



SMLC

SOUTHWEST MICHIGAN
LIBRARY
COOPERATIVE

SOUTHWEST MICHIGAN LIBRARY COOPERATIVE

April 29, 2021

1:00 Advisory Council

2:00 Board Meeting

ON ZOOM

Join Zoom Meeting

<https://us02web.zoom.us/j/85409420652?pwd=YVJWcEtLRVFiRG5GcmF1bXdINjIwUT09>

Meeting ID: 854 0942 0652

Passcode: 707949

Find your local number: <https://us02web.zoom.us/j/85409420652?pwd=YVJWcEtLRVFiRG5GcmF1bXdINjIwUT09>

ADVISORY COUNCIL AGENDA

1. Call to Order & Introductions
2. Approval of Agenda
3. Public Comments
4. Approval of Council Minutes.
5. Speaker: Debbie Mikula, **Executive Director, Michigan Library Association**

Debbie's Contact Info:

Deborah E. Mikula

Executive Director, Michigan Library Association
3410 Belle Chase Way, Suite 100, Lansing, MI 48911
Office: 517-394-2774, ext. 224

6. Financial Report – Financial Procedures document in process. Working with Lawrence Kapture (SMLC Board Treasurer) and Amanda Johnson (SMLC Bookkeeper). Hope to complete for approval at next board meeting.

7. Director's Report

- Please start turning in your 2021 grant requests to Lawrence. 2 regular (\$1000) and 1 mini (\$260 PPE) available in 2021. Info found at: <https://smlccooperative.com/programsservices/grants/>
- LofM also requesting CARES grants reimbursement requests be turned in.
- Reminder SMLC pays RIDES, MCLS memberships for our member libraries, and organizational membership for MLA (but not individual staff MLA memberships.)
- Andrea has been working on SMLC Financial Procedures manual and by-laws updates. By-laws committee met twice this winter.
- Multiple SMLC libraries have signed on to free Amazon Prime for Michigan Libraries discount. Anthony can aid in getting libraries set up. Andrea has sent in three batches of interested libraries.
- SMLC has a new discount option – Vox Books by Library Ideas \$3 off per book! Email Kyle Wiseman directly to order. Andrea sent email out to Directors regarding this. Great idea for a literacy grant
- May 11, 12, 13 ABCs of Performance Management with Brian Mortimore. Sign up Directors, Asst. Directors, Branch managers, HR by emailing Andrea by May 1. Will send Zoom links the first week of May.
- Next Informal Director Chat, May 27.
- A SMLC Youth group will be meeting in May. Sign up for youth listserv with Tim Wiggins. Info to signup for listserv found at: <https://smlccooperative.com/cooperative-listservs/>
- MIOSHA Covid Checklist emailed – helpful tool for checking if library is operating at MIOSHA standards
- Library Privacy Act Updated
Background overview/why this was amended – Clare/Debbie.
<https://www.youtube.com/watch?v=SP9xaQQNztc>
- OMA Update – “Any reason” remote attendance at public meetings exception has ended. However the following reasons are currently acceptable.

Can Members of a Public Body Participate Remotely?

January 1, 2021 to December 31, 2021. A member of a public body may attend and participate in a public meeting virtually for any of the following reasons:

- military duty
- a medical condition, or

- a statewide or local state of emergency or state of disaster declared pursuant to law or charter by the governor or a local official or local governing body that would risk the personal health or safety of members of the public or the public body if the meeting were held in person.

For the purpose of permitting an electronic meeting due to a local state of emergency or state of disaster, this subdivision applies only as follows:

To permit the electronic attendance of a member of the public body who resides in the affected area.

To permit the electronic meeting of a public body that usually holds its meetings in the affected area.

–Foster Swift

<https://www.fosterswift.com/communications-new-requirements-open-meetings-act.html>

- Next Council Meeting: August 26, 2021

8. President's Report

9. Old Business: None

10. New Business: SMLC ByLaws updates for discussion/vote (see attached)

11. Member Sharing

12. Adjournment

Southwest Michigan Library Cooperative
Council Meeting Minutes
October 9, 2020
1:00 pm via Zoom.us

Present

Allegan – Devin Erlandson and
Pamela Armstrong
Augusta-Ross – Anne Rapp
Benton Harbor – Kat Boyer
Berrien Springs – Kristina Knezic
Bridgman – Dennis Kreps
Buchanan – Meg Paulette
Cass District – Barbara Gordon
Coloma – Mary Harrison
Comstock – Emily Kubash and
Rachael Wiegmann
Dowagiac – Matthew Weston
Eau Claire – Ann Greene
Galesburg – Helena Hayes
Kalamazoo – Ryan Wieber
Lawton – Lyn Tone
Marcellus – Christine Nofsinger
Martin – Alicia Kershaw
New Buffalo – Julie Grynowich
Niles – Stevyn Compoe and Tim Wiggins
Parchment – Teresa Stannard
Paw Paw – Gretchen Evans
Portage – Christine Klien and Lawrence Kapture
SMLC / Otsgeo – Andrea Estelle
Van Buren District – Dan Hutchins and
Molly Wunderlich
Vicksburg – Eric Hansen
Watervliet – Sharon Crotser-Toy

Guests

Kathy Webb, State Aid and Penal Fines Coordinator, Library of Michigan.
webbk1@michigan.gov Phone: 517-335-1514

1. Call to Order & Introductions

Meeting called to order by President Greene at 1:05 pm.

2. Approval of Agenda

- Motion to approve the agenda made by Knezic with support from Kreps. Passed.

3. Public Comments

There were no public comments.

4. Approval of August 13, 2020 Minutes

- The minutes of the August 13, 2020 minutes were approved on a motion by Tone with support from Erlandson. Passed.

5. Guest Presentation:

Kathy Webb, State Aid and Penal Fines Coordinator, Library of Michigan.

webbk1@michigan.gov Phone: 517-335-1514

State Aid

- \$1,000,000 has been added to the State Aid Budget for 2021, which is \$0.03 more per capita, for a total of \$0.42998 per capita.
- Directors are urged to send an email to Kathy requesting their State Aid Computation form for review. Make sure you include your library name in your email.
- If your district has a contracted area, review the contract(s). Does it need revision?
- If your service population has changed, let Kathy know.
- If you couldn't send staff to workshops required for state aid certification this year, waivers are available. Contact Kathy.

Penal Fines

- Kathy was asked what her prediction for next year's penal fines is. She said that this year the disbursements varied widely by county – some were up, most were down. The average Penal Fine rate per capita this year is \$2.66; last year it was \$4.20.
- She noted that judges and the general public don't understand the impact of penal fines on library services. Libraries should continue to communicate how important these monies are to their budget and services to their legislators. Also send stories to Kathy, as the Library of Michigan and MLA can use them as talking points with influencers.
- She and her colleagues on the MLA Task Force for Penal Fines are looking for alternative sources. For example, looking at schools are no longer offering libraries for student use, perhaps an agreement from school aid funds could be offered to libraries. At this point it is just an idea to consider.

6. Financial Report:

Treasurer Kapture reported the end of year balance is approximately \$205,000. Profit and loss is the same as last year. He will set up the audit very soon.

7. Director's Report

- a. Update on Eos and the Oct. 2 Supreme Court ruling. The Director noted that the Michigan Department of Health has issued its own emergency orders which are the same as the EOs issued by the Governor. She recommends that any libraries that have the text "per EO" in their signage remove it and replace it with "per MDHHS directive."
- b. MCLS News: Sue Alt, RIDES Coordinator, retired. New Coordinator is Tara Kanon.
- c. MLA's Virtual Conference: Oct. 28 and 29. Still time to sign up:
<https://mla.memberclicks.net/annual-conference>
- d. Great news from MLA:
 - The Michigan Senate declared October 2020 the first ever Michigan Library Appreciation Month.

- 2021 State Aid Budget: State Aid increase of \$1,000,000 for Michigan Libraries. This adds \$0.04 per capita.
- SB 611 passes Senate and moves on to House. (MI Library Privacy Act Edits)

8. President's Report

There was no report from the President.

9. Old Business

There was no old business.

