

POLICIES OF THE BOARD OF TRUSTEES OF THE BARRINGTON PUBLIC LIBRARY DISTRICT

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0.0 MISSION AND INTRODUCTION

The mission of the Barrington Public Library District (“the District”) is to stimulate imagination, develop information fluency, foster lifelong learning, and create young readers in comfortable physical and virtual settings.

The Board Policy Manual and the policies within are official statements adopted by the District’s Board of Trustees. These policies establish a consistent pattern for handling regularly recurring matters that are specifically in the domain of the Board of Trustees and ensure that the Board and District operate in a manner consistent with this stated mission and the requirements of Illinois law.

This Policy Manual is to be interpreted in a manner that ensures the greatest benefit to the greatest number of District residents and promotes the sustainability of the District and the environment, insofar as allowed by practicality, financial considerations, and economy.

1.0 CASH MANAGEMENT AND INVESTMENT POLICY

The objective of this cash management and investment policy is to ensure the safety and liquidity of the District's funds and to secure a reasonable short-term rate of interest income on these funds over complete business cycles.

The Board, from time to time, may open additional deposit and investment accounts at financial institutions to meet the operational and financial goals of the District. Such accounts will meet the criteria described in *1.1.0 Investment of Public Funds Policy*.

The major revenue sources of this District are the tax revenues received from the Counties of Lake, Cook, Kane, and McHenry, and Treasurers of each of these Counties shall deposit this District's tax revenue funds directly into an operating account designated by the District Board of Trustees.

The Board Treasurer, the President, or their designee may transfer funds in any amount among the District's accounts, reporting each such transfer at the next regular meeting of the Board of Library Trustees, and this District's Treasurer shall have authority, following Board approval except in a bona fide emergency, to withdraw up to \$20,000 and any two trustees shall have authority, following Board approval except in a bona fide emergency, to withdraw funds in any amount from any of the District's bank accounts to meet the financial needs of the District.

1.1.0 INVESTMENT OF PUBLIC FUNDS POLICY

The purpose of this policy statement is to outline the responsibilities, general objectives, and specific guidelines for management of public funds by the Barrington Public Library District. Its scope is all public funds of the District.

1.1.1 RESPONSIBILITIES

All investment policies and procedures of the Barrington Public Library District will be in accordance with Illinois Law. The authority of the Library Board of Trustees to control and invest public funds is defined in the Illinois Public Funds Investment Act [30 ILCS 235/1 *et seq.*] and the investments permitted are described therein. Administration and execution of these policies are the responsibility of the Board Treasurer who is hereby designated as the "Chief Investment Officer" of the Library acting under the authority of the Library Board of Trustees. Investments, fund balances, and the status of such accounts will be reported at each regularly scheduled meeting of the Library Board.

Material, relevant, and decision-useful sustainability factors have been or are regularly considered by the District, within the bounds of financial and fiduciary prudence, in evaluating investment decisions. Such factors include, but are not limited to: corporate governance and leadership factors; environmental factors; social capital factors; human capital factors; and business model and innovation factors, as provided under

the Illinois Sustainable Investing Act.

1.1.2 DELEGATION OF AUTHORITY

Management and administrative responsibility for the investment program is hereby delegated to the Chief Investment Officer. The Chief Investment Officer, and by designation, the Executive Director, are responsible for establishing internal controls and written procedures for the operation of the investment program.

1.1.3 “PRUDENT PERSON” STANDARD

All Library investment activities shall use a “prudent person” standard of care. This standard shall be applied in the context of managing an overall portfolio and specifies that investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived. Investment officers, acting in accordance with this Policy and the written procedures of the Library, and exercising due diligence, shall be relieved of personal responsibility for a security’s credit risk or market price/value changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

1.1.4 OBJECTIVES

In selecting financial institutions and investment instruments to be used, the following general objectives should be considered in the priority listed:

- Legality (conforming with all legal requirements)
- Safety (preserving capital and including diversification appropriate to the nature and amount of the funds)
- Liquidity (maintaining sufficient liquidity to meet current obligations and those reasonably to be anticipated)
- Yield (attaining a market rate of return on investments)
- Simplicity of management

1.1.5 LEGALITY AND SAFETY

Investments will be made only in securities guaranteed by the U.S. government, or in FDIC-insured institutions including SAIF of the FDIC. Deposit accounts in banks or savings and loan institutions will not exceed the amount insured by FDIC coverage (unless adequately collateralized pursuant to Regulations of the Federal Reserve regarding custody and safekeeping of collateral). Any credit union accounts will not exceed insured amounts and otherwise must be in complete compliance with the legal requirements for such accounts and institutions. Diversification is required to eliminate the risk of loss resulting from concentration in a specific maturity, issuer, or class of securities.

