



LINCOLN COUNTY  
LIBRARY DISTRICT  
**Lincoln County Library District Board**  
**Regular Meeting**  
**Tuesday January 19, 2021**  
**12:00 p.m.**  
**Online**

<b>Agenda</b>		
Call Regular Meeting to Order		President
Call Roll and Establish Quorum		Director
Approval of the Agenda		President
<b>Topic</b>	<b>Lead</b>	<b>Purpose Outcome</b>
<b>Public Comment</b>	President	Anyone may speak at this time
<b>Minutes</b> Board Meeting Minutes December 8, 2020	President	Approval
<b>Reports</b>		
Board Reports	Board Members	Information
Director's Report	Director	Information
Financial Report	Director	Acceptance
<b>Old Business</b>		
Director Self Evaluation	Director	Discussion
Intergovernmental Agreements between Cities and LCLD	Director	Discussion
Strategic Plan Update	Director	Approval
<b>New Business</b>		
LSTA Grant Application	Director	Approval
Introduce Policies on Contracting and Financial Management	Director	Discussion
<b>Next District Board Meeting</b> February 9, 2021, noon LCLD Administrative Office OR Online		Information
<b>Adjourn</b>	President	Motion



Minutes  
Lincoln County Library District  
Board Meeting  
December 8, 2020  
12:00 p.m.  
Online

**ATTENDANCE—BOARD**

Chris Boyle  
Brian Fodness  
Emily Portwood-ABSENT  
Virginia Tardaewether  
Marta West

**ATTENDANCE—STAFF**

MaryKay Dahlgreen, District Director

**CALL TO ORDER**

Board President, Brian Fodness, called the meeting to order at 12:05 p.m.

**CALL THE ROLL AND ESTABLISH QUORUM**

Quorum was established.

**APPROVAL OF THE AGENDA**

Approved

**PUBLIC COMMENT**

There was none.

**APPROVAL OF MEETING MINUTES**

Marta moved and Chris seconded approval of the Regular Board minutes of November 10, 2020. Passed unanimously.

**BOARD REPORTS**

Concern was expressed for not having heard from Emily Portwood for several months.

**DIRECTOR'S REPORT**

Back to doing curbside in Siletz and our partner libraries due to the elevation in risk of Covid-19 infection. Toledo Public Library has been providing a service called Book Bundles, library staff collect a variety of materials for patrons who request it.

Urban Growth Boundary change included in packet. Just for awareness in case there are annexations that will reduce our tax receipts.

Board approved LCLD being fiscal agent for Waldport Public Library's CARES Act Grant and they have new video equipment.

MaryKay Dahlgreen thanked the Board again for continuing to pay salaries during the pandemic.

The Grinch (aka MaryKay) will return to the Waldport Public Library online this year and will also appear in a Zoom meeting with Shangri La clients.

## FINANCIAL REPORT

We are on track with our revenue and expenditures. We received the majority of our 2020-2021 tax receipts in November. A comparison with last year's tax receipts and the 2020-2021 Adopted Budget shows that we are on track to receive expected tax receipts. Need to look at OCLC payments, they seem higher than was budgeted. Chris moved and Virginia seconded acceptance of the financial report. Passed unanimously.

## OLD BUSINESS

### Intergovernmental Agreements between Cities and LCLD

Thanks to Marta for creating a new draft. There was a discussion of including the payment schedule in the IGA and it was agreed to keep it in the draft. Change distribution date to December 31<sup>st</sup> to allow for Board approval at the December meeting. Changed effective date to July 1, 2021 so it is aligned with our fiscal year. We will make it available to the cities in January for review and signature. It will be sent to Wayne Belmont, Lincoln County; SDAO; and legal counsel recommended by library district colleagues for review. MaryKay and Brian will create a cover letter for sending with the IGA to the city managers that outlines how we plan to move forward with the IGA. We need to be sure to calendar the timeline so that it can be reviewed by the Board each year. There was discussion where to include the requirement that funds won't be distributed if the IGA is not signed. Marta will make corrections and additions discussed then MaryKay will send to legal counsel for review so we can put in the hands of city managers in early January. It was also suggested that we put something in that makes it clear that this supersedes any previous signed agreement. We also need a provision that requires the funds to be separated from the municipalities general fund. Marta will provide an updated draft and MaryKay will send to legal counsel. In January the IGA will be provided to the cities for signature. Chris moved that MaryKay take the updated draft of the IGA to Wayne Belmont, SDAO and private legal counsel and share with library directors (not for distribution). Marta seconded. Passed unanimously.

### Human Resources Document Review

Included in the packet is a performance management plan, evaluation and self-evaluation forms, and best practices for self-review. MaryKay suggested evaluating her with this process. Board wants to set realistic goals. MaryKay will do a self-assessment based on progress towards goals outlined in the October Board Meeting Director's Report to Board by early January. Then the Board will receive completed self-assessment, form for supervisor evaluation, and updated progress towards goals and make notes for discussion at the February meeting. After the February meeting Brian will complete the written evaluation based on the discussion at the February meeting.