10. New Business

There was no new business.

11. Member sharing

Kapture announced that the Geek Fest will continue this year as a virtual event. For more information see the Geek Fest Facebook page.

Adjournment

Meeting was adjourned by President Greene at 1:45 pm on a motion by Grynwich.

Minutes taken by Teresa Stannard, Parchment Community Library



SMLC

SOUTHWEST MICHIGAN
LIBRARY
 COOPERATIVE

BOARD MEETING AGENDA

April 29, 2021, 2:00 PM

SAME ZOOM LINK as ADVISORY COUNCIL

SMLC Board 2021

Director Name	Library	Class Size	Term
Lyn Tone	Lawton Public Library	1	2020-2022
Christine Nofsinger	Marcellus Township Wood Memorial Library	2	2020-2022
Alicia Kershaw	Martin- JC Wheeler Public Library	2	2020-2022
Anne Rapp	Augusta Ross Township District Library	3	2020-2022
Meg Paulette	Buchanan District Library	3	2020-2022
Mary Harrison Vice President	Coloma Public Library	4	2019-2021
Rachel Weigmann Secretary	Comstock Township Library	4	2019-2021
Stephanie Masin President	St Joseph- Maud Preston Palenske Memorial Library	4	2019-2021
Lawrence Kapture Treasurer	Portage District Library	6	2019-2021

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Public Comment
5. Approval of February Board Meeting Minutes
7. Communications - None
8. President's Report
9. Treasurer's Report (see attached)
 - Approval of Bills
 - Bookkeeper's Report
 - Financial Procedures Manual input
10. Director's Report
 - Director Tasks Accomplished/In Progress:
 - Finish up SIGMA account – still in progress
 - Logo update – completed, Meg Paulette made beautiful one
 - SMLC Financial procedures manual – created, gathering input from Lawrence and Amanda. (See attached)
 - Update website – always in progress
 - 2021 State Aid Report – has been submitted
 - By-laws updated, committee met twice
 - Digitization of Cooperative documents – documents gathered, still in progress
 - Found discounts – Amazon (whole state), Vox Books for our coop
11. Unfinished Business – By-laws Update for possible approval (if approved by Ad. Council)
12. New Business –
 - Financial Procedures document in progress. Will complete for approval at next board meeting.
 - Consider beginning Strategic Planning process in fall 2021/spring 2022?
Coordinate a consultant with a Director Strategic Planning training session?
Work with MCLS, Amanda (recommended by Lakeland Library Cooperative) or another consultant?
 - **Amanda E. Standerfer**
Standerfer Consulting | Fast Forward Libraries >>

- Consider scheduling a Director Evaluation Fall 2021/Winter 2022 – Andrea will have been Director for two years
- Consider a Board Calendar Year Tasks document to guide future directors/boards

13. Adjournment

Next Meeting:

August 26

1:00 Advisory Council

2:00 Board Meeting

Probably on ZOOM

**Southwest Michigan Library Cooperative
Board Meeting Minutes
February 25th, 2021
2:00 pm via Zoom.us**

1. Call to Order

Meeting called to order by President Masin at 2:00 pm.

2. Roll Call by Secretary

Present

Augusta-- Ann Rapp

Buchanan -- Meg Paulette

Coloma – Mary Harrison

Comstock – Rachael Wiegmann

Lawton -- Lyn Tone

Marcellus -- Chris Nofsinger

Martin -- Alicia Kershaw

Portage – Lawrence Kapture

SMLC – Andrea Estelle

St. Joseph -- Stephanie Masin

Also attending

Helena Hayes—Galesburg

Juli Grynwich—New Buffalo

Karen McConnell—Richland

Cheryl Kersey—Three Oaks

Dan Hutchins—VBDL

Molly Wunderlich—VBDL

3. Approval of Agenda

- Motion to approve the agenda made by Tone with support from Kapture. Motion passed.

4. Public Comment

There were no public comments.

5. Speaker: Review of 2020 Audit—Joshua Gabrielse, Siegfried Crandall

Mr. Gabrielse reviewed the highlights of the 2020 financial report and the overages present in the report.

Harrison made a motion to approve the audit and Tone seconded. Motion to approve audit passed.

6. Approval of October Board Meeting Minutes

- Motion to approve minutes made by Harrison with support from Nofsinger. Motion passed.

7. Communications--none

8. President's Report--none

9. Treasurer's Report

Treasurer Kapture shared that there were not a lot of expenses or

- Approved one grant.
- Motion to approve the bills paid as presented made by Masin and support from Rapp. Motion passed.

ADDENDUM: Three boxes of financial documents at Portage. Estelle asked if it made sense for them to be with her. Harrison asked if we should have a centralized location for the documents and if they (the documents) should travel with the board member. Estelle suggested attaching financial documents to website. Estelle will find the treasurer documents. Consider putting responsibility for records in by-laws. Discussion ensued.

Motion to approve Bookkeeper's report made by Harrison and seconded by Tone. Passed.

10. Director's Report

- a. Insurance bid update: Estelle found a much lower rate and they are easier with whom to work.
- b. SMLC logo update: designed by Meg.
- c. State Aid has been submitted.
- d. SMLC Plan of Service/ By-Laws Review
 - i. First meeting scheduled for Friday, February 26th at 10 am.
 - ii. Committee members:
- e. Reduced Rate on Amazon Prime for Michigan libraries
 - i. TLN will administer and pick up the \$129 first year fee
 - ii. Statewide free prime for libraries
 - i. Each library will get a business account with Amazon Prime
 - ii. Excludes streaming media
 - iii. \$34.99 a year after that for Michigan libraries
 - iv. Michigan libraries can get a pro-rated credit back to their account if they already have it.
- f. 2021 Schedule

11. New Business

a. HR Training with Brian Mortimore

Estelle asked if it needs board approval to pay for training, with prices ranging from \$2500-\$3000. Would the group prefer private or group sessions with Mortimore? Masin asked if we had a purchase policy in the by-laws, and Estelle responded that we do not. Discussion ensued.

Motion to approve HR Training in small groups was made by Masin and seconded by Harrison. Motion passed.

b. Plan of Service/ By-law suggestions/ Update

Masin stated that if there are any suggestions for the by-laws to get them to Estelle by 10:00 am tomorrow (February 26, 2021). Class rotation on the board will be discussed.

c. Michigan Abolitionist Project Idea

Assists those who are involved in human trafficking by placing stickers in library bathrooms. Libraries can monitor their sticker usage and request more if needed.

12. Adjournment

- Meeting was adjourned by President Masin on a motion by Wiegmann, at 2:45 pm.

Minutes taken by Rachael Wiegmann, Comstock Twp. Library

SMLC Schedule 2021

All Events Held on Zoom

February 25

Board Meeting 2:00

Audit: Siegfried Crandall PC

March 25

Director Chat 1:00

April 29

1:00 Advisory Council

2:00 Board Meeting

Speaker: Debbie Mikula, MLA, MLA Update

May 11, 12, 13

ABCs of Performance Management

HR Training, Brian Mortimore, KDL

May 27

Director Chat

June/July No Meetings

August 26

1:00 Advisory Council

2:00 Board Meeting

Speaker: Josie Parker, Director of Ann Arbor District Library, Trustee-Director relations

September 30

Director Chat 1:00

October 28

1:00 Advisory Council

2:00 Board Meeting

Speaker: Karren Reish, Library of Michigan, Grants update

November 18*

Director Chat 1:00

December/January No Meetings

Also - Marketing Workshop Training Opportunities TBA by MCDA and Library of MI

Director Chat Topic Ideas:

Developing CE/Prof. Development Plans, Tips for Selling Book Donations/Discards

Plan of Service

Southwest Michigan Library Cooperative
[Plan of Service and Bylaws 2017](#)

The SMLC Bylaws Committee met on Feb. 26 & March 19

Highlighted portions/strikeouts are new/proposed edits

Plan of Service

Article I. Name and Authority

Section 1.01 The name of this organization shall be Southwest Michigan Library Cooperative (“SMLC”).

