

Service and Administration Policies  
Kirkwood Public Library

ARTICLE IV.

*Administration Policies*

*ENTIRE POLICY REVISED AND APPROVED BY TRUSTEES MAY 18, 2011*

**Section 1. Organization – Staff** – The library staff is committed to providing excellent public service. They shall be alert to recent developments in librarianship and new avenues of service. Staff may be called upon to interpret the rules and regulations of the library. The services available shall be limited only by the creative imagination of the staff and the funds available. The staff shall maintain communication with other colleagues within the area and with community sources of information and development. Administrative division shall be made for service to adults/information services, service to young adults; service to children; circulation (loan) service; the processing of new materials; and administrative and business office functions.

**A. Service to adults/information services** -- Personnel assigned to service through the adult collections of the library shall have preparation through education, experience, and/or training on the job to work with adults. The functions of the adult services staff are to develop and maintain an appropriate materials collection for adults and young adults; provide reader's guidance, reference and information; and to maintain a liaison with community agencies.

**B. Service to young adults** -- Young adults shall have full access to the total resources of the library. While service is similar to that for adults, a separate collection, carefully selected to serve as a bridge from the children's to the adult collection, is required. Staff trained in the needs of adolescents and their library interests is essential. Liaison shall be maintained with other community organizations working with young adults.

**C. Service to children** -- Special collections of materials suitable for use by boys and girls, and adults in the field of children's literature, shall be selected, maintained and interpreted by staff trained in this specialized work. There shall be no arbitrary age nor grade limitation on service to children. Liaison shall be maintained with other child-centered groups in the community.

**D. Customer Service** -- Personnel assigned to customer service shall provide efficient service for patrons through the charging and discharging of materials. This department is the initial contact with library users; therefore, staff are responsible for interpreting regulations and creating a good rapport with the community.

**E. Acquisitions & Cataloging Department** – Staff assigned to this department shall be responsible for the ordering and processing of library materials and for maintaining the budgetary records of the library's materials collection. This will include directing and coordinating all functions related to the purchasing and processing of library materials for the system.

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**F. The Administration** – Administrative personnel, specifically the Director, provide leadership to the staff in promotion, interpretation, and support of library policies and procedures. This leadership includes planning, directing and coordinating the services and personnel of the library based on the Policies of the Board of Library Trustees and on the Mission Statement, Values and Vision of the Library. In coordination with managers of each department, the Director oversees public relations. The Director of Operations is in charge of the library in the Director’s absence.

**G. The Business Office** -- Staff in this department shall provide for the fiscal accounting, record keeping, maintenance operation and personnel management of the Library.

1. **KPL Records Retention and Destruction Policy** *(approved 3/20/2013)*  
The Library will maintain records as per the General Records Retention Schedule and the Public Library Records Retention Schedule published by the Local Records Board pursuant to the authority granted in Missouri Revised Statutes Chapter 109 Section 255. The Director of Library Operations (hereinafter referred to as “Director”) is the administrator under the KPL Records Retention and Destruction Policy (hereinafter referred to as “Records Policy”) and has the responsibility and authority to preserve and destroy records in accordance with the Records Policy and the applicable records retention schedules established by law. *(approved 9/16/09)*

**Definitions**

Record: Any document, book, paper, photograph, map, sound recording or other material, regardless of physical form or characteristics, made or received pursuant to law or in connection with the transaction of official business [RSMO 109.210(5)]. This definition includes those records created, used and maintained in electronic form.

Non-record: Not all recorded information is a Record. According to the Missouri Revised Statutes, Section 109.210(5), the following are not records:

- Library and museum material made or acquired and preserved solely for reference or exhibition purposes;
- Extra copies of documents preserved only for convenience or reference; and
- Stocks of publications and of processed documents.

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*Other Examples of non-records include:*

- Identical copies of documents maintained in the same file;
- Extra copies of printed or processed materials (official copies of which are retained by the office of record);
- Superseded manuals and other directives (maintained outside the office of record);
- Materials documenting employee fringe activities (blood donors, charitable funds, social and professional meetings, etc.);
- Work papers and drafts of reports or correspondence. Transcribed stenographic materials;
- Blank forms;
- Materials received from other activities that require no action;
- Catalogs, trade journals and other publications or papers received from government agencies, commercial firms or private institutions that require no action and are not part of an action case record; and
- Survey forms.

Electronic Record: Any Record created, retained or maintained in any digitized configuration on a mainframe, PC, workstation, microcomputer, minicomputer, hard disk, tape, cassette, floppy or any other magnetic storage format, electronic image (optical disk, CD-ROM) or other optical technology, and any other type of electronic technology

*Types of Electronic Records (this list is not all-inclusive):*

- Text – Although text has traditionally been used to prepare hard copy records, more and more text documents are being created for electronic use only. Even so, most electronic text documents are drafts and copies of letters, memos, reports and publications. Text documents are usually created using word processing or e-mail programs. Most software (including spreadsheet and database management programs) can also create text documents.
- Database and Database Management – Databases store vast amounts of information on a variety of subjects. Databases contain text, number, graphics or data fields.
- Electronic Mail (E-Mail) – Email is any memo, letter, note, report or communication among individuals and groups that is stored and/or transmitted in a format that requires an electronic device to capture and access. The term also refers to a package of software or services designed to

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automate office communication. E-mail can be a Record and should be filed and retained as any other Record.

### **Retention**

It shall be the duty of each employee of the Library to protect, preserve, store, transfer, use and manage Records, Electronic Records and Non-records in accordance with the terms of this Records Policy and any applicable federal, state or local law, including but not necessarily limited to the General Records Retention Schedule and the Public Library Records Retention Schedule published by the Local Records Board pursuant to the authority granted in Missouri Revised Statutes Chapter 109 Section 255.

The Director, as custodian of records, is authorized to have all papers, documents and records received in all departments maintained and stored to assure an expeditious and orderly filing system. The Director is directed to implement Records scheduling as allowed by the General Records Retention Schedule and the Public Library Records Retention Schedule and any other applicable law, following the procedures below.

A. Each department shall:

1. Review the Missouri Records Retention Schedule from the Secretary of State, namely the General Records Retention Schedule and the Public Library Records Retention Schedule.
2. List Records on the Records Transmittal Form (as established by this Records Policy and included herein). One copy shall be included in the box storing the Records and one copy shall be provided to and retained by the Director.
  - a. Records that are of a sequential nature must be listed in full, if there is an exception, the items not included and a reason why they are required.
3. Store boxes in appropriate storage area.
4. Ensure that in preparing storage boxes, both permanent and non-permanent records are not stored together. Keep permanent and non-permanent records separated

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for more efficient destruction of the non-permanent records.