Authorized investments shall be those permitted by state law (30 ILCS 235/2) as follows:

- Bonds, notes, certificates of indebtedness, treasury bills, or other securities now or hereafter issued, that are guaranteed by the full faith and credit of the United States of America as to principal and interest.
- Bonds, notes, debentures or other similar obligations of the United States of America, or its agencies and instrumentalities.
- For purposes of this Policy, the term "agencies of the United States of America" includes (i) the federal land banks, federal intermediate credit banks, banks for cooperative, federal farm credit banks, or any other entity authorized to issue debt obligations under the Farm Credit Act of 1971 (12 U.S.C. 2001 *et seq.*) and Acts amendatory thereto; and (ii) the federal home loan banks and the Federal Home Loan Mortgage Corporation; and any other agency created by Act of Congress.
- Interest-bearing savings accounts, interest-bearing certificates of deposit, interest-bearing time deposits, or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act (205 ILCS 5/1 *et seq.*), provided, however, that such investments may be made only in banks which are insured by the Federal Deposit Insurance Corporation.
- Short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000 if (i) such obligations are rated at the time of purchase at one of the three highest classifications established by at least two standard rating services and which mature not later than 270 days from the date of purchase, (ii) such purchases do not exceed 10% of the corporation's outstanding obligations, and (iii) no more than one-third of the Library's funds are invested in short-term obligations of corporations.
- Money market mutual funds registered under the Investment Company Act of 1940 (15 U.S.C.A. '80a-1 *et seq.*), provided that the portfolio of the money market mutual fund is limited to obligations described in Section 2(a)(1) and (2) of the Public Funds Investment Act (30 ILCS 235/2(a)(1) and (2)).
- Short term discount obligations of the Federal National Mortgage Association (established by or under the National Housing Act (1201 U.S.C. §1701 *et seq.*)), or in shares or other forms of securities legally issuable by savings banks or savings and loan associations incorporated under the laws of Illinois or any other State or under the laws of the United States, provided, however, that the shares or investment certificates of such savings banks or savings and

loan associations are insured by the Federal Deposit Insurance Corporation.

- Dividend-bearing share accounts, share certificate accounts, or class of share accounts of a credit union chartered under the laws of the State of Illinois or the laws of the United States; provided, however, the principal office of the credit union must be located within the State of Illinois; and, provided further, that such investments may be made only in those credit unions the accounts of which are insured by applicable law.
- The Public Treasurer's Investment Pool created under Section 17 of the State Treasurer Act (15 ILCS 505/17) or in a fund managed, operated, and administered by a bank, subsidiary of a bank, or subsidiary of a bank holding company, or use the services of such an entity to hold and invest or advise regarding the investment of any public funds.
- Repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 (15 U.S.C.A. §780-5) subject to the provisions of that Act and the regulations issued thereunder, provided, however, that such government securities, unless registered or inscribed in the name of the Library, shall be purchased through banks or trust companies authorized to do business in the State of Illinois; and such other repurchase agreements as are authorized in subsection (h) of Section 2 of the Public Funds Investment Act (30 ILCS 235/2). Repurchase agreements may be executed only with approved financial institutions or broker/dealers meeting the Library's established standards, which shall include mutual execution of a Master Repurchase Agreement adopted by the Library.
- Interest bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, of any other state, or of any political subdivision or agency of the State of Illinois or of any other state, whether the interest earned thereon is taxable or tax-exempt under federal law. The bonds shall be rated at the time of purchase at least "A" or its equivalent by a rating service of nationally recognized expertise at the time of purchase.
- Any other investment instruments now permitted by the Public Funds Investment Act or hereafter permitted by the Public Funds Investment Act by reason of amendment thereof.

1.1.6 INVESTMENT RESTRICTIONS

Authorized investment officers shall not invest in tri-party repurchase agreements or derivative products, and will not leverage assets through reverse repurchase agreements.

Except for repurchase agreements of government securities which are subject to the Government Securities Act of 1986, the Library shall not purchase or invest in instruments which constitute repurchase agreements, and no financial institution may enter into such an agreement with or on behalf of the Library unless the instruments and the transaction meet the requirements of Section 2(h) of the Illinois Public Funds Investment Act (30 ILCS 235/2(h)).