Section 1.01 This Plan of Service is authorized and SMLC is established under the terms and provisions of P. A. 89 of 1977, as amended, commonly known as the “State Aid to Public Libraries Act.”

Article II. Membership

Section 2.01 Membership in SMLC shall be available to ~~any~~ public libraries that qualifies under the requirements of P.A. 89 of 1977, Section 5, whose local Board of Trustees and/or municipal governing or appropriating body adopts this plan by written resolution requesting that their library become a participating member; and whose membership is approved by the Cooperative Board.

Section 2.02 Libraries not meeting qualifications under P. A. 89 of 1977 – including school, academic and special libraries – shall be considered for associate membership. Associate members shall assume all duties, obligations and privileges as public library members, with the exception of representation on the Board.

- (a) Privileges are defined as:
 - (i) Non-voting participation in Council (including committees);
 - (ii) Receipt of all Cooperative communications; and

(iii) Participation in services.

Section 2.03 All new members' expenses and benefits shall be pro-rated over the months remaining through the end of the Cooperative's fiscal year.

Section 2.04 As a condition of membership, all public libraries shall conform to personnel certification and funding requirements as required by P. A. 89 of 1977.

Certification requirements can be found at:

[https://www.michigan.gov/documents/libraryofmichigan/State Aid to Public Libraries Application Process 544008 7.pdf](https://www.michigan.gov/documents/libraryofmichigan/State_Aid_to_Public_Libraries_Application_Process_544008_7.pdf)

(a) Public libraries that fail to meet certification requirements, and are therefore refused State Aid, shall be given one year in which to achieve the certification requirements.

(b) After one year's probation, a public library that fails to meet appropriate certification requirements may continue to receive minimal service, but will be denied representation on the Cooperative Board and voting rights on the Council.

Section 2.05 The Cooperative shall conform to certification requirements as required by the State of Michigan.

Section 2.06 Any member of this Cooperative may withdraw at any time. The governing body of the local public library shall adopt and submit a written resolution to the Cooperative Board and the Library of Michigan, at least ninety (90) days before the end of the Cooperative's fiscal year.

Article III. Advisory Council

Section 3.01 An Advisory Council ("Council") shall be established representing all member libraries.

(a) The role of the Council will be to recommend mission statement, policies, services and an annual budget to the Cooperative Board.

Section 3.02 The Council shall consist of one representative from each member public library.

(a) Each Council member shall have one vote.

Section 3.03 The Council shall provide officers for the Governing Board and such committees as directed in the Bylaws.

Section 3.04 The Council shall meet ~~on a day~~ as specified in the Bylaws. Meetings shall adhere to all provisions of P.A. 267 of 1976, commonly known as the “Open Meetings Act.”

Article IV. Governing Board

Section 4.01 The Governing Board (“Board”) of the Cooperative shall consist of nine (9) members selected from the Council. The Board shall manage the Cooperative and make such bylaws, rules and regulations not inconsistent with P.A. 89 of 1977 as may be necessary; none of which shall be deemed to deprive any local board of any of its powers or property.

(a) No members of the Board shall be paid, except for expenses incurred in the fulfillment of their duties.

Section 4.02 The nine (9) members of the Board shall be selected from the Council as follows:

(a) Initially, five (5) members shall be from Class I, II, or III public libraries; and four (4) members from Class IV, V, or VI public libraries;

(b) Annually thereafter, and continuing ~~in a~~ alphabetically by library, in a rotating manner, four (4) members shall be from Class I, II, or III public libraries; and five (5) members shall be from Class IV, V, or VI public libraries.

(c) The terms of each Board member shall be two (2) years.

(d) Individuals ~~may~~ serve multiple consecutive or non-consecutive terms on the Board. Participation is mandatory, however exceptions may be considered by petition to the board.

Section 4.03 The Cooperative Board shall meet as specified in the Bylaws, and shall adhere to all provisions of P.A. 276 of 1976, commonly known as the “Open Meetings Act.”

(a) Meeting agendas and packets will be given to appropriate members at least one week in advance of the meeting date.

Section 4.04 Duties and responsibilities of the Cooperative Board.

- (a) The role of the Cooperative Board is to fulfill the requirements of P. A. 89 of 1977, Section 8, as amended.
- (b) The Board shall be a body corporate and may sue and be sued. The Board shall ensure that the Cooperative maintains current **fidelity bond coverage liability insurance** and file annual verification of coverage as required.
- (c) The Board may do all of the following:
- (i) Operate the cooperative library and manage and control the cooperative library's funds.
 - (ii) Establish, maintain, and operate cooperative services for **member libraries. in the Cooperative's service area.**
 - (iii) Appoint a director to administer the cooperative library; fix that person's compensation and terms of service, and delegate to that person those powers the delegation of which is in the best interest of the Cooperative, including the power to hire necessary employees.
 - (iv) Have exclusive control of expenditures including adoption of an annual budget recommended by the Council.
 - (v) Accept gifts and donations of property, real and personal, for the benefit of the Cooperative and for the purposes for which donated.
 - (vi) Adopt bylaws and rules not inconsistent with P. A. 89, of 1977 for its own governance and do those things necessary to carry out the purpose of said act.
- (d) ~~The Board shall not make changes to the Cooperative Mission Statement. The Board shall recommend changes as needed to the Cooperative Mission statement which will be presented to the Advisory Council for review or approval.~~
*** NOTE THIS EDIT REQUIRES BOARD DISCUSSION**
- (e) The Board shall provide for an annual financial audit to be filed within 12 months following the close of the annual fiscal year as required by P.A. 140 of 1971.
- (f) ~~The Board shall ensure that the Cooperative maintains current fidelity bond coverage and file annual verification of coverage as required.~~ **(MOVES TO B and COMBINED)**

(g) The Cooperative will invest any surplus funds in compliance with P. A. 20 of 1943, as amended.

(h) In pursuing these duties, the Board will take into due consideration the recommendations of the Council.

(i) It is expressly understood that the Cooperative Board has no jurisdiction over the property and management of member libraries.

Article V. Funding

Section 5.01 As required by P.A. 89 of 1977, the fiscal year of the Southwest Michigan Library Cooperative shall be October 1st through September 30th.

Section 5.02 The Cooperative shall apply for State Aid before February 1st of each year.

Section 5.03 Direct State Aid, granted by the State of Michigan for library cooperatives as authorized by P. A. 89 of 1977, Section 13, and paid to the Cooperative, will be used for any library purpose recommended by the Council and approved by the Cooperative Board. State Aid shall be used by member libraries in accordance with Michigan State Aid to Public Libraries Act 89 of 1977.

Section 5.04 Supplemental funding may be pursued and utilized if approved by the Council.

Section 5.05 No additional fees shall be levied from member libraries without approval of the Council.

Section 5.06 All funds received by the Cooperative will be deposited in a designated Cooperative account, and will be used only for expenses authorized by the Cooperative Board. Funds may not be co-mingled with funds of member libraries. Funds will be administered according to the SMLC Financial Procedures and Policies Manual. (Note: drafted and currently in review process.)

(a) Signatories for the Cooperative account shall be the Treasurer and the President of the Cooperative Board and Director.

(b) Financial statements shall be made available to the Cooperative Board and Council on a regular basis.

Section 5.07 All accounting of the Cooperative will be organized under the guidelines of the Michigan Department of Treasury Uniform Chart of Accounts

for Counties and Local Units of Government, and will comply with Governmental Accounting Standards Board (GASB) accounting principles as well as all State and Federal regulations.

Section 5.08 The Cooperative will maintain a fund balance of [at least 30% of current operating expenditures.]

Section 5.09 State, federal and other public or private grants may be pursued as recommended by the Council, provided they support the goals and objectives of the Cooperative.

Section 5.10 There shall be an annual audit conducted by an independent, licensed CPA firm, with a formal report to the Board for acceptance. A copy of the annual audit will be filed with the Library of Michigan and the Michigan Department of Treasury, Local Audit Division.

Section 5.11 As part of the budget process, ~~the Budget and Finance Committee~~ **The Director** will present a preliminary budget to the Cooperative Board at least two (2) months prior to the Cooperative's Annual Meeting.