#### Progress on Strategic Plan

MaryKay talked with Darci Hanning from the State Library about goals and objectives around the focus areas. They will continue to discuss and MaryKay will provide a draft of goals and objectives for the January meeting and will present final plan at the February Board meeting.

#### NEW BUSINESS

##### Tax Distribution to Partner Libraries

Included in the Board Packet is the worksheet for distribution of the 2020-2021 tax receipts to partner libraries. The statistics are based on data from 2018-2019 so don't reflect the pandemic statistics. There was a discussion about waiting on the new IGA until we have a new reimbursement formula. There was also a discussion about changing the formula in the next year from circulation/expenditures to service area. Virginia moved and Marta seconded approval of the 2020-2021 tax distribution to partner libraries. The December distribution will be delivered the week of December 21, 2020.

#### GOOD OF THE ORDER

MaryKay requested that the January 12, 2021 Board meeting be moved to January 19, 2021. Board agreed.

#### NEXT DISTRICT BOARD MEETING

Tuesday January 19, 2021 at noon at the District Office, 141 NW 11<sup>th</sup>, Newport or online.

#### ADJOURNMENT

Meeting adjourned at 1:30 p.m.





District Librarian's Report  
January 2021

**General Updates**

The Siletz Library is currently closed for in-person use but is still offering curbside service four days a week. This will continue indefinitely. The same is true of our partner libraries: Newport, Lincoln City, Toledo, and Waldport.

The first one-half of our annual payments to partner libraries for providing service to LCLD residents has been delivered. The libraries will receive the other half in six payments over the next six months.

We are entering budget season. The Oregon Department of Revenue has set up budget trainings to be delivered virtually. I have registered for all four; two in February, one in March, and one in May. I will be presenting the budget calendar at the February Board meeting and also at the meeting, a budget officer needs to be appointed by the Board.

**Successes**

The Director was able to attend the Research in Public Libraries Institute virtually in December. It was a very valuable experience and the sessions that had the most impact were those on equitable community evaluation and "telling your story" using data. There were several other librarians from Oregon who attended, and we have scheduled follow up meetings with one another.

The Director provided an online Grinch story time for the Waldport Public Library and for the clients of Shangri La who participate in day programming.

The Newport Library Foundation offered to expand their annual Newport Reads to Lincoln County Reads. The book selected is *Circe* by Madeline Miller and she has been contacted to provide an online presentation in April about the book. We will be working with Siletz, Toledo, Waldport, Newport, Driftwood, OCCC Library, and the Guin Library at the Marine Science Center to promote the event and provide copies of *Circe* for Lincoln County residents to read. This is a pilot project; we are hoping it is successful so we can provide these programs together in the future.

### **Upcoming**

- January 29, 2021 the Public Library Division of the Oregon Library Association will be presenting the Equity, Diversity, and Inclusion Toolkit they have been working on. I will attend that virtual meeting
- February 3 & 4, 2021 the SDAO will host the virtual annual conference.
- Libraries will be closed on Monday January 18, 2021 in honor of Martin Luther King Jr's. Birthday and will be closed on Monday February 15, 2021 in celebration of President's Day.



## Lincoln County Library District

### Statement of Revenues and Expenditures - Cash Basis

For December 2020 and FYTD 2020

	Current Period Actual	Year to Date Actual	Annual Budget
<b>Revenues</b>			
<b>4000 Revenues</b>			
4020 Chinook Library Network			\$ 22,000.00
4030 Dolly Parton Imagination Library			
4050 Lincoln County Law Library		\$ 12,828.90	\$ 13,000.00
4060 Previously Levied Taxes	\$ 1,189.65	\$ 1,578.43	\$ 40,000.00
4070 Ready to Read Grant	\$ 4,399.00	\$ 4,399.00	\$ 4,400.00
4080 Siletz			
4081 Siletz-Carry-over			
4082 Siletz-City of Siletz			\$ 1,000.00
4083 Siletz-Interest			\$ 25.00
4084 Siletz-Miscellaneous		\$ 200.00	\$ 500.00
4090 State Forestry		\$ 8,263.96	\$ 10,000.00
4100 Property Tax Revenue 16/17		\$ 4,553.90	
4101 Property Tax Revenue - 17/18		\$ 3,501.55	
4102 Property Tax Revenue 18/19	\$ 1,402.74	\$ 6,325.90	
4103 Property Tax Revenue - 19/20	\$ 4,172.63	\$ 24,302.36	
4104 Property Tax Revenue - 20/21	\$ 512,238.35	\$ 1,269,244.37	\$ 1,308,507.00
4800 Interest Income	\$ 230.20	\$ 322.44	\$ 1,000.00
4900 Miscellaneous Income	\$ 1,000.00	\$ 6,050.25	\$ 4,000.00
<b>Total 4000 Revenues</b>	<b>\$ 524,632.57</b>	<b>\$ 1,341,571.06</b>	<b>\$ 1,404,432.00</b>
Services			
Available Cash On Hand			\$ 199,991.00
<b>Total Revenues</b>	<b>\$ 524,632.57</b>	<b>\$ 1,341,571.06</b>	<b>\$ 1,604,423.00</b>
<b>Expenditures</b>			
<b>5000 Personnel Services</b>			
5100 Salaries and Wages	\$ 47,107.18	\$ 163,468.82	\$ 280,698.00
5200 Payroll Taxes	\$ 3,891.64	\$ 14,798.12	\$ 25,000.00
5250 Payroll Fees	\$ 501.70	\$ 1,461.73	\$ 1,937.00

