.

The Superiorland Library Cooperative Security Team, consisting of the Director, IT Manager and Automated System Administrator, may assist the local NETWORK Library director in the investigation of a security related incident that involves the **Network**. All members of the Security Team will be informed upon receipt of a Security Incident Report from a NETWORK Library Director. The Superiorland Library Cooperative reserves the right to report to legal authorities an incident that involves **Network** property interests. The Cooperative reserves the right to report incidents to the **Network's** Internet Service Provider.

The Library and the Superiorland Library Cooperative will follow the procedures to protect Personal Identity Information outlined in the Superiorland Library Cooperative's policy statement: "**Internal Procedures To Respond To Law Enforcement Requests for Patron Records.**"

The Superiorland Library Cooperative will cooperate fully with the NETWORK Internet Service Provider, law enforcement, and external authorities to investigate and resolve incidents involving the **Network**. All contact with and communication between
Approved 22 July 2005; Amended 25 March 2020; Amended 13 March 2024

authorities and Superiorland Library Cooperative are confidential and may be shared only with appropriate Cooperative staff and the NETWORK Library Director.

The Library and/or Security Team must notify the Cooperative Director immediately when it is apparent that a threat may exist to other institutions or individuals. Although the least intrusive alternatives will be sought, the nature and severity of a security breach may require the Cooperative to block a Library's network traffic at the ISP hub or switch in extreme circumstances. Should this be necessary, Cooperative resources will be dedicated to solving the problem and reconnecting the Library as soon as possible.

The Security Team will provide a written report to the Superiorland Cooperative Director within 5 working days of closure of the incident. This report will include the following:

- a. Date and nature of the incident.
- b. Names of institutions involved
- c. Nature of exploitation of the system or network.
- d. Date of incident's closure.
- e. How the incident was resolved.
- f. General nature of any disciplinary action taken.
- g. Type and nature of actions taken to end the incident or reduce future vulnerability to this type of exploitation.

The Superiorland Cooperative Director shall retain and maintain the confidentiality of a copy of the Security Team's report for at least one year. At the end of one year, if no further incidents are reported regarding any of the Library patrons named in the report, the Superiorland Cooperative Director shall destroy or delete any reports, relevant logs, communications, and electronic evidence of the security breach, taking care to shred the records and protect personal identity information.

During the investigation, the Security Team shall preserve the confidentiality of reports, relevant logs, communications, and electronic evidence of the security breach by maintaining any records on a secure computer until the NETWORK Library Director and/or Superiorland Cooperative Director have instructed otherwise. Hard copy documents shall be preserved under lock with a log established to preserve a chain of custody. Following transmittal of the final report to the Superiorland Cooperative Director, all other copies of the report are to be destroyed.

Appendix I

Procedure for Investment of Funds

Superiorland Library Cooperative Management of Investments

The Investment Officer shall present a list of qualified financial institutions to the Board of Directors at its annual meeting for approval.

Investment duties shall be segregated in the following manner:

- (a) The person who approves the transaction and the person who records the transaction in the general ledger shall not be the same person.
- (b) The investment program shall be integrated with the cash management program. All investment transactions shall be entered into the general ledger as soon as possible.

The quarterly investment activity report presented to the Board of Directors shall list each investment, with the amount of investment, date of acquisition, the financial institution, maturity date, and interest rate.

Appendix II

Board Statement of Ethics

The Board of the Superiorland Library Cooperative subscribes to the following Statement of Ethics:

1. Board members must promote the highest level of library service while observing ethical and fiduciary standards.
2. Board members must avoid situations in which personal interests might be served or financial benefits gained at the expense of library users, colleagues, the institution, or the situation.
3. It is incumbent upon any Board member to notify the Director and Board President whenever the appearance of a conflict of interests exists. The Cooperative will determine whether the Board member has a conflict and should partipate.
4. Board members must distinguish clearly in their actions and statements between their personal philosophies and attitudes and those of the institution.
5. A Board member must respect the confidential nature of library business while being aware of and in compliance with the Freedom of Information Act and Open Meetings Act.
6. Board members must be prepared to support to the fullest the efforts of librarians in resisting censorship of library materials by groups or individuals.