(a) In creating the preliminary budget, the ~~Committee Director~~ shall take into account the service needs of member libraries as well as current and future funding levels.

(b) Following review by the Board, the budget shall be presented to the Council to be voted on at the Annual Meeting.

(c) Budget amendments resulting from the annual audit and changes in income or expenses will be managed by the Cooperative Board at their subsequent monthly meetings.

Article VI. Services

Section 6.01 The Cooperative will provide services for member libraries.

(a) The Board will annually review offered services, accepting recommendations from the Council and making such adjustments as they deem necessary within the confines of the annual budget.

Section 6.02 The Cooperative will maintain a web presence, which will contain such public items as are required by law as well as resources for the Cooperative membership.

Article VII. Plan Approval and Revisions

Section 7.01 This Plan of Service shall be reviewed **as necessary. bi-annually.**

Section 7.02 Any member wishing to amend this Plan shall submit the proposed change, in writing, to the Cooperative Director, who will submit it to the Council at least thirty (30) days prior to their regularly scheduled meeting.

Section 7.03 Amendments may be voted on immediately, or the Board may order further review.

Section 7.04 Amendments will be adopted if approved by a two-thirds majority of the Council.

Section 7.05 The original Plan having been approved by the Library of Michigan, all major subsequent modifications shall be submitted to them for approval. If the Library of Michigan holds a hearing about those modifications, all members of the Cooperative will be notified of same.

Article VIII. Adoption of Plan

Section 8.01 The Board of the Southwest Michigan Library Cooperative adopts the original Plan of Service, October 12, 1978. Subsequently amended as follows:

December 1978

October 1980

January 1981

April 1982

July 1984

October 1986

July 1991

April 1992

July 1993

October 1994

April 1996

July 1997

June 1998

March 2002

July 2003

May 2006

January 2009

April 2012

April 2017

February 2020

Bylaws

Article I. Name

Section 1.01 The name of this organization shall be Southwest Michigan Library Cooperative (“SMLC” or “Cooperative”).

Article II. Authority

Section 2.01 The authority for this Cooperative is provided in the Plan of Service, adopted October 12, 1978, as organized under provisions of P. A. 89 of 1977.

Section 2.02 The Plan of Service provides fundamental information regarding the organization, membership, and services of the Cooperative. These Bylaws provide further definition of organizational and service issues and should be viewed only within the context of the Plan of Service.

Article III. Membership

Section 3.01 Membership in the Cooperative shall be available to any public library in Southwest Michigan which meets the qualifications of P. A. 89 of 1977, whose local Board of Trustees and/or municipal governing or appropriating body

adopts the Cooperative's Plan of Service by written resolution, and whose membership is approved by the Cooperative Board.

- (a) New members may join the Cooperative on approval of a majority of the Board. The Board shall accept or show reason for denial of the request for membership within sixty (60) days after receipt.
- (b) Member public libraries that qualify for State Aid with the aid of a waiver granted by the Library of Michigan shall provide a copy of the waiver to the Cooperative Board.
- (c) Member public libraries that fail to qualify for State Aid shall provide a copy of the letter of notification to the Cooperative Board.
- (i) The library shall prepare a plan to enable it to meet the minimum standards for State Aid in the following year, and must provide a copy of the plan to the Cooperative Board no later than the end of the Cooperative's fiscal year in order to be considered for continuation of services.
- (ii) The Board will determine if services will be discontinued.
- (d) Libraries not meeting qualifications under P. A. 89 of 1977 – including school, academic and special libraries – shall be considered for associate membership.
- (i) Associate members shall assume all duties, obligations and privileges as full members, with the exception of representation on the Board.
- 1) Privileges are defined as:
 - a) Non-voting participation in Council, including committees;
 - b) Participation in services; and
 - c) Receipt of all Cooperative communications .

Article IV. Governance

Section 4.01 An Advisory Council (“Council”) shall be established representing all member public libraries.

- (a) The Council shall consist of one representative from each member public library.

(b) The role of the Council shall be to recommend policy, program of service, mission statement, and annual budgets to the Cooperative Board.

(c) Each Council member shall have one (1) vote.

Section 4.02 The Cooperative Board (“Board”) shall be selected from the Council in the following manner:

(a) Initially, five (5) members shall be from Class I, II, or III public libraries; and four (4) members from Class IV, V, or VI public libraries.

(b) Bi-annually thereafter, and continuing in a rotating manner:

(i) Four (4) members shall be from Class I, II, or III public libraries; and

(ii) Five (5) members shall be from Class IV, V, or VI public libraries.

(c) The terms of each Board member shall be two (2) years.

(d) Individuals may serve multiple consecutive or non-consecutive terms on the Board.

(e) The Board may not make changes in the Cooperative’s Mission Statement without the consent of Council.

(f) The Board may override the Council’s recommended mission statement or budget by a vote of a simple majority.

Section 4.03 The Director shall be a non-voting, ex-officio member of the Board and Council.

Article V. Duties and Powers of the Board

Section 5.01 The role of the Cooperative Board is to fulfill the requirements of P. A. 89 of 1977, Section 8.

Section 5.02 As the governing authority of the Cooperative, the Board shall:

(a) Be a body corporate and juristic entity for social security and legal identity purposes;

(b) Have the powers which relate to the functioning of the Cooperative and the management and control of the Cooperative’s funds;

- (c) Establish, maintain, and operate Cooperative services for member libraries;
- (d) Enter into contracts to receive service from, or give service to, libraries in the state; including public, school, academic or special libraries, other cooperative libraries, political subdivisions of the State, commercial organizations or individuals;
- (e) Purchase or contract for materials, equipment and supplies for Cooperative services;
- (f) Purchase sites, erect buildings, and/or lease suitable quarters, and have supervision and control of property of the Library Cooperative;
- (g) Have exclusive control of expenditures of the Cooperative including:
 - (i) Adoption of an annual budget recommended by the Council
 - (ii) Acceptance of gifts and donations of property, real and/or personal, for the benefit of the Cooperative, and for the purpose(s) for which it is donated.
- (h) Adopt bylaws and rules not inconsistent with P. A. 89 of 1977 for its own governance and do those things necessary to carry out the purpose of the Act.
- (i) Appoint a Director to administer the Cooperative; fix that person's compensation, and delegate those powers to that person as are in the best interest of the Cooperative;

Section 5.03 In pursuing these duties, the Board will take into due consideration the recommendations of the Council.

Article VI. Election of Officers

Section 6.01 The Cooperative Council shall nominate candidates for the offices of President, Vice-President, Secretary and Treasurer from its incoming members.

- (a) Officers shall be elected by the Council at their first meeting immediately following the Annual Meeting (October).
- (b) No one shall be eligible for office who is not a member of the Board.

(c) If a vacancy occurs in the office of President, the Vice-President shall succeed to that office.

(d) A vacancy occurring in any other office shall be filled by election by the members of the Council.

Section 6.02 A vacancy on the Board shall be filled by a Council member from the same Class size group (I, II, III or IV, V, VI) as the vacating member.

Article VII. Duties of Officers and Director

Section 7.01 President.

(a) The President shall:

(i) Preside at all meetings, exercise general supervision over the affairs of the Board and Council, and appoint all committees; and

(ii) Serve as the head of the Personnel Committee, as well as ex-officio member of any other committees deemed necessary by the Board.

Section 7.02 Vice-President.

(a) The Vice-President shall:

(i) Assume the duties of the President in case of absence or disability;

~~(ii) Serve as head of the Budget and Finance Committee.~~

Section 7.03 Secretary.

(a) The Secretary shall:

(i) Keep the minutes of all meetings of the Council and Board; and

(ii) Within a timely manner, make said minutes available to the membership and public.

Section 7.04 Treasurer.

(a) The Treasurer shall:

(i) Be custodian of all Cooperative funds;

(ii) Present financial reports at each regular Council meeting;

iii **Serve as head of the Budget and Finance Committee if one is called.**

(iii) **Obtain appropriate bonding liability insurance. This is going to move to Director role**

Section 7.05 Director.