	Current Period Actual	Year to Date Actual	Annual Budget
<b>Total 5000 Personnel Services</b>	<b>\$ 51,500.52</b>	<b>\$ 179,728.67</b>	
5300 Employee Benefits			
5305 Health Benefits	\$ 1,338.93	\$ 8,631.69	\$ 17,526.00
5310 Retirement Benefits	\$ 989.92	\$ 5,939.32	\$ 11,868.00
<b>Total 5300 Employee Benefits</b>	<b>\$ 2,328.85</b>	<b>\$ 14,571.01</b>	
<b>6000 Materials and Services</b>			
6010 Professional Services			
6011 Accounting Services	\$ 450.00	\$ 3,281.25	\$ 13,000.00
6012 Legal Services			\$ 1,000.00
6013 IT Services			\$ 1,000.00
6014 General Services		\$ 480.00	
<b>Total 6010 Professional Services</b>	<b>\$ 450.00</b>	<b>\$ 3,761.25</b>	
<b>6030 General Office Expenses</b>			
6031 Office Supplies	\$ 99.98	\$ 211.37	
6032 Office Equipment		\$ 537.95	
6033 Online Expenses	\$ 66.00	\$ 1,163.26	
6036 ByWater Solutions			\$ 21,500.00
6040 Copier Lease	\$ 333.26	\$ 1,716.96	\$ 2,688.00
6050 Mileage			\$ 3,000.00
6055 Orbis Cascade Alliance Courier			
6056 OCAC - LCLD		\$ 4,537.50	\$ 6,050.00
6060 Postage		\$ 196.01	\$ 2,000.00
6065 Professional Materials			\$ 9,000.00
6070 Public Relations	\$ 100.00	\$ 600.00	\$ 10,000.00
6075 Rent and Utilities			
6076 Electricity			
6077 Maintenance and Supplies			\$ 1,500.00
6078 Gas			
6079 Rent	\$ 1,350.00	\$ 8,100.00	\$ 16,200.00
6080 Telephone and Internet	\$ 134.97	\$ 764.82	\$ 1,608.00
6081 LCLD Garbage			
6100 Supplies		\$ 441.73	\$ 3,954.00
6105 Vans			
6106 Fuel	\$ 208.74	\$ 947.30	\$ 5,000.00
6107 Maintenance		\$ 1,308.81	\$ 2,000.00
6108 Supplies		\$ 39.10	\$ 500.00

	Current Period Actual	Year to Date Actual	Annual Budget
<b>Total 6105 Vans</b>	\$ 208.74		
<b>Total 6030 General Office Expenses</b>	\$ 2,292.95	\$ 20,564.81	
<b>6300 Travel/Training/Membership</b>			
6310 Membership Fees		\$ 1,089.20	\$ 2,000.00
6320 Registration/Training/Travel			
6321 Registration		\$ 128.00	\$ 6,500.00
6322 Travel/Meals/Housing		\$ 66.00	\$ 6,500.00
<b>Total 6300 Travel/Training/Membership</b>	\$ -	\$ 1,283.20	
<b>6400 Operating Fees/Insurance</b>			
6410 Business Insurance			\$ 6,000.00
6420 Election Fees			\$ 9,000.00
6430 Legal Notices		\$ 789.74	\$ 1,600.00
<b>Total Operating Fees/Insurance</b>	\$ -	\$ 789.74	
<b>6500 Reimbursement/Library Development</b>			
6505 Contracted Library Services			\$ 874,855.00
6510 Cataloging/Interlibrary Loan/Reference			
6511 OCLC	\$ 3,415.30	\$ 32,766.35	\$ 59,100.00
<b>Total 6510 Cataloging/Interlibrary Loan/Reference</b>	\$ 3,415.30	\$ 32,766.35	
6520 Library Development			
6521 Support Local Libraries			
6523 Special Projects (Dolly Parton Imag. Library)			
6524 Summer Reading Programs			\$ 4,400.00
<b>Total 6521 Support Local Libraries</b>	\$ -		
6525 Online Databases			\$ 6,500.00
6526 Library2Go (Overdrive)		\$ 4,635.72	
6528 ProQuest (Heritage Quest)			
<b>Total 6525 Online Databases</b>	\$ -	\$ 4,635.72	
<b>6550 Siletz</b>			
6551 Materials, Supplies and Services	\$ 24.00	\$ 338.69	\$ 1,000.00
6554 Siletz Electricity	\$ 165.86	\$ 908.21	\$ 2,200.00
6555 Siletz Collection Development	\$ 134.98	\$ 2,001.82	\$ 4,580.00
6556 Siletz Water/Sewer	\$ 96.00	\$ 576.00	\$ 1,155.00
6557 Siletz Copier Lease	\$ 50.82	\$ 254.10	\$ 1,220.00
6558 Siletz Internet and Phone	\$ 159.29	\$ 955.39	\$ 1,750.00
6559 Siletz Gas	\$ 107.96	\$ 184.23	\$ 825.00
6560 Siletz Alarm	\$ 85.17	\$ 170.34	\$ 550.00