- B. Permanent Records, or those Records having a retention period of over 10 years, may be eligible for microfilming through state grants and all permanent Records should be converted to electronic format with the Library's digital record retention system. Employees must check with the Director prior to converting any Records to electronic format.
- C. Unless otherwise stated, a retention period is calculated from the date the Record was created. No Records of fiscal transactions shall be destroyed even though the required minimum retention period has passed until after the required audit for the period covered by the Records has been completed and the auditor has released the Records for destruction.
- D. For vital Records or those requiring permanent retention, the Secretary of State's office has determined that microfilm is still the recommended media for retention. Issues such as media decay and hardware/software obsolescence must be taken into consideration for long-term retention of Records. The following guidelines should be used to determine the desired media format for storing documents.
- **Records with a Retention Period of Five Years or Less** – Electronic format is likely safe. However, if there is a major change in software, hardware or media, staff should check the records to ensure they can still be accessed.
  - **Records with a Retention Period Greater than Five Years and Less than Ten Years** – The Records should be audited periodically after the five year mark. Any changes in software, hardware or media should be a signal to audit the Records. Disposition should be coordinated through the adopted records destruction program.
  - **Records with a Retention Period of Ten or More Years** – Unless the Records are highly active, electronic format will be more cost-effective than migrating data over many changes in technology. If Records have a retention period of 35 years or more, microfilm may also be considered for archival purposes.
- E. Non-records do not require retention scheduling or destruction authorization or reporting. To control excessive accumulation, it

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is necessary to keep only current, useful materials and to destroy Non-records immediately after their need has been satisfied. Avoid filing Non-record material with Records. Questions about the status of a particular item should be addressed to the Director.

### **Destruction**

It shall be the duty of each employee of the Library to destroy or otherwise dispose of Records, Electronic Records and Non-records in accordance with the terms of this Records Policy and any applicable federal, state or local law, including but not necessarily limited to the General Records Retention Schedule and the Public Library Records Retention Schedule published by the Local Records Board pursuant to the authority granted in Missouri Revised Statutes Chapter 109 Section 255. Generally, Records cannot be destroyed until the minimum retention period has been met as set out in the applicable retention schedule. In cases where there is no schedule for a particular record series, the Local Records Board must grant permission for the destruction and the Director must be contacted prior to destruction. If a Record is determined to have substantial value, the Record may be retained beyond the minimum Retention period upon approval of the Director.

Records, Electronic Records and Non-records that could be deemed relevant to current or pending litigation involving the Library shall not knowingly be destroyed without consulting the Director and legal counsel for the Library even if the minimum retention period has passed.

The disposition of Records must be recorded on the Records Disposition Form (as established by this Records Policy and included herein) and should be further recorded in a document such as the Board of Trustees' meeting minutes or other legally constituted authority that has permanent record status. The Records Disposition Form must be maintained by the Director and should include the description and quantity of each record series disposed of, manner of destruction, inclusive dates covered and the date on which destruction was accomplished.

There is no prescribed method for destruction of Records; however, Records that contain confidential data must be destroyed in a manner that renders the confidential data unreadable and unable to be reconstructed such as shredding, pulping, or incineration. Records that contain confidential data must be destroyed under the supervision of and witnessed by the Director to ensure that no records fall into unauthorized hands and that data cannot be reconstructed. When Records, open or confidential, have been destroyed by decay, vermin, fire, water or other means making their remains illegible, the Director may dispose of the remains after verification and documentation by the Local Records Program.

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2. The checks prepared by the Business Office for the purpose of bill/invoice payment or reimbursements will be signed by two of the designated approved signers (the Board President, the Board Treasurer, the Library Director) by the fifteenth of each month. Occasionally there may be instances when bills are due immediately and only one signer is available. As long as the payment amount is under \$5,000.00 checks may be signed by only one of the approved signers, with adequate documentation and supporting data provided. At least quarterly the Treasurer will review the check documentation. *(approved 11/18/09)*
3. Any journal entries made by the Director of Operations or a member of the administration staff must be approved by the Library Director, who will receive the entries for initialing. Once approved the entries must be kept with explanations and adequate supporting data. *(approved 11/18/09)*
4. The Business Office will retain any voided checks from any Library account, defaced, with any necessary supporting data, in numerical order in a separate file in the designated accounting storage space. *(approved 11/18/09)*

**H. Maintenance Department** -- Staff in the Maintenance Department shall provide for the maintenance, upkeep and cleanliness of the library's facilities and will help ensure compliance with safety regulations

## **Section 2. Finances**

### **A. Fiscal Policy**

1. The Kirkwood Public Library by State statute has the legal authority to acquire the revenue needed to maintain the Library through appropriate property tax levies, fines, fees, grants, donations, and investments, and to spend it appropriately on quality service.
2. The Library's fiscal year runs from July through June.
3. No bank account can be opened in the name of the Library without prior Board approval and must have all appropriate signatories.
  - a. Signatories are: President, Treasurer and Library Director
4. The Library Trustees with input from the Director set the budget for the Library in each fund category before the start of the fiscal year.
  - a. The Library may not run a deficit budget balance in excess of the reserve fund.

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5. The Director provides a monthly statement of revenues and expenditures to the Board.
  - a. An outside accountant may be employed for matters of payroll processing, and audit assistance and as needed.
6. Tax revenue is received by direct deposit in the Library's General Fund Account.
7. Cash reserves may be maintained by the Library.
  - a. Reserves are acquired from budget surpluses, donations, investment income and any other appropriate revenue source.
  - b. The Library retains reserves equal to at least one half of the average annual operating budget, sufficient to meet the following needs:
    - i. Fund the first half of each budget year before tax revenue for that year is received.
    - ii. Pay accrued vacation in case of resignation.
    - iii. Legal and building expenses
    - iv. Unanticipated equipment and capital expenses
    - v. Unreimbursed catastrophic losses
  - c. Capital Purchase Reserves may be maintained by the Library for three to five years' worth of purchases based on the capital plan.
8. As a member of the Municipal Library Consortium, the Library has legal and fiscal obligations to that organization, as defined by the Consortium contract and policies, so long as the mission of the Library is not negatively impacted.

**B. Purchasing Policies and Procedures of the Kirkwood Public Library**

**Part A – General**

**Section 1. Purpose** – All purchases made by the Kirkwood Public Library (“Library”) shall be accomplished to assure that goods and services are procured efficiently, effectively, and at the most favorable prices available to the Library; to promote full and open competition in procurement and contracting; to provide safeguards for maintaining a system of quality and integrity; and to assure that the Library’s purchasing actions are in full compliance with applicable state and federal laws and guidelines. The Library Director (the “Director”) shall establish and maintain procedures to implement and enforce all purchasing policies.

**Section 2: Authority** -- The Board of Trustees (“Board”) of the Library delegates to the Director, or Director’s designee, the authority to



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purchase, without specific Board action, goods or services of \$20,000 or lesser value, so long as said purchases are pursuant to a budget previously approved by the Board. The purchase of all other goods or services with a value in excess of \$20,000 shall be authorized by specific action of the Board as provided herein.

**Section 3. Application** – This Policy applies to the procurement of supplies, materials, equipment and services purchased by the Library after the effective date of this Policy. It shall apply to every expenditure of public funds irrespective of the source of the funds. When the procurement involves the expenditure of federal assistance or contract funds, the procurement shall be conducted in accordance with any mandatory applicable federal law and regulations. Nothing in this Policy shall prevent the Library from complying with the terms and conditions of any grant, gift or bequest that is otherwise consistent with law.