Repurchase agreements may be executed only with approved financial institutions or broker/dealers meeting the Library's established standards, which shall include a mutual execution of a Master Repurchase Agreement adopted by the Library.

Investment in commercial paper is permissible if rated A1/P1.

1.1.7 LIQUIDITY

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Investment portfolios will be structured so that securities mature concurrent with cash needs to meet anticipated demands. Alternatively, a portion of any portfolio may be placed in money market mutual funds or local government investment pools authorized and permissible under Illinois statutes which offer same-day liquidity for short term funds.

1.1.8 YIELD – RETURN ON INVESTMENT

Within the constraints on Illinois law, considerations of safety, and this investment policy, every effort should be made to maximize return on investments made. All available funds will be placed in investments or kept in interest-bearing deposit accounts.

1.1.9 SIMPLICITY OF MANAGEMENT

The time required by Library administrative staff to manage investments shall be kept to a minimum.

1.1.10 PERFORMANCE STANDARDS

This investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a comparable rate of return during a market economic environment of stable interest rates. Portfolio performance should be compared to benchmarks with similar maturity, liquidity and credit quality as the portfolio. The investment portfolio, in times of stable interest rates, shall be measured against the interest rate paid on a money market account at the financial institution which is the largest depository.

1.1.11 REPORTING

Investments, fund balances, and the status of such accounts will be reported at each regularly scheduled meeting of the Library Board and at least quarterly include information regarding securities in the portfolio by class or type, book value, income earned, and market value as of the report date. At least annually, the Chief Investment Officer shall review this Policy for any needed modifications and report to

the Board on the investment portfolio, its effectiveness in meeting the Library's need for safety, liquidity, rate of return, diversification, and general performance. These reports will be available to the general public upon request.

1.1.12 INTERNAL CONTROLS

In addition to these guidelines, the Chief Investment Officer shall establish a system of internal controls and written operational procedures designed to prevent loss, theft, or misuse of funds.

1.1.13 AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

Any investment advisors, money managers and financial institutions shall be considered and authorized only by the action of the Board of Library Trustees upon the recommendation of the Chief Investment Officer. The Chief Investment Officer will maintain a list of financial dealers and institutions authorized to provide investment services.

1.1.14 CONFLICTS OF INTEREST

The investment advisors and employees involved in the investment process shall refrain from personal business activity that could conflict with, or give the appearance of a conflict with, the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. The investment officials shall disclose to the Library Board any material financial interest in financial institutions that conduct business with the Library, and they shall further disclose any personal financial investment positions that could be related to the performance of the investment portfolio. The investment officials shall subordinate their personal investment transactions to those of the investment portfolio, particularly with regard to the time of purchases and sales.

1.1.15 STATUTORY PROHIBITION

No person acting as Treasurer for the Library or who is employed in any similar capacity by the Library, may do any of the following:

- Have any interest, directly or indirectly, in any investments in which the Library is authorized to invest.

- Have any interest, directly or indirectly, in the sellers, sponsors, or managers of those investments.
- Receive, in any manner, compensation of any kind from any investments in which the Library is authorized to invest.

2.0 VERBATIM RECORDS OF CLOSED MEETINGS

A verbatim record of all closed meetings of the Barrington Public Library District shall be kept in the form of an audio recording. The Executive Director shall provide the recording device and only one recording device will be allowed. Individuals shall not be allowed to bring their own recording devices to closed meetings.

The Executive Director, or their designee, will be responsible for operating the recording device for all closed meetings of the Board of Library Trustees. In the event the Executive Director or their designee is not present in a closing meeting, the presiding officer shall be responsible for recording the meeting.

The Executive Director or their designee shall maintain the audio files in a safe and secure location. Access to non-released files shall be limited to the Board of Library Trustees unless otherwise directed in writing by the Board of Library Trustees. Individuals allowed access shall sign a log indicating the date and time they listened to a particular file. Individuals allowed access shall listen to a file only under supervision. No copies or written full or partial transcriptions of any non-released file shall be made except as provided by law.

The verbatim record of a closed meeting is eligible for destruction no less than 18 months from the date of the meeting upon the following conditions:

1. The public body approves the destruction of the recording
2. The minutes from the closed meeting have been approved by the public body
3. The minutes include the date, time and place of the meeting.
4. The members of the public body recorded as either present or absent; and
5. A summary of discussion on all matters proposed, deliberated, or decided, and a record of any votes taken, has been prepared.