(a) The Director of the Cooperative is an “at will” employee and shall be hired by the Board upon advice and recommendation of the Personnel Committee. The Director is responsible to and reports to the Board.

(b) The Director’s duties shall be defined in the job description written by the Personnel Committee and adopted by the Board.

(c) The Director’s performance, based on the approved job description, will be evaluated annually by the Personnel Committee.

(d) **The Director will obtain appropriate bonding liability insurance for the Cooperative.**

Article VIII. Parliamentary Authority.

Section 8.01 *Robert’s Rules of Order* (most recent revision) shall be the parliamentary authority on all matters not covered by the bylaws of the Cooperative.

Article IX. Meetings.

Section 9.01 All meetings of the Board and Council will comply with the P. A. 267 of 1976, commonly known as the “Open Meetings Act.”

Section 9.02 Regular meetings of the Board shall be held quarterly in October, February, April, and August.

(a) The Board shall stipulate the dates, times and locations of their meetings.

(b) Notice of Board meetings shall be posted on the Cooperative’s web site **and at the home library of the Director.**

(c) Board packets, including agenda and financial reports, shall be given to Board members by the Director **at least 3-5 seven (7) days** prior to each meeting.

Section 9.03 Regular meetings of the Council shall occur on the same date as the Board meetings in October, April and August. **The schedule can be adjusted as needed.**

(a) The meetings shall be held immediately prior to the Board meetings and occur in the same location.

(b) Agendas for all meetings shall be given to all members by the Director **at least seven (7) 3-5** days prior to each meeting.

(c) Notice of Council meetings shall be posted on the Cooperative's web site and at the home library of the Director.

Section 9.04 The Annual Meeting shall be the regular Council meeting in October, the first meeting of the Cooperative's fiscal year.

Section 9.05 Special meetings of the Board or Council may be called by the President, Director, or a majority of the officers.

(a) Such meetings **must will be confirmed with the Board and Director and the membership will be notified** at least **eighteen forty-eight (48)** hours prior to the meeting.

(b) Notice of all special meetings must be posted on the Cooperative's web site and at the Director's home library.

(c) The only business which may be conducted at a special meeting is that for which the meeting was called.

(d) Remote meetings will be acceptable as defined by state and federal acts.

Section 9.06 In the case of natural disaster or conflict with holidays, the President, Director or a majority of the officers may change or cancel the scheduled meeting without prior notice.

Section 9.07 The SMLC will strive to adhere to all changes in OMA as the cooperative is made aware of them.

Article X. Quorum.

Section 10.01 At least a majority of the voting members of the Council shall constitute a quorum for transaction of business.

Section 10.02 At least a majority of the Board being in attendance shall constitute a quorum for transaction of business.

Section 10.03 Attendance shall be defined as in person, or via telephone or video conference.

Article XI. Committees

Section 11.01 Standing Committees.

(a) Personnel Committee

(i) A three-member standing Personnel Committee shall be established, consisting of:

- 1) Board President;
- 2) One member from a Class I, II, or III library, appointed by the President;
- 3) One member from a Class IV, V, or VI library, appointed by the President.

(ii) The duties of the Personnel Committee shall be:

- 1) Establish a job description for the Cooperative Director position;
- 2) Recommend appointment of a Director to the Cooperative Board; and
- 3) Annually evaluate the Director, **with member input**, communicating their report to the Board.

(b) Budget and Finance Committee

(i) A three-member standing Budget and Finance Committee shall be **established an ad hoc committee**, consisting of:

- 1) Board Vice-President
- 2) Board Treasurer
- 3) One additional Council member, appointed by the Board President:

a) If the Treasurer is from a Class I, II, or III library, the additional member shall be from a Class IV, V, or VI library;

b) If the Treasurer is from a Class IV, V, or VI library, the additional member shall be from a Class I, II, or III library.

4) As part of the budget process, the Budget and Finance Committee will present a preliminary budget to the Cooperative Board for review at their August meeting.

a) In creating the preliminary budget, the Committee shall take into account the service needs of member libraries as well as current and future funding levels.

Section 11.02 Additional Committees

(a) Additional committees may be formed by the President upon the recommendation of the Council, Board, or Director.

(i) Representation on committees shall, as much as possible, be equitable across library class sizes.

Article XII. Order of Business.

Section 12.01 The order of business of all regular meetings of the Council shall include:

(a) Call to order by presiding officer

(b) Roll Call / Attendance

(i) Signatures on an attendance sheet shall satisfy this requirement.

(c) Minutes of the previous meeting

(i) Discussion, corrections as necessary, and approval

(d) Treasurer's Report

(i) Including financial reports

(e) Communications

(i) Including any communications from member libraries

(f) Committee Reports

(i) Standing Committees

- (ii) Any additional committees
- (g) Director's Report
- (i) Including information from Cooperative Directors' meetings
- (h) Old / Unfinished Business
- (i) New Business
- (j) Adjournment

Article XIII. Annual Audit.

Section 13.01 An annual audit shall be conducted by an independent, licensed accounting firm. **The auditor is chosen with recommendation by the board.**

Article XIV. Amending of Bylaws.

Section 14.01 Any amendment to these Bylaws may be proposed by any member of the Council, in writing, to the Cooperative Director.

- (a) Upon receipt of any proposed amendment, the Director shall forward said proposal to all Council and Board members at least thirty (30) days prior to the next regular Council meeting.
- (b) An adhoc committee of the membership shall review the by-laws as necessary.**

Section 14.02 Adoption of an amendment must be by a two-thirds majority of the Council.

Article XV. Dissolution.

Section 15.01 All assets of the Southwest Michigan Library Cooperative remaining after the payment of all debts shall, upon dissolution of said organization, be distributed among the membership according to a formula drawn up by the Cooperative Board.

Appendix A – Current Southwest Michigan Library Cooperative Members by Class Size

Class VI (50,000 +)

• Kalamazoo Public Library	124,169
• Portage District Library	52,170
• Willard Public Library	89,779

Class V (26,000 – 49,999)

• Cass District Library	38,002
• (VanBuren District Library)	

Class IV (12,000 – 25,999)

• Allegan District Library	17,405
• Benton Harbor Public Library	24,787
• Coloma Public Library	13,024
• Comstock Township Library	14,854
• Dowagiac District Library	13,264
• Lincoln Township Public Library	22,258
• Niles District Library	25,686
• Otsego District Public Library	14,169
• Paw Paw District Library	13,579
• Charles A. Ransom District Library (Plainwell)	15,068
• Maud Preston Palenske Memorial Library (St. Joseph)	18,393
• Three Rivers Public Library	14,253
• Vicksburg District Library	12,238

Class III (7,000 – 11,999)

• Augusta-Ross Township District Library	7,172
• Berrien Springs Community Library	9,197
• Buchanan District Library	10,090
• Eau Claire District Library	7,392
• Galesburg-Charleston Memorial District Library	9,476
• Parchment Community Library	9,779
• Richland Community Library	7,580
• South Haven Memorial Library	8,386

Class II (4,000 – 6,999)

• Bridgman Public Library	5,263
• Hartford Public Library	6,582
• Marcellus Township Wood Memorial Library	4,101

- J. C. Wheeler Library (Martin) 6,384
- New Buffalo Township Public Library 5,819
- Three Oaks Township Library 5,092
- Watervliet District Library 4,837

Class I (0 – 3,999)

- Lawrence Memorial Library (Climax) 2,463
- Galien Township Public Library 3,043
- Lawton Public Library 1,900
- Sodus Township Library 1,932

Appendix B – Current Southwest Michigan Library Cooperative Associate (Non-Public Library) Members

Schools

- Bloomingdale Public Schools
- Brandywine Public Schools
- Bridgman Public Schools
- Climax-Scotts Community Schools
- Coloma Community Schools
- Comstock Public Schools
- Covert School District
- Delton-Kellogg Schools
- Dowagiac-Union Schools
- Eau Claire School District
- Galesburg-Augusta Community Schools
- Gobles Public Schools
- Gull Lake Community Schools
- Hackett Catholic High School (Kalamazoo)
- Hartford Public Schools
- Hastings Area Schools
- Kalamazoo Country Day School
- Kalamazoo Christian Schools Association
- Kalamazoo Public Schools
- Kalamazoo Regional Education Service Agency (KRESA)
- Lake Michigan Catholic Schools