**Section 4. Exceptions** -- Except as otherwise specifically provided herein, this Policy shall not apply to the following purchases:

- A. Purchase of library materials.** Library materials include, but are not limited to, periodicals, microfilms, books, prints, electronic resources, or other items that will circulate. The Director of Acquisitions and Cataloging shall review all library material purchases and verify invoices prior to payment. Library materials shall be centrally purchased in accordance with adopted materials selection policies, and the source(s) for the materials shall be reviewed every two years to ensure the best prices and service. The Director of Acquisitions and Cataloging shall obtain adequate and reasonable competition for the item(s) being purchased when it is necessary to utilize a different source for individual items.
- B. Cooperative Purchases.** The Library may participate in purchases made from federal, state, city or other cooperative purchasing contracts.
- C. Emergencies.** The Director may waive the bid procedures in emergencies involving the safety of individuals or where significant damage or disruption of service would occur if action is not taken quickly. If the emergency does not allow sufficient time for advertising or to seek competitive bids, a complete report shall be presented to the Board at the next regular or special meeting.
- D. Annual Software Renewal and Maintenance Agreements.** When the Library has previously authorized the purchase of software and related technology equipment pursuant to this Policy, the annual license or software renewal and maintenance

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agreements for such software and/or equipment in subsequent years are not required to be competitively bid.

**Part B – Goods or Services Costing in excess of \$20,000 (Other than Professional Services).** Unless otherwise required by law, purchases of Library goods or services with an estimated probable cost in excess of \$20,000 shall be accomplished through (1) sealed bids; (2) request for proposals; or (3) sole source procurements, as determined by the Director to be in the best interests of the Library.

**Section 1. Sealed Bids:** The sealed bid procurement method is the primary method to be used when procuring goods and services, and is used when the selection can be made primarily on price/cost. With this method, an Invitation for Bids is issued, and a firm fixed-price contract is awarded to the responsible bidder whose bid, confirming with all material terms and conditions of the Invitation for Bids, is the lowest and best bid. For a sealed bid, representatives of the Library District shall:

- Prepare or have prepared specifications for completing the work in an efficient and timely manner.
- Advertise the Invitation for Bids in a manner designed to notify potential vendors at least one week prior to the bid opening.
- Notify qualified vendors chosen by the Library of the opportunity to submit a bid.
- Require bid security in the form of a bid bond or cashier's check of not less than 5% of the bid amount, if required by applicable law or determined necessary by the Director or Director's designee.
- Open and read responses at a meeting available to the public.
- Refer responses to the Board for action.

**Section 2. Request for Proposals** -- The competitive proposal method is normally conducted when the Library is seeking a qualified proposer for goods or services, based on factors in addition to price. With this method, a Request for Proposals is issued, and a contract is awarded to the lowest and best proposal complying with the terms of the Request for Proposals. For a competitive proposal, representatives of the Library District shall:

- Prepare or have prepared specifications for completing the work in an efficient and timely manner.
- Advertise the Request for Proposals in a manner designed to notify potential vendors at least one week prior to the proposal due date.
- Notify qualified vendors chosen by the Library of the opportunity to submit a proposal.
- Require security in the form of a bond or cashier's check of not less than 5% of the proposal amount, if required by applicable law or determined necessary by the Director or Director's designee.
- Refer responses to the Board for action.

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**Section 3. Sole Source** -- Sole source procurement is accomplished through solicitation or acceptance of a proposal from only one source or after solicitation of a number of sources, competition is determined inadequate. If it is determined by the Director or Director's designee that there is a single source for the product or service desired, representatives of the Library District may negotiate directly with the single source. Sole source contracts over \$20,000 shall be referred to the Board for approval.

**Part C – Goods or Services Costing \$20,000 or less (Other than Professional Services).** Unless otherwise required by law, purchases of Library goods or services with an estimate of probable cost of \$20,000 or less may be accomplished through representatives of the Library seeking quotations from at least three vendors, or through sole source if the procurement meets the requirements set forth in Section B (3) above. Purchases of \$20,000 or less are not required to be referred to the Board for action or approval. In addition, the requirement for securing multiple quotations may be waived when it is determined by the Director or Director's designee that:

- It is determined that there are fewer than three vendors qualified for provide the goods or service;
- Quotations have been received within the last 24 months which can be used as the basis for awarding the contract;
- Recurring purchases are to be made and the company chosen has been previously selected on the basis of the procedures outlined; or
- The dollar amount of the contract is so low as to limit interest in the competitive bid process by multiple vendors.

**Part D – Professional Services.**

**Section 1. Types of Services** -- It shall be the policy of the Library to use the best qualified professional services for a reasonable fee. Professional services include, but are not limited to, architectural, engineering, legal, audit, insurance brokerage, payroll, and employee benefits consulting. Services shall be provided by the firm that demonstrates competence, is most qualified and has fair and reasonable fees. A firm shall be an individual, partnership, corporation, association or other legal entity permitted by law and licensed in the state of Missouri to practice the profession required by the Library.

**Section 2. Procedure** -- A request for qualifications (RFQ) will be made available to firms who can provide the needed expertise. In order to assure that minority-owned and women-owned professional businesses are made aware of the available RFQ, the Library will utilize the Missouri Minority/Women Business Enterprise Program Directory as a source for identification of potential professional firms.

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**Section 3. Evaluation** -- In evaluating the qualifications of each firm, the Library shall use the following criteria:

- The specialized experience and technical competence of the firm with respect to the type of services required.
- The capacity and capability of the firm to perform the work in question, including specialized services, within the time limitations required.
- The past experience with references for comparable work.
- Insurance required such as professional liability.

**Section 4. Contract** – Upon Board approval, a contract will be executed with the professional service firm.

**Part E – Procurement Requirements.**

**Section 1. Determination** -- The Board will award the contract to the lowest and best bid or proposal but reserves the right to reject any and all bids or proposals and to waive formalities for good cause shown and in the best interests of the Library. In determining the best bid or proposal, the Library may consider all factors in bids and/or proposals, including but not limited to, location of bidder, M/WBE participation interest in the business, prior performance, acceptance of the Library's terms, capability of bidder or proposer in all respects to fully perform the contract requirements, and the tenacity, perseverance, experience, integrity, reliability, capacity, facilities, equipment and credit of the bidder or proposer which will assure good faith performance.

**Section 2. Legal Requirements** -- In addition to the requirements of this policy, all purchases made by the Library shall conform to the applicable laws including, but not limited to, the following:

- A.** Bid specifications and contracts for construction projects will include all elements required by law including, but not limited to, prevailing wage, excessive unemployment restrictions, and bonding requirements when applicable.
- B.** All purchasing of architectural, engineering and land surveying services must be advertised, bid and selected in accordance with Library policy and law.
- C.** Construction management services must be advertised, bid and selected in accordance with law.
- D.** The Library will not make purchases over \$10,000 a year from any individual or organization within which a Library employee or

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Board of Trustee has a financial interest. A financial interest is defined as:

- i. Ownership of any interest or involvement in any relationship from which, or as a result of which, a person within the past year has received, or is presently or in the future entitled to receive, more than \$10,000 per year or its equivalent.
- ii. Ownership of ten percent of any property or business; or
- iii. Holding a position in a business such as officer, director, trustee, partner, employee, or the like, or holding any position of management.

**E. Minority and Women Owned Businesses.** The Library will assure that minority-owned and women-owned businesses that are certified by the Office of Supplier and Workforce Diversity (OSWD), State of Missouri are provided an equitable and fair opportunity to submit bids and proposals. The Library will make every effort to target these companies by utilizing the Missouri Minority/Women Business Enterprise Program Directory as a source for identification of potential bidders ([www.oswd.mo.gov](http://www.oswd.mo.gov)).