Unless the Board of Library Trustees has determined that a recording no longer requires confidential treatment, or otherwise consents to disclosure, the verbatim recordings of closed meetings made pursuant to Paragraph 1 above shall not be either open for public inspection or subject to discovery in any administrative proceeding other than pursuant to an action brought to enforce the provisions of the Open Meetings Act. In a civil action brought to enforce the provisions of the Open Meetings Act, a recording will be made available to the court for in camera examination for the purpose of determining whether a violation of the Open Meetings Act exists. In the case of a criminal proceeding, a recording will be made

available to the court for in camera examination for the purpose of determining what portion, if any, must be made available to the parties for use as evidence in the prosecution.

3.0 PUBLIC COMMENT AND PARTICIPATION POLICY FOR BOARD OF LIBRARY TRUSTEES MEETINGS

In accordance with the Illinois Open Meetings Act, the Board of Library Trustees of the Barrington Public Library District provides an opportunity for public comment at Board meetings. The Board has a responsibility to conduct the business of the Library District in an orderly and efficient manner and to establish reasonable procedures for public comment at its meetings.

The following procedures for public comment are intended to maintain the orderly conduct of meetings and ensure fairness to those who wish to address the Board:

1. Anyone interested in speaking publicly at a Board meeting is welcome. Individuals wishing to speak during public comment are requested to sign in prior to the start of the meeting. Speakers shall be called in order of their request to speak.
2. The general public comment portion of the meeting occurs prior to the business of the meeting. This general public comment period is intended to provide an opportunity for individuals to comment on items relevant to District business. Issues relevant to District business are defined to mean information about District events; issues that the public body has the authority to address; items listed on the agenda; and items or issues previously voted on by the Board or that the Board has the authority to consider or vote on in the future.
3. Speakers will be limited to three minutes per person during the general public comment portion of the meeting. The total time allotted for the general public comment period will be 30 minutes, unless a majority of the Board votes to extend the time allotted.
4. Only one person may speak at a time during any public comment period. Speakers during public comment may speak only when recognized by the Board President.
5. No person may assign their time to any other person.
6. A group of three (3) or more individuals speaking on the same topic are asked to designate a single spokesperson to present the group's public comments.
7. Repetitive comments or arguments are not permitted.
8. Members of the Board who wish to ask clarifying questions of the speaker during the public meeting or hearing may do so, but only after first being recognized by the Chair. Interaction with the speaker is limited to a question or questions, rather than an ongoing dialogue.

9. The Board President may cut off or stop a speaker if the public comment is irrelevant to Library District business, unreasonably repetitious, substantially disruptive, or violates the rules of decorum.
10. Members of the public and Library Trustees should all treat everyone with respect. Abusive, foul, threatening, demeaning and disorderly language and/or conduct are not permitted. Any person who disrupts the Board meeting may be subject to removal from the meeting room.
11. The Board has the authority to determine procedural matters regarding public participation not otherwise defined in this policy.

4.0 PARTICIPATION BY ELECTRONIC MEANS IN MEETINGS

Pursuant to *Barrington Public Library District Resolution 2015-2*, the following process for participation of Board of Trustees members in meetings via electronic means is as follows:

Notices of meetings to be conducted in which a Library Trustee participates by electronic means shall be given in accordance with the Open Meetings Act. Minutes of

such meetings shall reflect which Trustee(s) attended via electronic means.

A quorum of the Board of Trustees must be physically present at the location of its meeting.

The following rules shall apply for the conduct of any meeting at which any such Trustee participates via video or audio conference:

Except where it is not practicable, the Trustee who cannot be physically present at a meeting for one of the reasons described below and who wishes to attend via electronic means shall give notice to the Board President not less than forty-eight (48) hours before the meeting date.

The Trustee presiding at the meeting shall announce the name of the Trustee participating via electronic means, the Trustee's method of participation and indicate the qualifying reason for it in the record before roll call is taken.

Trustees may participate in a meeting via electronic means if the Trustees are prevented from physically attending for any of the following reasons:

1. Personal illness or disability
2. Employment purposes or the business of the public body
3. Family or other emergency
4. Unexpected childcare obligations

At all meetings where a Trustee participates via electronic means, all votes shall be taken by roll call vote. The Trustee, if participating via audio conference, must, each time he/she wishes to speak, identify himself/herself by name and be recognized by the presiding officer before speaking.