	Current Period Actual	Year to Date Actual	Annual Budget
6561 Siletz Programming	\$ 317.00	\$ 450.01	\$ 1,000.00
6562 Siletz Repair & Maintenance		\$ 362.90	\$ 1,000.00
6563 Siletz Useful			\$ 4,720.00
<b>Total 6550 Siletz</b>	<b>\$ 1,141.08</b>	<b>\$ 6,201.69</b>	
<b>Total 6520 Library Development</b>	<b>\$ 1,141.08</b>	<b>\$ 10,837.41</b>	
<b>6600 Library Reimbursement</b>			
Lincoln City	\$ 120,463.00	\$ 120,463.00	
Newport	\$ 179,667.00	\$ 179,667.00	
Toledo	\$ 39,593.00	\$ 39,593.00	
Waldport	\$ 97,704.00	\$ 97,704.00	
<b>Total Library Reimbursement</b>	<b>\$ 437,427.00</b>	<b>\$ 437,427.00</b>	
6700 Bank Charges & Fees	\$ 15.95	\$ 95.70	
<b>Total 6000 Materials and Services</b>	<b>\$ 444,742.28</b>	<b>\$ 507,525.46</b>	
Uncategorized Expense			
7000 Capital Outlay			
7010 Office Furniture and Equipment			
7011 Van Replacement			\$ 60,000.00
<b>Total 7000 Capital Outlay</b>			
Operating Contingency			\$ 82,745.00
Unappropriated Ending Balance			\$ 28,194.00
<b>Total Expenditures</b>	<b>\$ 498,571.65</b>	<b>\$ 701,825.14</b>	<b>\$ 1,604,423.00</b>

## **AGENDA ITEM 1/19/2020**

### **Intergovernmental Agreement Between Cities and LCLD**

#### **Background and Summary**

The Board has agreed that there is a need to update the agreements between the city libraries and LCLD outlining expectations and responsibilities of each party. At the last meeting it was decided to send the IGA to legal counsel. Eileen Eakins, Northwest Local Government Legal Advisors has reviewed and revised the draft agreement.

#### **Recommendation of the Director**

Discussion revisions and update timeline for distribution to cities.



**AGENDA ITEM 1/19/2021**  
**Progress on Strategic Plan**

**Background and Summary**

LCLD is in the process of creating a strategic plan. The director will provide draft goals and objectives to the Board for discussion.

**Recommendation of the Director**

Approve goals and objectives.





## **AGENDA ITEM 1/19/2021**

### **LSTA Grant Application**

#### **Background and Summary**

After discussion with our partner libraries, I have decided to suspend the process for obtaining an integrated library system that can be shared across all Lincoln County libraries. There are several library systems we are close to or contiguous with whom it may be advantageous to partner to improve access to library materials and services for our patrons. I have contacted a library technology consultant who is currently consulting with the Tillamook County Library about their technology. He and I will speak on January 14, 2021 so he can give me some idea of the cost of hiring such a consultant. My plan is to write a grant proposal to the State Library of Oregon for Library Services and Technology Act funds for a feasibility study on the best approach for LCLD and the Lincoln County Libraries to share an integrated library system. This will allow for us to study our options and find the best one for LCLD libraries. The grant is due on February 4, 2021.

#### **Recommendation of the Director**

Approve writing and submitting an LSTA Grant to the State Library of Oregon for funding in July 2021.



## **AGENDA ITEM 1/19/2021**

### **Introduce Draft Contracting and Financial Management Policies**

#### **Background and Summary**

The contracting and financial management policies for LCLD are out of date. The Director has drafted an update of those policies based best practice. They will be introduced for discussion at this Board meeting and will be on the agenda for final approval at the February 9<sup>th</sup> meeting per Board By-Laws:

The by-laws may be amended by the majority vote of all members of the Board of Directors, provided written notice of the proposed amendment shall have been mailed or emailed to all members at least 10 days prior to the meeting at which such action is proposed to be taken.





## **Contracting Policy**

Lincoln County Library District (LCLD) follows the Oregon Model Public Contracting Rules (ORS 279A.065) when purchasing goods and services and for construction projects, subject to the additions or exceptions provided in this policy.