**F. Federal Work Authorization Program (“FWAP”).** All bidders or offerors on Library contracts in excess of \$5000 must provide the Library with documentation and a sworn affidavit, with respect to employees working in connection with the contracted services, affirming enrollment in a FWAP. The affidavit shall also provide that the bidder or offeror does not knowingly employ any person in connection with the contracted services who is an unauthorized alien. Such affidavits must be provided with a bid or response to a request for proposal. Subcontractors must provide similar affidavits to its general contractors when the general contractor hires the subcontractor. A contractor or subcontractor is not required to perform an electronic verification check on employees hired before January 1, 2009.

**G. Occupational Safety and Health Administration (“OSHA”).** Any contractor and subcontractor hired to perform work on a Library construction project must provide a ten-hour OSHA construction safety program for their on-site employees within 60 days of beginning work on the project. The Library resolutions, specifications and contracts for construction shall include provisions for the contractor’s training requirement and the penalty for failure to provide such training as required by law.

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**Section 3. Vendor Submittals** -- All vendors providing services on Library property shall provide the Library with:

- Proof of workers' compensation coverage;
- Proof of general liability insurance, including vehicle liability insurance; and
- Other insurance as appropriate to the undertaking.

Performance, labor and materials insurance will be provided by a company rated A+ in Best. All other coverage will be provided by companies rated A or above in Best.

***See Appendix W for Kirkwood Public Library Building Maintenance Plan.***  
*(Revised June 20, 2018)*

**C. Capital Assets Policy**

**Introduction**

Kirkwood Public Library has adopted the following Capital Asset Guide to fully implement the Government Accounting Standards Board (GASB) reporting requirements.

Inherent in this new reporting model are the concepts of:

- **Capital assets** - real or personal property that have a value equal to or greater than the capitalization threshold for the particular asset classification and have an estimated life of greater than one year
- **Capitalization threshold** – the amount set by the Library's Board of Trustees at which assets are capitalized (set up as capital assets and depreciated)
- **Capitalize** - record capital outlays as additions to asset accounts, not as expenses
- **Depreciation** – loss or decrease in value of capital assets due to wear, age or obsolescence
- **Depreciation Expense** – the amount charged to expense each year to write off the cost of capital assets over their useful lives, giving consideration to wear and tear, obsolescence, and salvage value
- **Accumulated depreciation** - the cumulative depreciation charges against capital assets for wear or obsolescence.

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The Kirkwood Public Library Board of Trustees adopted the following Fiscal Policies for Recording Capital Assets on *(September 21, 2011)*. This policy will be implemented retroactively to July 1, 2010.

### **Capital Asset Definitions and Guidelines**

Capital assets are defined as real or personal property that have a value equal to or greater than the capitalization threshold for the particular classification of the asset and have an estimated life of greater than one year.

Capital Assets include the following:

- Land and land improvements
- Building and building improvements
- Facilities and other improvements
- Infrastructure
- Construction in progress
- Leasehold improvements
- Personal property
  - Furniture and equipment (\$5,000 or more)
  - Other assets
    - 1) Works of art and historical treasures
    - 2) Library books and materials
    - 3) Intangible assets

### **Capital Asset Classification**

Assets purchased, constructed or donated that meet or exceed the established capitalization thresholds as defined in the Capital Asset Policy must be inventoried and records must be maintained on each item or class of items as long as the asset is owned by the library. In addition, for property control purposes, the library will also maintain inventory records on certain assets that fall below the established capitalization thresholds.

In establishing property records for each capital asset, the record should include a description of the asset, year of acquisition, (i.e. purchase, donation etc.) cost or estimated cost, residual value and estimated life.

The inventory record will also need to identify the functional area(s) of the library that use the asset and provide a record for accumulated depreciation taken on the asset. Functional areas refer to the expenditure classifications used by Kirkwood Public Library for financial reporting (i.e. acquisitions and cataloging, maintenance and operations, information technology).

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For equipment items, the record should also include the model number and serial number of the item, where the asset is located and if the asset is personally assigned (such as laptop computer) the person responsible for that asset.

**Capitalization Thresholds**

Standard capitalization thresholds for capitalizing assets for each Asset Category are as follows:

Class of Asset	Threshold
Land/ Inexhaustible Land Improvements	Capitalize All
Exhaustible Land Improvements	\$5,000
Building/Building Improvements	\$5,000
Equipment / Leased Equipment	\$5,000
Library books/materials (collections)	Capitalize All
Works of art/historical treasures	Capitalize All
Software developed or obtained for internal use	\$5,000

**Capital Asset Acquisition Cost**

This policy has not changed how capital assets are accounted for in the individual library fund financial statements. Kirkwood Public Library will continue to record expenditures in the fund statements for the purchase, construction, lease-purchase, installment purchase, or donation of capital assets. However, Capital Asset Ledgers or some similar record will now be necessary to capture critical information for those assets that exceed the Library’s capitalization policy. These ledgers will contain information so that depreciation, and appropriate gains and losses on the disposal of assets can be recorded on the library financial statements.

Generally, capital assets will be valued at the same amount as the related library fund expenditure. These historical costs will include the vendor’s invoice (plus the value of any trade-in), plus sales tax, initial installation cost (excluding in-house labor), modifications, attachments, accessories or apparatus necessary to make the asset usable and render it into service. Historical costs also include ancillary charges such as freight and transportation charges, site preparation costs and professional fees.

**Capital Asset Donations**

Kirkwood Public Library will record donated or contributed assets at their fair market value on the date donated. A good estimate of this value is the average cost for a similar item purchased in the most recent fiscal year.



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For **used collections** that have been donated, Kirkwood Public Library will use one-half of the average cost of a similar item purchased in the most recent fiscal year as a reasonable value for recording such items.

### **Leased Equipment**

Equipment will be capitalized if the lease agreement meets any one of the following criteria:

- The lease transfers ownership of the property to Kirkwood Public Library (the lessee) by the end of the lease term.
- The lease contains a bargain purchase option.
- The lease term is equal to 75 percent or more of the estimated economic life of the leased property.
- The present value of the minimum lease payments at the inception of the lease, excluding executory costs, equals at least 90 percent of the fair value of the leased property.

Leases that do not meet any of the above requirements should be recorded as an operating lease and reported in the notes to the financial statements.

If a lease qualifies as a Capital Lease, the leased assets should be capitalized at the present value of the future lease payments and should be depreciated over their estimated remaining useful life.

### **Depreciating Capital Assets**

Capital assets will be depreciated over their estimated useful lives unless they are inexhaustible. In the case of an inexhaustible asset, the asset does not diminish in value over time and is never disposed of.

The **straight-line depreciation method** (historical cost less residual value, divided by useful life) will be used for the depreciation of all capital assets.

The **half-year convention** will be used for all depreciable assets except for collections. Collections will be assigned a full year of depreciation in the year of acquisition and will receive no depreciation in the year of disposal. The useful life of the library collection will depend to a great extent on circulation turnover.

Under the half-year convention, an asset placed in service at any time during a given fiscal year is treated as if it had been placed in service mid-way through the fiscal year. This allows depreciation to be taken for the one-half of the year in which the asset is placed in service. If the property is disposed of before the end of the estimated useful life, one half a year's depreciation is allowed for the year of disposition.

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Depreciation data should be calculated and recorded in the Library's Capital Asset records for each eligible asset. Depreciation expense and accumulated depreciation will be calculated annually and recorded in the Library's financial statements.