The Trustee participating electronically and other Trustees must be able to communicate effectively, and any members of the audience at the meeting in question must be able to hear all communications at the meeting site. Before allowing electronic attendance at any meeting, the District shall provide electronic communication equipment adequate to accomplish this objective at the meeting site.

5.0 NAMING RIGHTS POLICY

The Board of Trustees may grant the naming rights to new and existing physical assets owned by the District including, but not limited to, rooms, spaces, substantial equipment or furniture installations, and landscaping features.

The Board shall have sole discretion to make any and all decisions regarding whether to grant naming rights. In the event the Board decides to grant naming rights

following the receipt of a monetary gift detailed in *Public Policy 11.0 Gifts of Materials and Cash*, the Board shall also have sole discretion as to all decisions regarding how said naming rights are realized.

For-profit organizations may not be granted naming rights.

The Board reserves the right to remove any and all naming on District property if the Board determines, in its sole discretion, that good cause exists to do so.

6.0 CAPITAL ASSET POLICY

Accounting for Capital Assets

Capital assets purchased or constructed by the Barrington Area Public Library District (the "Library") represent a major investment by the taxpayers. The purpose of this policy is to set forth the accounting policy as to how capital assets are to be accounted

for and reported.

Capital assets are major assets that benefit more than a single accounting period. They include such items as land, buildings, furnishings and equipment, and vehicles. Due to the nature of the Library's mission and the dollar amount it invests, books, publications, and audio-visual materials are also considered capital assets of the Library.

The Library will use the following capital asset categories when accounting for capital assets:

- a) Land
- b) Buildings
- c) Building improvements
- d) Furniture and equipment
- e) Vehicles
- f) Books and library materials
- g) Artwork, and
- h) Construction in progress

Capital assets purchased or acquired with an original cost of \$5,000 or more (depending on asset class) are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received.

All books, publications, and audio-visual materials purchased and owned by the Library with a useful life of more than one year will be capitalized without regard to purchase price.

With regard to asset repairs and improvements, costs incurred in the amount of \$5,000 or more will be capitalized if the repair or improvement significantly extends the useful life of the asset. Other costs incurred for repairs and maintenance are recorded as expenses as incurred.

"Estimated useful life" means the estimated number of years that an asset will be able to be used for the purpose for which it was intended when purchased. Estimated useful life is used to allocate the cost of the asset over the period of time in which the Library is expected to receive benefit from the asset. The periodic charge of the

benefit is called depreciation expense, and is reported in the government-wide financial statements of the Library.

The following table sets forth the useful life of each category of capital asset that is depreciated.

CAPITAL ASSET CLASSIFICATION	ASSUMED USEFUL LIFE (in years)
Land Improvements	12-20 Years
Building and Improvements	7-40 Years
Furniture	7-20 Years
Equipment	3-10 Years
Books and library materials	7 Years

Depreciation

Assets subject to depreciation will be depreciated using a straight-line method. The Library will attempt to retain capital assets until the end of their expected useful life, or they become obsolete or unrepairable.

The following parameters further refine the recording of capital

assets. Land is recorded at historical cost and is not depreciated.

Artwork is recorded at historical costs and is not depreciated.

Expenditures classified as construction in progress will be recorded at historical cost, and will not begin to be depreciated until the construction is complete and the expenditure is reclassified to another capital asset classification.

Inventory

The Business Office is to maintain an inventory of all capital assets.

This policy is intended to address those capital assets that must be tracked for external financial reporting purposes. There are other assets that do not need to be included in external financial statements, but do need to be inventoried and controlled for internal control purposes. Assets whose acquisition cost exceeds \$5000 will be tagged for inventory. Tagged assets will be counted annually to improve internal control and safeguard these assets.

Disposal

Library property (i.e., print and non-print materials, equipment, supplies, and/or any

personal property), which in the judgement of the Executive Director is no longer necessary or useful for Library purposes, may be disposed of in the following manner:

Books and non-print materials from the Library's collection, or gift materials, may be discarded, sold, or, upon approval of the Board of Library Trustees, be given to local philanthropic, educational, cultural, government, or other not-for-profit organizations.

Any other personal property having an individual current value of less than \$100 may, at the discretion of the Executive Director, be discarded, turned in on new equipment, or made available for sale or free via the RAILS classifieds <https://railslibraries.org/classifieds>.