1. Local Contract Review Board Except when otherwise provided in LCLD policies, the powers and duties of the Local Contract Review Board (LCRB) under the Public Contracting Code shall be exercised and performed by the LCLD Board of Directors.
2. Delegation of Contracting Authority Unless expressly limited by the Local Contract Review Board or LCLD policies, all powers and duties given or assigned to contract agencies by the Public Contracting Code may be exercised or performed by the board president, district director, or his/her designee, including the authority to enter into emergency contract pursuant to ORS 279B.080 and 279C.320(1).
3. Personal Services Contracts Personal services shall be defined to include those services that require specialized technical, creative, professional, or communication skills or talents, unique and specialized knowledge, or the exercise of discretionary judgment, and for which the quality of the service depends on attributes that are unique to the service provider. Such services shall include, but are not limited to: architects, engineers, surveyors, attorneys, accountants, auditors, computer programmers, artists, designers, performers, and consultants. The district director or his/her designee shall have the authority to determine whether a particular service is a "personal service" under this definition.

Personal service contracts do not require a competitive bidding process. When screening or selecting a personal service contractor, the district will consider qualifications, performance history, expertise, knowledge, creativity, and the ability to exercise sound judgment. The selection is based primarily on these factors rather than price.

Unless otherwise provided in this section, contracts for architectural, engineering, photogrammetric mapping, transportation planning or land surveying services shall be awarded according to ORS 279C.110(3). A contract for architectural, engineering, photogrammetric mapping, transportation planning or land surveying services may be entered into by direct appointment if such contract is estimated not to exceed \$45,000 in a fiscal year, or if the project described in the contract consists of work that has been substantially described,

Adopted:  
Lincoln County Library District Board

planned or otherwise previously studied or rendered in an earlier contract with the consultant that was awarded under this policy, and the new contract is a continuation of that project.

4. Sole Source Procurement When necessary, the district's Local Contract Review Board, district director, or his/her designee may enter into a sole source procurement pursuant to ORS 279B.075.

5. Electronic Advertising Pursuant to ORS 279C.360 and ORS 279B.055C(4c), electronic advertisement of public contracts in lieu of newspaper publication is authorized when it is cost effective to do so. The board president, district director, or designee shall have the authority determine when electronic publication is appropriate, and consistent with the district's public contracting policies (OAR 137-47-0270(3)).

DRAFT



## **Financial Management Policy**

### **I. Introduction**

These guidelines are designed to:

- Protect the assets of the LCLD;
- Ensure the maintenance of accurate records of the LCLD's financial activities;
- Provide a framework of operating standards and behavioral expectations; and,
- Ensure compliance with federal, state and local legal reporting requirements

Exceptions to written policies may only be made with the prior approval of the Board of Trustees. Changes or amendments to these policies may be approved by the Board of Trustees at any time. All personnel with financial responsibilities are expected to be familiar with and operate within the parameters of these policies.

### **II. Accounting**

The LCLD's accounting system shall be designed specifically to:

- Assemble information on all finance-related transactions and events.
- Provide the ability to analyze all data collected.
- Classify data according to the chart of accounts.
- Record data in the appropriate books of accounts.
- Report data to management and outside parties in an appropriate format and in a timely manner.
- Maintain accountability of assets.
- Retain data according to the State of Oregon's retention schedule for special districts.

The accounting system shall include:

- A general ledger.
- Subsidiary journals as necessary, including revenue, expenditures, and payroll.
- Written documentation supporting, authorizing, and explaining individual financial transactions including invoices, bank statements, purchase orders, payroll, transfers, etc.
- Any other data deemed necessary to prepare financial statements.

### **III. Fraud Prevention**

Adopted:

Lincoln County Library District Board

Fraud is defined as a willful or deliberate act with the intention of obtaining an unauthorized benefit, such as money or property, by deception or other unethical means.

All fraudulent acts or related misconduct are included under this policy and include, but are not limited to, such activities as:

- Embezzlement, theft, misappropriation or other financial irregularities;
- Forgery or alteration of documents (checks, time sheets, contractor agreements, purchase orders, other financial documents, electronic files);
- Improprieties in the handling or reporting of financial transactions;
- Misappropriation of funds, securities, supplies, inventory or any other asset (such as furniture, fixtures, equipment, materials), including assets of the LCLD, patrons, suppliers, or others with whom there is a business relationship;
- Authorizing or receiving payment for goods not received or services not performed;
- Authorizing or receiving payments for hours not worked or expenses not accrued and documented;
- Profiteering as a result of insider knowledge of LCLD activities.

Fraud and related misconduct will not be tolerated. Employees found to have participated in such conduct will be subject to disciplinary action, up to and including termination.

Trustees and employees are expected to use their best efforts to recognize risks and exposures inherent to their areas of responsibility and to be aware of indications of fraud and related misconduct. Any Trustee or employee who knows or suspects fraud or related misconduct shall report that to the President of the Board of Trustees or the District Director.

When fraud or related misconduct is reported, an appropriate investigation and all necessary action will be undertaken. All investigations of alleged wrongdoing will be conducted in accordance with applicable laws and LCLD policies/procedures. During or following the investigation, the Board may choose to consult with legal counsel and take appropriate steps to minimize recurrence.

#### **IV. Investment Policy**

It is the policy of the LCLD to invest public funds in a manner which will provide the highest return with the maximum security while meeting cash flow demands.