**Residual Value**

In order to calculate depreciation for an asset, the estimated residual value must be declared before depreciation can be calculated. Residual or salvage value is an estimate of what the asset may be worth at the end of its useful life.

Residual value will be considered in calculating depreciation for Building and Building Improvements if there is a reasonable chance the asset could be sold at the end of its useful life. Residual value for Building and Building Improvements will be established at 5% of historical cost unless another value can be justified by the library.

The residual value for Exhaustible Land Improvements, Machinery and Equipment, and Library Books and Reference Materials will be zero. This policy is consistent with the fact that such items are normally disposed of through established processes where the value received is nominal. In the case of exhaustible land improvements, such items are usually not sold and add little or no value to the Land once their useful lives have expired.

**Useful Life**

Capital Asset Category	Useful Life
Exhaustible Land Improvements	10 to 25 years
Library Buildings	60 years
Renovations, Additions, Retrofits	up to 60 years
New Component Units HVAC, Plumbing systems, Sprinkler systems, Elevators	up to 60 years
Built In Shelving	20 years
Computer Hardware	4 years
Outdoor Equipment	25 years
Movable Shelving	20 years
Desk, Circulation Desk	10 years
Miscellaneous Equipment	5 years
Library books/materials (collections)	
Books	5 years
A/V	5 years

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### Sale of Capital Assets

When an asset is sold, a gain or loss must be recognized in the accounting records when:

- cash is exchanged and the amount paid does not equal the net book value of the asset
- cash is not exchanged and the asset is not fully depreciated or has a residual value

A gain or loss **is not** recorded when:

- cash exchanged equals the net book
- cash is not exchanged and the asset is fully depreciated

### Computation of Gain and Loss from Sale of Assets

To compute a gain or loss, proceeds received must be subtracted from the asset's net book value.

Example:	Asset's Historical Cost	\$ 10,000
	Less Accumulated Depreciation	7,000
	Net book value	<u>\$3,000</u>
	Subtract Proceeds Received	2,000
	Loss from Sale of Asset	<u>\$ 1,000</u>

### Assets Acquired by the Exchange of Other Assets

In cases where assets are acquired by the exchange of other assets owned by the Library, different rules apply in both recording the value of new asset and in determining whether or not to recognize a gain or loss in the Library's financial statements. These rules are stipulated in APB Opinion No. 29, *Accounting for Nonexchange Transactions*. In applying the required rules to determine the asset value to be recorded in the Capital Assets Ledger, it essential to determine if the assets exchanged are **similar or dissimilar assets**; and whether or not monetary compensation has been involved in the transaction.

#### Similar Assets

When no monetary consideration is paid or received in an exchange of similar assets, the new asset is recorded based on the following:

- The new asset should be recorded at the book value of the asset surrendered when a gain is *involved*, thus no gain is *recognized*.

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- The new asset should be recorded at the market value of the asset received when a loss is *involved* and the loss should be *recognized* in the Library's financial statements.

Where monetary consideration is given in an exchange of similar assets, the new asset is recorded based on the following:

- The new asset should be recorded at the book value of the asset surrendered plus any cash paid when a gain is *involved*, thus no gain is *recognized*.
- The new asset should be recorded at the market value of the asset received when a loss is *involved* and the loss should be *recognized* in the Library's financial statements.

### **Dissimilar assets**

- When no monetary consideration is paid or received, the new asset should be recorded at the value of the asset being traded. If the value of the asset being traded is not determinable, the value of the asset received may be used. Gains or losses, as appropriate, should be *recognized* in the Library's financial statements.
- If cash is used to purchase the asset, the new asset should be recorded at the market value of the asset surrendered plus the cash paid. Gains or losses, as appropriate, should be *recognized* in the Library's financial statements.

### **Assets Held in Trust**

Capital assets held by a library on behalf of another party (such as art collections owned by families, estates and others) and that are under the temporary control of the library should be accounted for in the library's Capital Asset records. Assets held in trust must be recorded using the appropriate acquisition and disposal method for such assets. Since the institution does not own these assets, the assets should be recorded at a cost of zero.

### ***Summarization of Capital Asset Category Land and Land Improvement, Depreciation Methodology and Capitalization Threshold***

#### **Land Definition**

Land is the surface or crust of the earth, which can be used to support structures, and may be used to grow crops, grass, shrubs, and trees. Land is characterized as having an unlimited life (indefinite).

**Inexhaustible** land improvements are improvements made to land that do not diminish in value over time. Such costs should not be depreciated, but instead should be added to the cost of the land. Examples of inexhaustible land

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improvements are betterments, site improvements (other than buildings) that ready land for its intended use.

**Land Improvement Definition**

Land improvements can also be **exhaustible** in nature.

Exhaustible land improvements are more short-lived improvements that diminish in value over time as a result, exhaustible land improvements should be depreciated over their estimated useful life.

Exhaustible land improvements include assets built, installed or established to enhance the use of land for a particular purpose.

**Depreciation Methodology**

Inexhaustible land improvements do not depreciate over time and as such should be added to the cost of the land.

Exhaustible land improvements should be depreciated over their useful life. Since these assets are usually attached to the land, it will be rare that these assets have a residual value for purposes of calculating depreciation.

**Capitalization Threshold**

All acquisitions of Land and Inexhaustible Land improvements will be capitalized.

Examples of Land and Inexhaustible Land Improvements  
to be Capitalized as Land

- Original purchase price or fair market value at time of gift
- Commissions
- Professional fees (title searches, architect, legal, engineering, appraisal, surveying, environmental assessments, etc.)
- Land excavation, fill, grading, drainage
- Demolition of existing buildings and improvements (less salvage)
- Removal, relocation, or reconstruction of property of others (railroad, telephone and power lines)
- Interest on mortgages accrued at date of purchase
- Accrued and unpaid taxes at date of purchase
- Other costs incurred in acquiring the land
- Water wells (includes initial cost for drilling, the pump and its casing)
- Right-of-way

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Examples of Expenditures to be Capitalized as  
Exhaustible Land Improvements

- Fencing and gates
- Entrance Sign to library site
- Landscaping
- Parking lots/driveways/parking barriers
- Lighting systems (campus, parking, street lighting)
- Outside sprinkler systems
- Recreation areas and athletic fields (including bleachers)
- Golf courses
- Paths and trails
- Septic systems
- Swimming pools, tennis courts, basketball courts
- Fountains
- Plazas and pavilions
- Retaining walls

The capitalization threshold for Exhaustible Land Improvements is \$5,000.00.

***Summarization of Capital Asset Building and Building Improvements,  
Depreciation Methodology and Capitalization Threshold***

**Building Definition**

A building is a structure that is permanently attached to the land, has a roof, is partially or completely enclosed by walls, and is not intended to be transportable or moveable. In cases where building components are significant, (such as roof, heat/air conditioning systems etc.) they should be recorded separately since they have different useful lives.

**Building Improvement Definition**

Building improvements are capital events that materially extend the useful life of a building or increase the value of a building, or both. Except for certain component units which are described below, building improvements should be capitalized and recorded as an addition of value to the existing building if the expenditure for the improvement meets or exceeds the capitalization threshold, and the expenditure increases the life or value of the building by 15 percent of the original life period.

New component units such as HVAC, plumbing systems, sprinkler systems, elevators, etc. will be capitalized separately if they meet the capitalization policy,

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and the old component will be removed from the property report, if those costs are identifiable.