In the case of the individual surplus items having current value of more than \$100 but less than \$1,000, the Board may authorize a trade-in of such items on new equipment or sale of such items in accordance with the provisions of the Illinois Public Library District Act.

Any personal property having a unit value of more than \$1,000 but less than \$2,500 will be displayed at the Library and a public notice of its availability and the date and terms of the proposed sale shall be posted.

In all other cases, the Board shall sell the personal property in the manner prescribed in Section 30-55.32 of the Illinois Public Library District Act (75 ILCS 16/30-55.32).

7.0 FUND BALANCE POLICY

The Board of Trustees for the Barrington Area Public Library District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement 54. The purpose of the Fund Balance Policy is threefold: to enable realistic long-term planning, to assist with effective development of annual budgets, and to promote clear communications with the general public.

Fund Balance Classifications:

Nonspendable Fund Balance – assets that are not in a spendable form (prepaids) or are required to be maintained intact (the principal of a permanent fund).

Restricted Fund Balance – the portion of a fund that is subject to externally enforceable legal restrictions or restricted through ordinances adopted by the Library Board.

Unrestricted Fund Balance – the total of the Committed, Assigned and Unassigned Fund Balances

A) Committed Fund Balance – amounts that subject to a self-imposed limitation by formal action of the Board. Modification or removal of the limitation may only occur through formal action by the Board.

B) Assigned Fund Balance – amounts that the Board intends to use for a specific purpose.

C) Unassigned Fund Balance – amounts available for any purpose

Funds & Targets:

1. General Fund – funds used for operating the Library. Total unrestricted fund balances (committed, assigned and unassigned) in the General Fund should represent no less than three (3) and no more than twelve (12) months of operating expenses. Balances over the maximum at the end of the fiscal year shall be transferred to the Capital Projects fund.
2. Special Revenue Funds – funds are used to account for and report the proceeds of specific revenue sources that are legally restricted (tax levy) or committed (by the Library Board) for specific purposes other than debt service or capital projects. IMRF, Social Security, (FICA), Liability and Site & Building are Special Revenue Funds. Increases and decreases in the fund balances are associated with specific purposes: therefore, no target range is established for these funds.
3. Capital Project Funds – funds used for capital maintenance and repair, construction and/or development. The Special Reserve fund (for which the Board has adopted or resolved to adopt a plan) is a Capital Projects fund. Increases and decreases in the fund balance are associated with the specific projects planned: therefore, no target range is established for this fund.

4. Debt Service Funds – funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The fund balance is fully restricted to debt service; however, any fund balance remaining once all financial obligations have been satisfied may be transferred to the Capital Projects Fund
5. Permanent Funds – funds used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support Library programs. Working Cash is a Permanent Fund. 75 ILCS 16/30-95 caps the fund balance at .2% of the full, fair cash value of all taxable property within the District, as equalized or assessed by the Department or Revenue in the year the fund was established. Therefore, fund balance in the Working Cash fund is capped at \$541,237. Balances over the maximum at the end of the fiscal year shall be transferred to the General fund.

Spending Hierarchy:

The District will spend the most restricted dollars before less restricted in the following order.

Restricted
Committed
Assigned
Unassigned

8.0 INDEMNIFICATION AND INSURANCE POLICY

Indemnification

The Barrington Public Library District shall, to the fullest extent allowed by law, indemnify any Library official, employee, or volunteer who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, lawsuit, or proceeding, whether civil or administrative, when damages are sought for wrongful acts alleged to have been committed in the scope of his or her employment and/or his or her duties as an officer, employee, or volunteer of the Library. Under these circumstances, the officer, employee, or volunteer shall be indemnified against expenses including the cost of a judgment or settlement based on such a claim; reasonable attorneys' fees; and court costs. The cost of any settlement of a claim may only be indemnified or paid by the Library when such settlement amount is approved by the Library Board.

If any officer, employee, or volunteer of the Library is named as a defendant in any criminal action alleged to have arisen out of or been incidental to the performance of his or her duties, the Library shall not provide representation for the officer, employee, or volunteer in that criminal action. However, the Library may reimburse the officer, employee, or volunteer for reasonable defense costs only if criminal action was instituted against that officer, employee, or volunteer arising out of and directly related to the lawful exercise of his or her official duties or under color of his or her authority and that action is dismissed or results in a final disposition of "not guilty."