All investments will conform to all applicable laws and regulations governing the investment of public funds.

##### **A. Objective**

The Primary Objectives of the LCLD's financial investments are, in priority order:



- **Safety of Principal** – Safety of principal is the foremost objective. All investments shall be undertaken in a manner that seeks first to preserve capital and second to fulfill other investment objectives.
- **Liquidity** – The LCLD's investment portfolio will remain sufficiently liquid to enable the LCLD to meet all operating requirements which might be reasonably anticipated.
- **Return on Investments (Yield)** – The LCLD's investments should generate the highest available return without sacrificing the first two objectives.

#### **B. Funds**

The Board may establish funds for money and securities of the LCLD. All monies from whatever source derived will be receipted into funds established by the Board under authority of law.

#### **C. Delegation of Authority**

The District Director and Board shall implement the investment program and establish investment procedures consistent with this policy. No person may engage in an investment transaction except as provided under the terms of this policy.

#### **D. Deposit Requirements**

The LCLD's Board of Trustees shall designate its public depositories. Any eligible financial institution that has offices within the State of Oregon may become a public depository of the funds of the Library.

#### **E. Reporting**

The District Director shall provide the Board with monthly reports which clearly provide the following information regarding the investment portfolio:

- types of investment and cash position
- depository institutions,
- principal balances

#### **F. Ethics and Conflicts of Interest**

Those involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the Library investment program, or that could impair their ability to make impartial decisions.

#### **G. Electronic Transfers**

The following type of transactions may be conducted by electronic transfer between financial institutions in order to expedite the transfer of funds as well as maximize interest earnings:

- Direct deposit of telecom tax funds and credit card receipts
- All investment transfers for certificates of deposit and savings accounts authorized by the Board
- Payroll for LCLD employees and fees associated with payroll processing
- Health insurance payments for LCLD employees
- Utility payments, Internet and telecom service payments

Adopted:

Lincoln County Library District Board

- Credit card payments
- Other services with a monthly subscription cost or contract payment as approved by the Board of Trustees
- To satisfy long-term bond or debt obligations when required by a depository trust company

The Board or District Director will maintain appropriate documentation of the transactions so these may be audited as required by statute.

#### H. Personal Use of District Assets

Neither the District Director nor any Board member will use or permit the use of LCLD funds, vehicles, equipment, telephones, materials or property for their own personal benefit or profit. Neither the District Director nor a Board member will ask or require a LCLD employee to perform services for the personal benefit or profit of a Board member or the District Director. The District Director and all Board members will safeguard LCLD property, equipment, moneys and assets against unauthorized use or removal, as well as from loss due to criminal act or breach of trust.

#### I. Segregation of Fiscal Duties and Internal Controls

No one person should control or perform all key aspects of a transaction or financial event. Segregation of duties is an important internal control activity that helps detect errors in a timely manner and deters improper activities. Internal controls instituted by the LCLD will assist the Board in maintaining adequate fiscal oversight of the expenditure of funds.

### V. Control Policies and Procedures

The LCLD follows these policies and procedures to ensure control and an effective accounting system:

- All financial transactions shall conform to standard accounting procedures and Oregon Revised Statutes and Administrative Regulations (ORS).
- All transactions are authorized properly.
- Duties are segregated. As much as is practical, no single individual should be able to (1) authorize a transaction, (2) record the transaction in the accounting system, and (3) take custody of the assets resulting from the transaction.
- Accounting records and documentation are designed and maintained properly.
- Access to assets and records is controlled.
- Accounting data is reviewed periodically and compared to underlying records.
- All financial records are retained and secured in accordance with ORS .
- Records no longer required to be retained are destroyed securely.
- Payroll records and processing are reviewed periodically.
- Physical assets are reviewed periodically and an inventory is maintained.
- The District Director shall submit the prior month's financial report to the Board of Directors with the packet for the regular monthly meeting.

Adopted:  
Lincoln County Library District Board

- Financial computer systems shall be maintained in a secure environment, accessed only by documented/authorized personnel, and regularly maintained to prevent data loss.
- Annual audits shall be performed in compliance with ORS and generally accepted accounting principles (GAAP) for governmental entities.

## **VI. Cash and Purchasing**

The LCLD shall follow these specific policies for cash and purchasing:

### **A. Cash disbursement:**

- Check-signing authority is limited to the Library Director and every Board Trustee
- Two signatures are required on each check.
  - Some regularly-recurring bills and payments may be paid electronically by the District Director or designee. Bills and payments authorized to be paid electronically shall be established annually by Board resolution. Invoices must be retained and reviewed by the Board of Trustees.
- Authorization of payment is required by the District Director or designee.
- Original invoices shall be attached to checks before signing.
- Pre-signing any check is prohibited.
- Blank checks are prohibited.
- Checks shall be numbered sequentially.
- The check stock shall contain security safeguards to prevent fraud.
- The check stock shall be secured and use shall be documented.
- Voided checks shall be defaced and retained in the financial records.
- Signature stamps are prohibited.

### **B. Cash handling**

- Deposits shall be performed weekly.