- Lakeshore Public Schools
- Lawton Community Schools
- Marcellus Community Schools
- Mattawan Consolidated Schools
- Mendon Community Schools
- Michigan Lutheran High School
- New Buffalo Public Schools
- Parchment Public Schools
- Paw Paw Public Schools
- Plainwell Community Schools
- Portage Public Schools
- Regional Educational Media Center 11 (REMC-11)
- St. Joseph Public Schools
- St. Monica School (Kalamazoo)
- Schoolcraft Community Schools
- South Haven Public Schools
- Sturgis Public Schools
- Three Rivers Community Schools
- Vicksburg Community Schools
- Watervliet Public Schools

Academic Libraries

- Andrews University
- Davenport University
- Glen Oaks Community College
- Kalamazoo Valley Community College
- Lake Michigan College
- Southwestern Michigan College
- Western Michigan University

Special Libraries

- Borgess Health Center Libraries
- Bronson Hospital Health Science Library
- First United Methodist Church (Kalamazoo)
- Fort Miami Heritage Society
- Hart-Dole-Inouye Federal Center Library (Battle Creek)
- Kalamazoo Institute of Arts
- Lakeland Medical Center

- Michigan Maritime Museum
- Pine Island Presbyterian Fellowship
- W. E. Upjohn Institute
- W. K. Kellogg Foundation Library



Board Reports

Southwestern Michigan Library Cooperative
For the period ended March 31, 2021

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Balance Sheet

As of December 31, 2021

	Total
ASSETS	
Current Assets	
Bank Accounts	
1015 1st Source Bank	335,556.96
Total Bank Accounts	335,556.96
Total Current Assets	335,556.96
TOTAL ASSETS	\$335,556.96
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2010 Accounts payable	3,750.00
Total Accounts Payable	3,750.00
Total Current Liabilities	3,750.00
Total Liabilities	3,750.00
Equity	
3000 Unrestricted Net Assets	296,253.09
3010 Unrestrict (retained earnings)	35,553.87
Net Income	
Total Equity	331,806.96
TOTAL LIABILITIES AND EQUITY	\$335,556.96

Profit and Loss

October 2020 - September 2021

		Total
	Oct 2020 - Sep 2021	Oct 2019 - Sep 2020 (PY)
INCOME		
4 Contributed Support		
4020 Direct Aid	151,009.56	281,165.09
Total 4 Contributed Support	151,009.56	281,165.09
Total Income	151,009.56	281,165.09
GROSS PROFIT	151,009.56	281,165.09
EXPENSES		
7000 Grant & Contract Expense		
7030 Allocations to Affiliates	6,510.00	83,483.74
7060 Benefits Paid to or for Members		22,243.00
Total 7000 Grant & Contract Expense	6,510.00	105,726.74
7200 Salaries & Related Expenses		
7210 Officers & Directors Salaries	11,250.00	16,353.50
Total 7200 Salaries & Related Expenses	11,250.00	16,353.50
7500 Other Personnel Expenses		128.00
7520 Accounting Fees	1,400.00	6,300.00
Total 7500 Other Personnel Expenses	1,400.00	6,428.00
7600 Membership Dues	5,572.50	122,016.71
7700 Bank Charges	6.00	
8170 Printing & Copying		
8173 Website Redesign		318.00
Total 8170 Printing & Copying		318.00
8300 Director Travel & Meetings Expenses		729.50
8400 Coop Workshops		785.00
8520 Bldg/wc/Bonding Insurance	300.00	
8700 Meeting Supplies		
8703 Food		638.22
8707 Other Office Supplies	48.40	
Total 8700 Meeting Supplies	48.40	638.22
Total Expenses	25,086.90	252,995.67
NET OPERATING INCOME	125,922.66	28,169.42
NET INCOME	\$125,922.66	\$28,169.42

Budget vs. Actuals FY21

October 2020 - September 2021

	Actual	Budget	over Budget	Total % of Budget
INCOME				
4 Contributed Support				
4020 Direct Aid	151,009.56	282,000.00	-130,990.44	53.55 %
Total 4 Contributed Support	151,009.56	282,000.00	-130,990.44	53.55 %
Total Income	151,009.56	282,000.00	-130,990.44	53.55 %
GROSS PROFIT	151,009.56	282,000.00	-130,990.44	53.55 %
EXPENSES				
7000 Grant & Contract Expense				
7030 Allocations to Affiliates	6,510.00	85,500.00	-78,990.00	7.61 %
Total 7000 Grant & Contract Expense	6,510.00	85,500.00	-78,990.00	7.61 %
7200 Salaries & Related Expenses				
7210 Officers & Directors Salaries	11,250.00	15,000.00	-3,750.00	75.00 %
Total 7200 Salaries & Related Expenses	11,250.00	15,000.00	-3,750.00	75.00 %
7500 Other Personnel Expenses				
7520 Accounting Fees	1,400.00	7,000.00	-5,600.00	20.00 %
7530 Legal Fees		2,000.00	-2,000.00	
Total 7500 Other Personnel Expenses	1,400.00	9,000.00	-7,600.00	15.56 %
7600 Membership Dues	5,572.50	122,116.00	-116,543.50	4.56 %
7700 Bank Charges	6.00		6.00	
8170 Printing & Copying				
8173 Website Redesign		318.00	-318.00	
Total 8170 Printing & Copying		318.00	-318.00	
8300 Director Travel & Meetings Expenses		2,000.00	-2,000.00	
8400 Coop Workshops		10,000.00	-10,000.00	
8520 Bldg/wc/Bonding Insurance	300.00	1,500.00	-1,200.00	20.00 %
8700 Meeting Supplies				
8703 Food		2,000.00	-2,000.00	
8707 Other Office Supplies	48.40		48.40	
Total 8700 Meeting Supplies	48.40	2,000.00	-1,951.60	2.42 %
Total Expenses	25,086.90	247,434.00	-222,347.10	10.14 %
NET OPERATING INCOME	125,922.66	34,566.00	91,356.66	364.30 %
NET INCOME	\$125,922.66	\$34,566.00	\$91,356.66	364.30 %

Profit and Loss by Month

January - March, 2021

	Jan 2021	Feb 2021	Mar 2021	Total
INCOME				
4 Contributed Support				0.00
4020 Direct Aid			151,009.56	151,009.56
Total 4 Contributed Support			151,009.56	151,009.56
Total Income	0.00	0.00	151,009.56	151,009.56
GROSS PROFIT	0.00	0.00	151,009.56	151,009.56
EXPENSES				
7200 Salaries & Related Expenses				0.00
7210 Officers & Directors Salaries		3,750.00		3,750.00
Total 7200 Salaries & Related Expenses		3,750.00		3,750.00
7500 Other Personnel Expenses				0.00
7520 Accounting Fees	200.00	200.00	200.00	600.00
Total 7500 Other Personnel Expenses	200.00	200.00	200.00	600.00
7600 Membership Dues	5,125.00			5,125.00
7700 Bank Charges		3.00	3.00	6.00
8700 Meeting Supplies				0.00
8707 Other Office Supplies	48.40			48.40
Total 8700 Meeting Supplies	48.40			48.40
Total Expenses	5,373.40	3,953.00	203.00	9,529.40
NET OPERATING INCOME	-5,373.40	-3,953.00	150,806.56	141,480.16
NET INCOME	\$ -5,373.40	\$ -3,953.00	\$150,806.56	\$141,480.16