The new component will be depreciated over the remaining life of the Building/Structure

**Depreciation Methodology**

The straight-line depreciation method (historical cost – residual value)/useful life) will be used for buildings, building improvements and their components. Subsequent improvements that change the use or function of the building shall be depreciated.

**Capitalization Threshold**

The capitalization threshold for buildings and building improvements is \$5,000.00.

Examples of Expenditures to be Capitalized as Buildings

PURCHASED BUILDINGS

- Original purchase price
- Expenses for remodeling, reconditioning or altering a purchased building to make it ready to use for the purpose for which it was acquired
- Environmental compliance (i.e., asbestos abatement)
- Professional fees (legal, architect, inspections, title searches, etc.)
- Payment of unpaid or accrued taxes on the building to date of purchase
- Cancellation or buyout of existing leases
- Other costs required to place or render the asset into operation

CONSTRUCTED BUILDINGS

- Completed project costs
- Interest accrued during construction
- Cost of excavation or grading or filling of land for a specific building
- Expenses incurred for the preparation of plans, specifications, blueprints, etc.
- Cost of building permits

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- Professional fees (architect, engineer, management fees for design and supervision, legal)
- Costs of temporary buildings used during construction
- Unanticipated costs such as rock blasting, piling, or relocation of the channel of an underground stream
- Permanently attached fixtures or machinery that cannot be removed without impairing the use of the building
- Additions to buildings (expansions, extensions, or enlargements)

Examples of Expenditures to be Capitalized as  
Improvements to Buildings

Note: For a replacement to be capitalized, it must be a part of a major repair or rehabilitation project, which meets or exceeds the capitalization threshold, and the expenditure increases the value or useful life of the building by 25 percent, such as renovation of a student center. A replacement may also be capitalized if the new item/part is of significantly improved quality and higher value compared to the old item/part such as replacement of an old shingle roof with a new fireproof tile roof. Replacement or restoration to original utility level would not. Determinations must be made on a case-by-case basis. Explanations to be included in annual *Management's Discussion and Analysis*.

- Conversion of attics, basements, etc., to usable office, clinic, research or classroom space
- Structures **attached** to the building such as covered patios, sunrooms, garages, carports, enclosed stairwells, etc.
- Installation or upgrade of heating and cooling systems, including ceiling fans and attic vents
- Original installation/upgrade of wall or ceiling covering such as carpeting, tiles, paneling, or parquet
- Structural changes such as reinforcement of floors or walls, installation or replacement of beams, rafters, joists, steel grids, or other interior framing
- Installation or upgrade of window or door frame, upgrading of windows or doors, built-in closet and cabinets
- Interior renovation associated with casings, baseboards, light fixtures, ceiling trim, etc.
- Exterior renovation such as installation or replacement of siding, roofing, masonry, etc.
- Installation or upgrade of plumbing and electrical wiring



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- Installation or upgrade of phone or closed circuit television systems, networks, fiber optic cable, wiring required in the installation of equipment (that will remain in the building)
- Other costs associated with the above improvements

### **Building Maintenance Expense**

The following are examples of expenditures *not* to capitalize as improvements to buildings. Instead, these items should be recorded as maintenance expense.

- Adding, removing and/or moving of walls relating to renovation projects that are not considered major rehabilitation projects and do not increase the value of the building
- Improvement projects of minimal or no added life expectancy and/or value to the building
- Plumbing or electrical repairs
- Cleaning, pest extermination, or other periodic maintenance
- Interior decoration, such as draperies, blinds, curtain rods, wallpaper
- Exterior decoration, such as detachable awnings, uncovered porches, decorative fences, etc.
- Maintenance-type interior renovation, such as repainting, touch-up plastering, replacement of carpet, tile, or panel sections; sink and fixture refinishing, etc.
- Maintenance-type exterior renovation such as repainting, replacement of deteriorated siding, roof, or masonry sections
- Replacement of a part or component of a building with a new part of the same type and performance capabilities, such as replacement of an old boiler with a new one of the same type and performance capabilities or replacement of a roof
- Any other maintenance-related expenditure which does not increase the value or useful life of the building.

### ***Summarization of Capital Asset Category Library Books and Reference Materials, Depreciation Methodology and Capitalization Threshold***

#### **Library Books and Materials Definition**

A library book is generally a literary composition bound into a separate volume and identifiable as a separate copyrighted unit. Library reference materials are information sources other than books which include journals, periodicals, microforms, audio/visual media, computer-based information, manuscripts, maps, documents, and similar items which provide information essential to the

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learning process or which enhance the quality of library service. Together they represent the library collection and will be reported on an aggregated net basis.

### **Library Characteristics**

A public library normally has one or more of the following characteristics:

- Internal controls are in place in lieu of central property management.
- Information is housed in a centralized location.
- Physical security measures are in place to protect the assets.
- Checkout procedures and policies exist and are used.
- Individual item costs and supplemental information is generally contained in a supplemental database.
- Volumes assigned to libraries are typically available to employees, students, and other individuals for checkout or use.
- The value is material to the organization.
- Equipment assigned to libraries typically remains under central security for on-premises use.

Kirkwood Public Library's books and reference materials will be categorized by inventory type and reported on a composite basis by making net adjustments to the total value of each asset category to reflect additions and deletions in total value. Net adjustments must be made at least once annually by the close of the fiscal year.

### **Depreciation Methodology**

The straight-line depreciation method will be used for library collections. Collections will be assigned a full year of depreciation in the year of acquisition and will receive no depreciation in the year of disposal. The useful life of the library collection will depend to a great extent on circulation turnover.

### **Capitalization Threshold**

Since collections will be capitalized on an aggregate basis by category, all purchases of books and materials will be capitalized. Library acquisitions are valued at cost or other reasonable basis; deletions are valued at annually adjusted average cost. The library will maintain records of all books and other library items, which should suffice as detailed inventory records.

Books, periodicals and other materials purchased and used as part of the library's operations will not be capitalized unless they become part of the collection held for the public.

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Examples of Expenditures to be Capitalized as Library Books and  
Materials

- Invoice price
- Freight charges
- Handling
- In-transit insurance charges
- Binding
- Electronic access charges
- Reproduction and like costs required to place assets in service, with the exception of library salaries

***Summarization of Capital Asset Category Works of Art and Historical Treasures, Depreciation Methodology and Capitalization Threshold***

**Works of Art and Historical Treasure Definition**

Works of Art and Historical Treasures are items of broad aesthetic or historical significance that are owned by Kirkwood Public Library which are not held for financial gain, but rather for public exhibition, education or research in furtherance of public service. These items are protected and cared for or preserved, and subject to an organizational policy that requires the proceeds from sales of items to be used to acquire other similar items.

Exhaustible items – items whose useful lives are diminished by display or educational or research applications.

Inexhaustible items – where the economic benefit or service potential is used up so slowly that the estimated useful lives are extraordinarily long. Because of their cultural, aesthetic, or historical value, the holder of the asset applies efforts to protect and preserve the asset in a manner greater than that for similar assets without such cultural, aesthetic, or historical value.

**Depreciation Methodology**

The straight-line depreciation method (historical cost less residual value, divided by useful life) will be used for exhaustible items. Inexhaustible items should not be depreciated.

**Capitalization Threshold**

All works of art and historical treasures acquired or donated will be capitalized unless held for financial gain.