Indemnification shall not apply in the following circumstances:

- For the costs associated with actions that the Board of Trustees, or a court of competent jurisdiction, finds are based on acts not committed in the scope of the officer's, employee's, or volunteer's duties or under the color of their authority.
- For the costs associated with actions that the Board of Library Trustees, or a court of competent jurisdiction, finds are based on malicious, willful, or criminal misconduct.
- For the cost of independent legal representation where the officer, employee, or volunteer has sought independent legal representation apart from that offered or provided by the Library.
- For the portion of any judgement constituting an award of punitive or exemplary damages.
- For the cost of any settlement which is not approved by the Library Board.

Insurance

The Library may purchase and maintain insurance on behalf of any officer, employee, or volunteer of the Library against any liability asserted against such person and incurred by such person arising out of his or her status as such and related to acts committed by the person within the scope of his or her duties or under the color of his or her authority. The Library may purchase such insurance whether or not the Library would have the power to indemnify such officer, employee, or volunteer against such liability under the provisions of this Policy.

Terms & Interpretation

For the purposes of this Policy, the term "officer" shall include both elected and appointed Library officers and Trustees. The terms "officer", "employee", and "volunteer" shall include former officers, Trustees, employees and volunteers.

For the purposes of this Policy, references to "the Library" shall include, in addition to the surviving library, any merging library absorbed in a merger which, if the separate existence had continued, would have had power and authority to indemnify its officers, employees, and volunteers so that any person who was an officer, employee, or volunteer of such merging library shall stand in the same position under this Policy with respect to the surviving library as such person would have with respect to such merging library if its separate existence had continued.

9.0 PURCHASING POLICY

Pursuant to the Illinois Public Library District Act, 75 ILCS 16/1-1 et seq., including 16/30-55.20, 16/30-55.40, and 75 ILCS 40-45, the following policy shall be adhered to in the purchase of any goods, services, work or improvement for Barrington Area Public Library District:

Any purchase of goods, services, work or improvement, the cost of which is estimated not to exceed \$5,000, shall be purchased at the best possible price from the providers. The Library shall ascertain the best possible price by comparing the publicly advertised price from three (3) sources.

Any purchase of goods, services, work or improvement, the cost of which is estimated to be at least \$5,000 but not to exceed \$25,000, shall be based on at least three (3) written quotes.

Any purchase of goods, services, work or improvement, the cost of which is in excess of \$25,000, except as specifically provided herein, shall be based on competitive bids, purchased from the lowest responsible and responsive bidder and after due notice inviting bids, as further set forth herein.

Contracts for constructing a building, remodeling, repairing or improving of an existing Library building, erecting an addition to an existing Library building, or purchasing the necessary equipment for the Library shall follow the procedures set forth in 75 ILCS 16/40-45 and this policy.

Competitive bidding is subject to the exceptions described in 70 ILCS 16/40-45(b).

Advertisements for Bids

A notice inviting bids shall be published at least once in a newspaper with general circulation within the Library District fourteen (14) or more days prior to receiving the bids; however, construction contracts over \$25,000 shall have thirty (30) days' notice as provided by statute. The Library shall also post such notices on a public bulletin board located at the main Library building and branches. When deemed necessary by the Library Board of Trustees, a bid deposit or performance bond may be required, and in the case of construction contracts over \$50,000, a payment and performance bond shall be required as provided by statute.

Award of Contract

Contracts shall be awarded to the lowest responsible and responsive bidder on the basis of the responsive bid that is in the best interests of the Library to accept. In awarding the contract, in addition to price, the Library Board of Trustees shall consider regarding the bidder and the goods, services, work or improvement to be performed:

- Ability, capacity, and skill;
- Experience and ability in providing similar goods or services promptly, or within the time specified, without delay or interference;
- Character, integrity, reputation, judgment, experience and efficiency;
- Quality of previous performance;
- Previous and existing compliance with laws and ordinances relating to the contract or service;
- Sufficiency of the financial resources and ability;
- Quality, availability and adaptability to the particular use required;
- Ability to provide future maintenance and services for the use of the subject of the contract;
- The number and scope of conditions attached to the bid.
- Default on the payment of taxes, licenses or other money due the Library, Cook County, a municipality wholly or partially within the Library District, or the State of Illinois.
- Compliance with federal, state and municipal requirements.