Bill Payments

January - March, 2021

Date	Transaction Type	Num	Name	Memo/Description	Amount
1st Source Bank					
Beginning Balance					
01/01/2021	Check	EFT	Jansen Valk Thompson Reahm, P.C.		-200.00
01/04/2021	Bill Payment (Check)	10287	MCLS		-5,125.00
01/28/2021	Bill Payment (Check)	EFT 210128	Andrea Estelle		-3,750.00
01/31/2021	Bill Payment (Check)	10288	Otsego District Public Library		-48.40
02/01/2021	Check	EFT	Jansen Valk Thompson Reahm, P.C.		-200.00
02/26/2021	Expense		1st Source Bank	Paper statement fee	-3.00
03/01/2021	Check	EFT	Jansen Valk Thompson Reahm, P.C.		-200.00
03/24/2021	Deposit		State of Michigan **		151,009.56
03/31/2021	Expense		1st Source Bank	Paper statement fee	-3.00
Total for 1st Source Bank					\$141,480.16
TOTAL					\$141,480.16

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SMLC

SOUTHWEST MICHIGAN

LIBRARY

COOPERATIVE

FINANCIAL PROCEDURES AND POLICIES

WORKING DRAFT March 2021

For 1st Review/Edit: Lawrence and Amanda

For future approval at a 2021 SMLC Board Meeting

Southwest Michigan Library Cooperative

**Southwest Michigan Library Cooperative
Financial Procedures and Policies**

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Revenue

1. All cash or checks received by the cooperative must be signed "Southwest Michigan Library Cooperative - For Deposit Only" and stored in a safe until the next bank deposit is made.
2. State Aid payments will be set up as Direct Deposit.
3. All revenue needs to be recorded regardless of its source.
4. The cooperative does not accept credit card charges at this time.

Purchasing

1. The Cooperative Director and other approved purchasers shall purchase or contract for supplies and services to the best advantage of the Southwest Michigan Library Cooperative, procuring the best value in supplies and contractual services in the best interest of the Southwest Michigan Library Cooperative.
2. The Cooperative Director shall determine which purchases of materials, supplies, equipment, and contractual services shall be by contract.
3. Whenever possible, purchases will be made as a tax-exempt purchase.
4. The Cooperative Board must approve all purchases and expenses for individual items over \$3,000 that are outside of the approved budget plan.
5. Any contracts of \$3,000 or more must be approved by the Cooperative Board before they are signed.
6. Bids will be required for all contracts or purchases exceeding \$3,000.
7. For purchases, contracts, or agreements, deemed by the Southwest Michigan Library Cooperative Director to be of an emergency nature, and normally requiring Southwest Michigan Library Cooperative Board approval, the Cooperative Director may make the purchase and notify the Cooperative Board at the next meeting.

Debit Cards

At this time the Cooperative does not maintain any debit or credit cards.

Banking

1. The Southwest Michigan Library Cooperative Board will designate (as necessary) which financial institutions are authorized to hold the Southwest Michigan Library Cooperative's funds.
2. Authorized signers of bank accounts will be: Cooperative Director, Cooperative Board Treasurer, and Cooperative Board President.
3. Authorized staff for ACH transactions will be: Cooperative Director, Cooperative Board Treasurer, and Cooperative Board President.
4. Bank deposits are compiled by the Treasurer. When deposits are necessary, bank deposits will be made at least monthly by the Treasurer as approved by the Cooperative Board.
5. A copy of bank deposit slips will be emailed to the Cooperative Director and Bookkeeper.
6. Access to passwords for online banking and Quickbooks will be limited to: Director, Board Treasurer, and Bookkeeper.
7. The Bookkeeping Service will reconcile accounts quarterly to the bank statements and these reconciliations will be reviewed by the board treasurer and Director.
8. In the absence of a Bookkeeping Service, reconciliation duties may be covered by Director and/or Treasurer temporarily, with a division that ensures checks and balances of the work.
9. The Bookkeeper will prepare a quarterly Treasurer's Report for the Cooperative Board.
10. The Cooperative Director and Treasurer are authorized to transfer funds between operating accounts and savings accounts as necessary.

Returned Checks

The Southwest Michigan Library Cooperative may charge the maker of any check deposited and subsequently returned by Southwest Michigan Library Cooperative's bank an unpaid fee of \$25 plus the total amount due.

SHOULD OR COOPERATIVE HAVE

A FUND BALANCE POLICY, INVESTMENT POLICY, or

Board question – ties to strategic plan - if so those could be included in this document.

RECORDS RETENTION POLICIES

Add LofM link

Accounts Payable/Payroll

1. Blank checks will be stored in a secure location at the Bookkeeping office.
2. Accounts payable checks are only issued against original invoices that have been approved and initialed by the Cooperative Director, Assistant Director, or other designee as approved by the Cooperative Board.
3. The Bookkeeper will check the authenticity of all vendors before they are entered into the bookkeeping software.
4. Accounts payable checks will be issued bi-weekly.
5. All checks require two approved signatures.
6. Cooperative Director, Assistant Director, or other designee as approved by the Cooperative Board is authorized for e-payment of bills, and for all bill payments to member libraries, as well as vendors on a list of vendors approved annually by the Cooperative Board. The Bookkeeper will review and submit all bills that are e-paid and enter them into Quickbooks. **NOTE I don't believe we currently e-pay any of our bills? But could that be a consideration? – Amanda Question**
7. The Cooperative Director will be paid on a quarterly basis. If the Cooperative Director works only a portion of a quarter, the payment will be pro-rated. The Cooperative Director is a contracted employee and is required to pay their own withholding taxes.

Budget

1. After review, the Cooperative Director will recommend an annual budget to the full board.
2. The Cooperative Director will bring budget adjustments to the board if needed.

Audit

1. The Cooperative Board will select a qualified auditor.
2. The Cooperative Director, Treasurer, and Bookkeeper will coordinate with the auditor for the yearly audit.
3. The Cooperative Board will review a yearly audit of the library financials.
4. The Bookkeeper will enter the recommended audit adjustments in a timely manner.

External Financial Controls

The Southwest Michigan Library Cooperative Board handles or delegates these functions to ensure public funds are being managed according to rules, regulations, and Southwest Michigan Library Cooperative Board actions.

1. **Financial Reports:** Review of financial reports shall take place by each board member before the monthly board meetings. During the Cooperative Board meetings, the Treasurer and Cooperative Director may note anything of interest, and the Cooperative Board members shall have the opportunity to comment on the reports on items critical to the entire board. Board members may also discuss the reports with the Cooperative Director before or after the meeting for clarification, comments, or questions.
2. **Audits:** The Southwest Michigan Library Cooperative Board shall have the responsibility and authority to conduct internal audits at its discretion. An annual audit shall be conducted by an independent firm chosen by the Southwest Michigan Library Cooperative Board.
3. **Purchases:** The Southwest Michigan Library Cooperative Director (or designee) is authorized to make all purchases. Prior approval of the Southwest Michigan Library Cooperative Board is required for the purchase of individual items over \$3000, outside of the regular budget plan.
4. **Monthly Bank Reconciliation:** The cooperative will utilize an external Bookkeeping Service to review the books on a quarterly basis. The primary purpose of this service will be to do bill pay, reconciliation, provide guidance, and answer questions that arise from the Director or Treasurer.