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If an item is held for financial gain and not capitalized, disclosures must be made in the notes that provide a description of the item(s) and the reasons these assets are not capitalized. When donated items are not capitalized, program expense equal to the amount of revenues should be recognized.

Examples of Expenditures to be Capitalized as  
Works of Art and Historical Treasures

- Rare books, manuscripts
- Historical maps, documents and recordings
- Works of art such as paintings, sculptures, and designs
- Artifacts, memorabilia, exhibits
- Unique or significant structures

***Summarization of Capital Asset Category Computer Software,  
Depreciation Methodology and Capital Threshold***

**Computer Software Definition**

Libraries that expend significant sums of monies in purchasing or acquiring software should capitalize and depreciate such assets over their useful life. Software can be purchased from a vendor ready to use or can be developed internally by the library. Internally developed software involves three distinct phases. These phases and their characteristics are as follows:

- Preliminary project phase- when conceptual formulation of alternatives, the evaluation of alternatives, determination of existence of needed technologies and final selection of alternatives is made.
- Application development phase- design of chosen path including software configuration and software interfaces, coding, installation of computer hardware and testing, including parallel processing phase.
- Post-implementation /operation phase- training and application maintenance activities

Costs associated with the preliminary project and the post-implementation /operating phases will be expensed as incurred. Costs associated with the application development phase will be capitalized.

Costs to develop or obtain software that allows for access or conversion of old data by new information systems will also be capitalized.

General and administrative costs and overhead expenditures associated with software development will not be capitalized.

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Capitalization of costs will begin when the preliminary project phase is complete and management has implicitly or explicitly authorized or commits to funding the software project with the intent it will be completed and used to perform its planned functions. Capitalization will cease no later than the time at which substantial testing is complete and the software is ready for its intended purpose.

Examples of Expenditures in the Application Development  
Phase to be Capitalized

- External direct costs of materials and services (third party fees for services)
- Costs to obtain software from third parties
- Travel costs incurred by employees in their duties directly associated with development
- Payroll and payroll-related costs of employees directly associated with or devoting time in coding, installing or testing
- Interest costs incurred during the application development

**Depreciation Methodology**

The straight-line depreciation method (historical cost less residual value, divided by useful life) will be used for software developed or obtained for internal use.

**Capitalization Threshold**

The capitalization threshold for internally developed software or purchased is \$5,000.

***Summarization of Capital Asset Category Construction in Progress,  
Depreciation Methodology and Capital Threshold***

**Construction in Progress Definition**

Construction in Progress reflects the economic construction activity status of buildings and other structures, additions, alterations, reconstruction, installation, and major repairs which are substantially incomplete. It is important to remember that Construction in Progress can accumulate over multiple fiscal years. Accordingly, the costs which comprise the Construction in Progress Account should be identifiable on a fiscal year-by-fiscal year basis.

**Depreciation Methodology**

Depreciation is **not** applicable while assets are accounted for as Construction in Progress. See appropriate capital asset category when asset is capitalized.

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**Capitalization Threshold**

Construction in progress assets will be capitalized to their appropriate capital asset categories upon the earlier occurrence of execution of substantial completion contract documents, occupancy, or when the asset is placed into service.

*Revised by the Board of Trustees on September 19, 2018*

**D. Investment Policy**

**1. Scope** – This policy applies to the investment of all operating funds of the Kirkwood Public Library. Longer-term funds, including investments of employees' retirement funds and proceeds from certain bond issues ("Endowment Funds"), are covered by Section 7.

a. Pooling of Fund -- Except for cash in certain restricted and special funds, the Kirkwood Public Library will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

b. External Management of Funds -- Investment through external programs, facilities and professionals operating in a manner consistent with this policy will constitute compliance.

**2. General Objectives** – The primary objectives the Kirkwood Public Library seeks to achieve through investment activities, in priority order, shall be safety, liquidity, and yield.

a. Safety -- Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

1. Credit Risk – The Kirkwood Public Library will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

- Pre-qualifying the financial institutions, brokers, dealers, intermediaries, and advisors with whom the Kirkwood Public Library will do business.
- Diversifying the portfolio so that potential losses on individual securities will be minimized.

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2. Investment Risk -- The Kirkwood Public Library will minimize investment Custodial Credit Risk by permitting brokers that obtained investments for the Library to hold them only to the extent there is Securities Investor Protection Corporation and excess SIPC coverage available. Securities purchased that exceed available SIPC coverages shall be transferred to the Library's custodian.

3. Interest Rate Risk -- The Kirkwood Public Library will minimize the risk that the market value of securities will fall due to changes in general interest rates by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Investing operating funds primarily in shorter-term securities.

b. Liquidity -- The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in bank deposits, repurchase agreements, or overnight investments that offer same-day liquidity for short-term funds.

c. Yield -- The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investment is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.
- A security swap would improve the quality, yield, or target duration of the portfolio.
- Liquidity yields of the portfolio require that the security be sold.

### 3. Standards of Care

a. Prudence -- The standard of care to be used by personnel participating in the investment process shall be the "prudent investor" standard, which

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states, “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 profitable income to be derived.” Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal liability for an individual security’s credit risk or market price changes provided deviations from expectations are reported in a timely fashion to the governing body and the liquidation and sale of securities are carried out in accordance with the terms of this policy.

b. Ethics and Conflicts of Interest – Kirkwood Public Library Board of Trustees and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions; disclose any material interests in financial institutions with which they conduct business; further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio; and refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of the Kirkwood Public Library.

c. Delegation of Authority – In accordance with Section 182.143 of the Missouri Revised Statutes, as amended, the Treasurer of the Board of Trustees is the custodian (1) of all money belonging to the Kirkwood Public Library from whatever source derived; and (2) all bonds or other securities belonging to the Kirkwood Public Library. Authority to manage the investment program is granted to the Board Treasurer, hereinafter referred to as the “investment officer.” Responsibility for the operation of the investment program is hereby delegated to the investment officer, who shall act in accordance with the established written procedures and internal controls for the operation of the investment program consistent with this investment policy. The investment officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Procedures should include references to:

- Safekeeping
- Delivery vs. Payment
- Investment Accounting
- Repurchase Agreements
- Wire Transfer Agreements
- Collateral/Depository Agreements



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No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the investment officer.

**4. Investment Transactions**

a. Authorized Financial Dealers and Institutions -- A list will be maintained of financial institutions authorized to provide investment transactions and of approved security broker/dealers selected by creditworthiness as determined by the investment officer and approved by the Kirkwood Public Library Board of Trustees. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). All financial institutions and broker/dealers who desire to become qualified for investment transactions shall provide qualifying documentation to the Kirkwood Public Library as required in accordance with the established written procedures of the investment officer. An annual review of the financial condition and registration of qualified financial institutions and broker/dealers will be conducted by the investment officer.

b. Internal Controls -- The investment officer is responsible for establishing and maintaining an internal control structure that will be reviewed annually with the Kirkwood Public Library's independent auditor. The internal control structure shall be designed to ensure that the assets of the Kirkwood Public Library are protected from loss, theft, or misuse and to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived, and the valuation of costs and benefits require estimates and judgments by management.

Internal controls shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and record keeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank

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**5. Suitable and Authorized Investments**

a. Investment Types -- In accordance with and subject to restrictions imposed by applicable statutes, the following list represents the entire range of investments that Kirkwood Public Library will consider and which shall be authorized for the investment of funds by the Kirkwood Public Library.