### **C. Petty Cash handling**

- The Petty Cash fund is to be used for small purchases or for purchases to solve an immediate need when a LCLD-issued credit card is not available or is not practical to use.
- The LCLD will maintain a Petty Cash fund of \$75.00 in a locked space. Only the District Director and Staff should access these funds. Transactions should be reimbursed only with a receipt. At any time total cash and receipts will equal \$75.00.
- When cash is low, the District Director can request funds equal to the total amount of receipts to replenish the Petty Cash fund. The request is made by submitting the Petty Cash log with receipts to the Accountant.
- The District Director or Board may conduct an unscheduled check of all Petty Cash funds to insure proper handling.

### **D. District Director and the Board shall review bank account reconciliations monthly.**

### **E. Available surplus funds may be invested according to ORS with the primary consideration being the security of public funds.**

Adopted:

Lincoln County Library District Board

F. Banking shall be conducted according to ORS and applicable accounting practices.

G. Purchasing

- Original invoices shall be required.
- Employees of the LCLD shall not serve as independent contractors to the LCLD.
- Employees of the LCLD shall not accept consideration from an outside entity while performing LCLD duties.

H. Vacation reserve

- The LCLD shall retain a vacation reserve of at least 75 percent of all employees' outstanding vacation and holiday accrual.

I. Expenditures approval

- The Board shall approve all expenditures for supplies, materials, equipment, or any contract obligating the LCLD in excess of \$3,000 with the following exceptions:
  - Purchase of emergency services or materials which cannot be delayed until the next Board meeting but exceed \$3,000. Such purchases must be approved by the Board President and comply with ORS.
  - Payments of monthly statements, composed of individual invoices not exceeding \$3,000, incurred while conducting regular library business such as purchasing office supplies, fuel for LCLD vehicles or paying credit card statements.
  - Regular payments on contracts that have been pre-approved by the Board.
- The District Director shall authorize all expenditures or contracts up to \$3,000 except Contracts for legal services.
  - Total expenditures within a budgetary fund category (e.g. Materials and Services) may not exceed the budgeted allocation of that category without prior approval of the Board.
- LCLD credit card limits are set by the Board when they approve the card use for personnel.

## VII. Credit Cards

The LCLD may utilize credit cards to facilitate a predefined set of small (typically under \$1000) routine purchases of budgeted items, subject to subsequent approval, administered by employees who are both accountable and responsible for the related transactions subject to prudent financial controls. As provided by the policy, the District Director is the administrator of the district credit cards. The District Director follows the policies and procedures set out in this policy.

The credit card is issued by the bank used by the LCLD. The cards are the property of the LCLD and are issued to employees by the bank after Board approval. The LCLD credit card shall be used only to charge official LCLD purchases. Monthly, the billing statements and the purchase

Adopted:  
Lincoln County Library District Board

receipts are submitted by cardholders and then reviewed and reconciled by District Director and sent to the Accountant for payment.

**A. Credit Card Limits**

Limits will be set for each cardholder by the Board. These may include: a single transaction purchase limit; Spending limit allowed per day; Spending limit per month; Credit Card spending limit.

**B. Restricted Purchases**

The following is a list of restricted purchases:

Examples of Authorized Purchases

Professional Dues  
Office and Other Supplies  
Conference Registrations & Travel  
Equipment Supplies  
Event Refreshments  
Subscriptions  
Repair and Maintenance  
Room Rentals  
Training Programs  
Operational Supplies  
Books and Videos

Examples of Blocked Purchases

Cash Advances  
Adult Entertainment  
Tobacco Products  
Cash Refunds  
Controlled Substances  
Alcoholic Beverages

Examples of Unauthorized Purchases

Any Personal Items or Use  
Unbudgeted Items  
Personal Service Contracts  
Unsecured Internet Purchases – non-https:// sites  
Trade Service Agreements  
Purchase Requiring 1099 Form

Exceptions to the above may be granted by the District Director on a limited basis upon a showing of sufficient justification or extenuating circumstances.

Adopted:  
Lincoln County Library District Board

### C. Reconciling Accounts

Each transaction on the monthly billing statement is compared with receipts submitted by the purchasing staff member and assigned an account number before being sent to the Accountant for payment.

### D. Paying the Bill

The LCLD credit card(s) will be paid in full each month after reconciliation with the receipts

### E. Responsibilities

- The District Director will:
  - Provide administrative oversight for successful operation of the credit card program
  - Ensure that appropriate procedures are in place and approve all special procedure issues.
  - Update the credit card procedures for LCLD as needed
  - Verify that funds are budgeted for the transactions of LCLD cardholders
  - Review and audit credit card data and transactions.
  - Monitor cardholder compliance with LCLD rules
  - Reconcile the monthly billing statements to appropriate submitted receipts
  - Monitor cardholder purchases during the month
  - Report lost, stolen or fraudulent use of the credit cards to the credit card vendor.
- The Cardholder is responsible for:
  - Treating the LCLD credit card with the same care as they do with their own personal credit cards. The card should be maintained in a secured location and the account number should be carefully guarded.
  - Only the individual whose name appears on the face of the card is entitled to use the card. The card shall not be loaned to another individual for any reason.
  - Obtaining purchase documentation (sales receipt, itemized packing slip, service receipt, etc.) from the merchant for every purchasing card transaction to support the purchase. If someone other than the cardholder receives the shipment or service, the cardholder is still responsible for obtaining the supporting documentation.
  - Receipts shall be given to the District Director who will reconcile the card purchases to the monthly billing statement on a timely basis. Failure to do so will result in a loss of cardholder privileges.
  - Working with the merchant to correct any problems, exchanges or credits.
  - Not accepting cash in lieu of a credit card credit for returns.