Internal Controls and Accounting Functions

1. **General:** The Southwest Michigan Library Cooperative Director is responsible for handling all cash and assets of the Southwest Michigan Library Cooperative and shall comply with applicable policies and Southwest Michigan Library Cooperative Board actions. The Southwest Michigan Library Cooperative Director shall be responsible for adopting adequate procedures to ensure the proper authorization of transactions; the appropriate segregation of duties; the proper recording of authorized transactions and events; and adequate safeguards regarding access to and use of assets and records.
2. **Cash Receipts:** All receipts shall be handled in a timely manner. Under normal circumstances, deposits shall be made within the month received.
3. **Deposits:** The Southwest Michigan Library Cooperative Director or Treasurer shall make all deposits and create a record of all such transactions. When applicable, direct deposits to the SMLC bank account shall be set up. (ie. State Aid will be set up via SIGMA Vendor Services.)
4. **Receipt of Goods:** If applicable, the Southwest Michigan Library Cooperative Director, Assistant Director (or designee) shall receive and inspect all goods and services prior to authorizing payment of the invoice. Trainings will not be paid-in-full in advance of training sessions.
- **Approval of Invoices, Reimbursements, and Grants:** The Treasurer shall approve all invoices, grants, and reimbursements before sending them to the Bookkeeper for bill payments. All invoices shall be appropriately documented. Receipts will accompany all reimbursement requests. In absence of a receipt, a supporting document listing Merchant's name, transaction date, amount paid, description of purchased item(s) or services, and form of payment used can be submitted for Treasurer approval.
5. **Authorization of Payments:** The Treasurer and Cooperative Director will review all invoices to be paid. **Two approved signatures will be required on all checks. The cooperative's Bookkeeper is authorized to make e-payments for bills below \$300, and for all bills on a list of vendors approved annually by the Cooperative Board.**
?
6. **Recording of Transactions:** The Bookkeeper shall be responsible for recording all transactions. These transactions may be reviewed at any time by the Southwest Michigan Library Cooperative Board.
7. **Employee Payments:** The Bookkeeper shall pay the Cooperative Director on a quarterly basis. The Cooperative Director is responsible for filing his or her own withholding taxes.
8. **Automated Financial System (Quickbooks):** The Southwest Michigan Library Cooperative Director shall be responsible for the operation of the automated financial system, ensuring that only authorized persons have access to the financial files. The Cooperative Director, Treasurer, and Bookkeeper shall be defined as the primary authorized parties. Others may be authorized upon approval from the Southwest Michigan Library Cooperative Board.

Accounting System Narratives and Procedures

- Accounting System Security
- Accounts Payable
- Accounts Receivable and Check/Cash Processing
- Bank Reconciliations
- Billing
- Budget Process
- Employee Information
- Payroll Processing
- Social Security Numbers

Accounting System Narratives and Procedures

Accounting System Security

1. The "official" version of the Quickbooks database resides online and is accessible only through password entry by authorized users. Quickbooks is operated in "multi-user" mode, allowing changes to the official Quickbooks database to be made on any computer and saved simultaneously to both.
2. Quickbooks Online Security information can be found at: <https://quickbooks.intuit.com/global/security/>
3. Separate Quickbooks user names (each with an individual password) are set up for the Cooperative Director, Treasurer, and Bookkeeper. These passwords are available only to the Cooperative Director, Treasurer, and Bookkeeper, unless another user is authorized by the Cooperative Board.

Accounting System Narratives and Procedures

Accounts Payable Procedure

1. On a monthly basis, the Southwest Michigan Library Cooperative Director, receives all accounts payable invoices and reviews the invoice to check for accuracy, dates and initials the invoice to be paid.
2. All invoices are forwarded by email to the cooperative's Bookkeeping service for payment. The Board Treasurer is included on emails requesting payment for invoices.
3. The Board Treasurer emails all copies of receipts to the Bookkeeper.
4. The Bookkeeper enters all accounts payable invoices that need checks into Quickbooks and prepares and prints the checks. Checks are printed with the pre-printed signature of the Cooperative Director and Board Treasurer.
5. A quarterly report of transactions is prepared by the Bookkeeper and given to the Director and Board for review of financial activity.
6. The Bookkeeper attaches all check stubs to their corresponding bank statements and files them in the accounts payable file alphabetically by vendor and then by date. What is Amanda's filing/record keeping process? Not sure
7. The Bookkeeper mails out checks as soon as possible after they are signed.

Accounting System Narratives and Procedures

Accounts Receivable/Check Cashing Procedure

1. Lawrence - What is our procedure for checks received? Please fill this page in

Accounting System Narratives and Procedures

Billing Procedure

1. The home library of the Cooperative Director (currently Otsego District Library) may make payments on behalf of the cooperative and then accept payments from member libraries for the service or goods.
2. Invoices to member libraries will be sent out as needed.
3. The Cooperative Director will track invoices and send "past due" statements as necessary.
4. Refer to the Accounts Receivable Policy.

Accounting System Narratives and Procedures

Bank Reconciliations Procedure

1. Bank statements are sent from the Treasurer to the Bookkeeper on a quarterly basis.
2. The Bookkeeping Service will reconcile all bank statements and verify appropriate documentation is present for all purchases.
3. The bank reconciliations are reviewed quarterly by the Cooperative Board Treasurer. They are then kept on file in Quickbooks. Does Lawrence review/receive copies of reconciliations?
4. The Bookkeeper submits a "Treasurer's Report," with the information from the bank reconciliations, which is sent in the quarterly Cooperative Board agenda packet.

Accounting System Narratives and Procedures

The Budget Process Procedure

1. The library's fiscal year is January 1 – December 31.
2. The annual budget for the operating fund is prepared by the Cooperative Director and submitted to the Southwest Michigan Library Cooperative Board Budget committee for review in early July. The Budget committee meets to discuss the budget and suggests and discusses modifications. This modified budget is then forwarded on to the Southwest Michigan Library Cooperative Board for review at the July and August board meetings to be considered and adopted. Appropriate notice of the budget hearing will be posted in the local newspaper. The budget hearing will be held at the September Cooperative Board meeting.
3. The adopted budget for the next fiscal year is entered into Quickbooks by the Bookkeeper.
4. Budget adjustments will be made on a bi-annual basis (January and July) or as necessary.
5. The Cooperative Board meets on a monthly basis (with the exception of December) and specifically considers:
 - a. Any large contracts or projects which require bids. (Bids are required when expenditures exceed \$3000.)
 - b. Any necessary amendments to the budget.
 - c. Other significant financial matters of the Southwest Michigan Library Cooperative.
6. In preparation for each meeting, the Southwest Michigan Library Cooperative Board members will be provided with an agenda packet that includes financial information of the Southwest Michigan Library Cooperative through the end of the previous month, as well as documentation related to other items requiring Cooperative Board approval or review. The Cooperative Board members should review this information prior to the meeting.

Accounting System Narratives

Employee Information Procedure

1. It is the policy of the Southwest Michigan Library Cooperative to keep personal information about its employees (i.e. home address, phone number, social security numbers, etc.) private and confidential.
2. Employee information is stored in a locked location and on a password-protected Quickbooks file and is only accessible by the Cooperative Director, Treasurer, and Bookkeeper.

Accounting System Narratives

Payroll Processing Procedure

1. Currently, the Director is the sole employee of the Southwest Michigan Library Cooperative. The Director's payroll is paid quarterly and it is the Director's responsibility to file his/her own withholding taxes on the payments.
2. The Cooperative Director is a salaried employee that is not required to submit timesheets. The Cooperative requires the Director to work on a weekly basis for the number of hours defined on the job description.
3. The Bookkeeper submits the quarterly payroll for for the Director via Direct Deposit.-The Bookkeeper emails a paystub to the Director. Amanda -Can this be added as a procedure?
4. Copies of payroll confirmations are kept in Quickbooks and in a locked file in the Bookkeeper's office??
5. The Cooperative Director can submit reimbursement requests for meals and mileage. The Board Treasurer must approve these before submission to Bookkeeping.
6. The role of Cooperative Director does not get any benefits or paid time off at this time.

Accounting System Narratives

Social Security Numbers Procedure

In compliance with Michigan's Social Security Privacy Act (P.A. 454 of 2004) Southwest Michigan Library Cooperative will ensure, to the extent practicable, the confidentiality of social security numbers. For the purpose of this policy, SSN refers to the use of more than 4 sequential numbers of an employee's social security number.

Southwest Michigan Library Cooperative will not:

- Publicly display an employee's SSN
- Use the SSN as the primary account number for any employee
- Visibly print the employee's SSN on any badge or card
- Require an employee to use or transmit the SSN over the internet or computer system network, unless the connection is secure, the transmission is encrypted, or a password or other authentication device is required to gain access.
- Include the SSN in or on any document sent to an individual if the numbers are visible on, or without manipulation, from outside an envelope or package.
- Unlawfully disclose SSN numbers.

Only the Cooperative Director, Treasurer, and Bookkeeper will have access to Social Security Numbers.

Documents containing Social Security numbers will be destroyed in an appropriate manner when no longer needed, after remaining on file for the appropriate number of years as determined by state and federal laws and regulations.

Penalties for unlawfully disclosing social security numbers may include discipline up to and including dismissal and can be punishable to the extent of the law. (PA 454 of 2004)