Architectural and Engineering Services

Unless the Library has a satisfactory relationship for services with one or more firms, the Library will evaluate the firms submitting letters of interest, taking into account qualifications, ability of professional personnel, past record and experience, performance data on file, willingness to meet time requirements, location, workload of the firm, and such other qualifications-based factors as the Library may determine, in writing, are applicable. The Library may conduct discussions with and require public presentations by firms deemed to be the most qualified regarding their qualifications, approach to the project, and ability to furnish the required services. In no case shall the Library, prior to selecting a firm with which it will negotiate a contract, seek formal or informal submission of verbal or written estimates of costs or proposals in terms of dollars, hours required, percentage of construction cost, or any other measure of compensation. The foregoing procedures and limitations shall not apply when the cost of the professional services is expected to be less than \$40,000.

Cooperative Purchasing

The District shall have the authority to join with other units of local government in cooperative purchasing plans when the best interests of the Library would be best served thereby. The Library may also participate in the Illinois Joint Purchasing Program pursuant to 30 ILCS 525/0.01 et seq. The Library shall approve a membership agreement prior to exercising joint purchasing authority with any cooperative purchasing plan or consortium.

Purchasing Authority and Internal Controls

The Executive Director is authorized to initiate purchases up to \$25,000. Purchases in excess of this amount (individual and multi-year agreements) must be approved by the Board of Trustees in advance of purchase.

Purchase Requests and Payment Requests under \$25,000 are approved through a SmartForm system through Papersave software. Requestors submit either a Purchase or Payment Request Smart form via an electronic form link. The form is electronically routed to the Reviewer (Department Head). After the Reviewer approves the request, the form is then electronically routed to the Executive Director for approval. After approval the form is routed to the Purchaser for Purchasing.

Invoices are matched with the Purchase Request and Payment Request forms in Papersave Workflow software. Reviewers are assigned to each invoice, normally a Department Head or a Manager, as well as the Executive Director. After the Executive Director approves an invoice, the invoice is automatically routed to the Board Treasurer for approval. Once an invoice is approved by the Board Treasurer, payments are generated. Payments under \$25,000 paid via check are electronically signed by the Board Treasurer; all payments \$25,000 and over must be approved by two officers before payments are sent.

Payee Positive Pay

The Executive Director, Deputy Director, and Finance Manager are alerted in the event checks are presented that do not match approved payees, dates, and amounts.

APPENDIX A - PUBLIC LIBRARY TRUSTEE ETHICS STATEMENT

Upon election or appointment to the Barrington Public Library District Board of Trustees, each trustee shall abide by and sign that they agree to follow the Public Library Trustee Ethics Statement.

Public library Trustees are accountable for the resources of the library as well as to see that the library provides the best possible service to its community.

Every Trustee makes a personal commitment to contribute the time and energy to faithfully carry out his/her duties and responsibilities effectively and with absolute truth, honor, and integrity.

- Trustees shall respect the opinions of their colleagues and not be disrespectful when they disagree or oppose a viewpoint different than their own.
- Trustees shall comply with all the laws, rules and regulations that apply to them and to their library.
- Trustees, in fulfilling their responsibilities, shall not be swayed by partisan interests.
- Trustees shall not engage in unlawful discrimination of any kind and shall uphold library patrons' rights to privacy in the use of library resources.
- Trustees must respect the confidential nature of library business and not disclose such information to anyone when applicable law allows or requires confidentially for library business. Trustees must also be aware of and in compliance with Freedom of Information laws.
- Trustees must avoid situations in which personal interests might be served or financial benefits gained as a result of their position or access to privileged library information, for either themselves or others.
- No Trustee shall 1) participate in discussions or vote on any matter, request or issue coming before the Library Board which involves, either directly or indirectly, any client the Trustee is serving or has a business relationship with, or relates to any business or property in which the Trustee has a financial interest or in which the Trustee is an owner, officer or employee, or 2) engage in any business or transaction or shall have a financial, business, economic or other personal interest, direct or indirect, which is incompatible with the proper discharge of the Trustee's official duties in the public interest or which may tend to impair the Trustee's independence of judgment or action in the performance of the Trustee's official duties.

- Trustees shall not use their position to gain unwarranted privileges or advantages for themselves or others from the library or from those who do business with the library.
- Without forgoing statute responsibilities, trustees shall not interfere with the day to day operation of the Library.
- Trustees shall support the efforts of librarians in resisting censorship of library materials by groups or individuals.

Based on the official ALTAFF Ethics Statement from United for Libraries, approved by the United for Libraries Board in January 2012.

Name: _____

Signature: _____ Date: _____

Adopted June 12, 2023