- Reporting a lost or stolen card to the card issuer immediately. Also notify the District Director as soon as possible.
- Returning the credit card to the District Director upon termination of employment, upon change in employment that no longer requires a credit card or upon request from the District Director or the Board
- Not misusing the credit card. Failure to comply with the Credit Card policy and procedures and other LCLD policies that relate to purchases will result in the revocation of purchasing card privileges. If the purchasing card is used for unlawful or improper purposes, the employee may also be subject to disciplinary action for that misconduct.

## **VIII. Personnel**

Employment policies shall include procedures that reasonably protect LCLD assets:

- A. Employment applications shall include:
  - A statement that false information or misrepresentation can be cause for disqualification or dismissal.
  - A criminal background check with candidate's written approval.
  - Reference checks.
- B. Appropriate staff supervision
- C. Rotation of duties/cross-training.
- D. Communication and confirmation of policies and ethics
- E. Employee and financial contractor fidelity coverage (bonding) is required (when applicable)

### **F. Staff Reimbursement for Purchases**

Staff members may occasionally need to purchase materials for the Library with their personal funds. Staff may submit itemized receipts for these purchases to the Director and pending Director and Board Approval a reimbursement check will be issued within 30 days.

### **G. Staff Reimbursement for Travel Expense**

Employees will be reimbursed for travel expenses incurred in the performance of their work. Any cost incurred should be the most economical with the Library's best interest. Any employee of the Library incurring expenses for Library related business shall be reimbursed as follows:

- ☐ Official travel in privately owned vehicles shall be reimbursed in accordance with the rates as set forth in the LCLD travel policies and procedures.
- ☐ Air travel shall not be first class unless other rates are unavailable. Under reasonable circumstances, or for necessary expediency, the Board may authorize other travel means.
- ☐ Lodging shall be reimbursable at the actual expense. Receipts must be provided for all lodging.

Adopted:  
Lincoln County Library District Board

- ☐ Parking, tolls, and public transport shall be reimbursable at the actual expense. Receipts must be provided for all parking, tolls and public transport.
- ☐ Conference and registration fees shall be approved in advance by the District Director, and may be prepaid when necessary and appropriate.
- ☐ Use of rental vehicles is allowed when more feasible than other types of available transportation.
- ☐ The LCLD will reimburse an employee for meals at required training sessions. Oregon per diem rates apply. All expenses should be reported on the Travel Expense Reimbursement Form and submitted for Director and Board Approval.
- ☐ Other necessary expenses which were unforeseeable prior to travel may be approved by the Board upon presentation of documentation of the need for such expense.

Expenses not in compliance with the travel expense policy will not be reimbursed or paid by the Board, e.g. costs incurred by family members or staff attendance at events not approved by the Director or the Board.

## **IX. District Assets and Capital Outlay**

The District Director shall not allow assets to be unprotected, inadequately maintained, or unnecessarily risked. Accordingly, s/he may not:

- A. Fail to insure against theft and casualty losses to at least 80 percent of replacement value and against liability losses.
- B. Subject facilities to improper use or insufficient maintenance.
- C. Unnecessarily expose the LCLD, its Board, or staff to claims of liability.
- D. Make any purchase (1) contrary to state statutes and regulations concerning conflicts of interest; (2) of over \$500 without having obtained comparative prices and quality; (3) of over \$3,000 without evaluating a balance of long-term quality and cost. Such evaluation shall be presented to the Board to use as they make their decision.
- E. Fail to protect intellectual property, information, and files from loss or damage.
- F. Receive, process, or disburse funds under insufficient controls to meet the Board-appointed auditor's standards.
- G. Fail to follow state law regarding investment of capital assets in secure instruments.

Capital outlay shall include expenditures on the following:

- A. Land acquisition or improvement, including improvements and installations on the grounds;
- B. Building construction, expansion, or remodeling;
- C. Installation, addition, or replacement of major building systems such as heating and cooling, electrical, plumbing, and other services;
- D. Shelving;
- E. Depreciable equipment, which includes items that have an anticipated useful life exceeding one year, cost \$5,000 or more, retain their original shape and use, and are nonexpendable.



Equipment, including nonexpendable equipment costing less than \$5,000, must be inventoried.

**X. Surplus Property**

Surplus property is defined as any personal property of the LCLD that has been determined by the District Director or designee as being of no use or value to the District. See the Surplus Property Disposal Policy for details.