1. United States Treasury Securities -- The Kirkwood Public Library may invest in obligations of the United States Government for which the full faith and credit of the United States are pledged for the payment of principal and interest.

2. United States Agency Securities -- The Kirkwood Public Library may invest in obligations issued or guaranteed by any agency of the United States Government as described in Section E (2).

3. Repurchase Agreements -- The Kirkwood Public Library may invest in contractual agreements between the Kirkwood Public Library and commercial banks or government securities dealers. The purchaser in a repurchase agreement (repo) enters into a contractual agreement to purchase U.S. Treasury and government agency securities while simultaneously agreeing to resell the securities at predetermined dates and prices. Investments in repurchase agreements may not exceed 90 days to maturity and are required to be collateralized by U.S. Treasuries or Agencies.

4. Collateralized Public Deposits (Certificates of Deposit) -- These are instruments issued by financial institutions which state that specified sums have been deposited for specified periods of time and at specified rates of interest. The certificates of deposit are required to be backed by acceptable collateral securities as dictated by State statute.

5. Bankers' Acceptances -- Time drafts drawn on and accepted by a commercial bank are otherwise known as bankers' acceptances. The Kirkwood Public Library may invest in bankers' acceptances issued by domestic commercial banks possessing the highest rating issued by Moody's Investor Services, Inc. or Standard and Poor's Corporation. Purchases of bankers' acceptances may not exceed 180 days to maturity. No more than 5% of the total market value of the portfolio may be invested in the bankers' acceptances of any one issuer and no more than 25% of the entire portfolio may be invested in banker's acceptances.

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6. Commercial Paper -- The Kirkwood Public Library may invest in commercial paper issued by domestic corporations, which has received the highest rating issued by Moody's Investor Services, Inc. or Standard and Poor's Corporation. Eligible paper is further limited to issuing corporations that have total assets in excess of five hundred million dollars (\$500,000,000). **Purchases of commercial paper may not exceed 180 days to maturity.** Approved commercial paper programs should provide some diversification by industry. Additionally, purchases of commercial paper in the industry sectors that may from time to time be subject to undue risk and potential illiquidity should be avoided. The only asset-backed commercial paper programs that are eligible for purchase are fully supported programs that provide adequate diversification by asset type (trade receivables, credit card receivables, auto loans, etc.) No securities arbitrage programs or commercial paper issued by Structured Investment Vehicles (SIV's) shall be considered. No more than 5% of the total market value of the portfolio may be invested in the commercial paper of any one issuer. No more than 25% of the entire investment portfolio may be invested in commercial paper. Commercial paper issuers must be subject to weekly credit reviews and daily news research and analysis and a monitoring program must be established to promulgate best practices credit monitoring.

b. Security Selection -- The following list represents the entire range of United States Agency Securities that the Kirkwood Public Library will consider and which shall be authorized for the investment of funds by the Kirkwood Public Library. Additionally, the following definitions and guidelines should be used in purchasing the instruments.

1. U.S. Govt. Agency Coupon and Zero Coupon Securities -- Bullet coupon bonds with no embedded options with maturities of five (5) years or less.

2. U.S. Govt. Agency Discount Notes -- Purchased at a discount with maximum maturities of one (1) year.

3. U.S. Govt. Agency Callable Securities -- Restricted to securities callable with final maturities of five (5) years or less.

4. U.S. Govt. Agency Step-Up Securities -- Restricted to securities with final maturities of five (5) years or less. The coupon rate is fixed for an initial term. At coupon date, the coupon rate rises to a new, higher fixed term.

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c. Investment Restrictions and Prohibited Transactions.

To provide for the safety and liquidity of the Kirkwood Public Library's funds, the investment portfolio will be subject to the following restrictions:

1. Borrowing for investment purposes ("leverage") is prohibited.
2. Instruments known as variable rate demand notes and structured notes (e.g. floaters, inverse floaters, leveraged floaters, and equity-linked securities) are not permitted. Investment in any instrument which is commonly considered a derivative instrument (e.g. options, futures, swaps, caps, floors, and collars), is prohibited.
3. Contracting to sell securities not yet acquired in order to purchase other securities for purposes of speculating on developments or trends in the market is prohibited.

d. Collateralization -- Collateralization will be required on both certificates of deposit and repurchase agreements. The market value (including accrued interest) of the collateral should be at least 100%.

1. For certificates of deposit, the market value of collateral must be at least 100% or greater of the amount of certificates of deposit plus demand deposits with the depository less the amount, if any, which is insured by the Federal Deposit Insurance Corporation, or the National Credit Union's Share Insurance Fund.
2. All securities, which serve as collateral against the deposits of a depository institution, must be safekept at a non-affiliated custodial facility. Depository institutions pledging collateral against deposits must, in conjunction with the custodial agent, furnish the necessary custodial receipts within five business days from the settlement date.
3. The Kirkwood Public Library shall have a *depository contract and pledge agreement* with each safekeeping bank that will comply with the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). This will ensure that the Kirkwood Public Library's security interest in collateral pledged to secure deposits is enforceable against the receiver of a failed financial institution.

e. Repurchase Agreements -- The securities for which repurchase agreements will be transacted will be limited to U.S. Treasury and government agency securities that are eligible to be delivered via the Federal Reserve's Fedwire book entry system.

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**6. Investment Parameters**

a. Diversification/Concentration -- The investments shall be diversified to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer, or specific class of securities. Diversification strategies shall be established and periodically reviewed.

b. Maximum Maturities -- To the extent possible, the Kirkwood Public Library shall attempt to match its investments with anticipated cash flow requirements. Investments in banker's acceptances and commercial paper shall mature and become payable not more than on hundred eighty (180) days from the date of purchase. All other investments shall mature and become payable not more than five (5) years from the date of purchase. The Kirkwood Public Library shall adopt weighted average maturity limitations that should not exceed three (3) years and are consistent with the investment objectives. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as in bank deposits or overnight repurchase agreements or other overnight investments to ensure that appropriate liquidity is maintained to meet ongoing obligations.

**7. Reporting**

a. Methods -- The investment officer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner that will allow the Kirkwood Public Library to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the Kirkwood Public Library Board of Trustees. The report will include the following:

- Listing of individual securities held at the end of the reporting period.
- Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one-year duration (in accordance with Government Accounting Standards Board (GASB) 30 requirements). [Note: This is only required annually].
- Average weighted yield to maturity of portfolio and investments as compared to applicable benchmarks.
- Listing of investment by maturity date

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- Percentage of total portfolio which each type of investment represents.

b. Performance Standards -- This investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks may be established against which portfolio performance shall be compared on a regular basis. Commercial paper and banker's acceptances must be reviewed monthly to determine if the rating level has changed. The commercial paper and banker's acceptances should be reviewed for possible sale if the securities are downgraded below the minimum acceptable rating levels.

c. Marking to Market -- The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least annually to the Kirkwood Public Library Board of Trustees. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed.

## **8. Policy Considerations**

1. Exemption -- Any investment currently held that does not meet the guidelines of this policy shall be exempt from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

2. Adoption -- This policy shall be adopted by resolution of the Kirkwood Public Library Board of Trustees. The policy shall be reviewed annually by the investment officer and recommended changes will be presented to the Board of Trustees for consideration.

## **E. Long Term Investment Policy**

### **OVERVIEW**

The Kirkwood Public Library Board of Trustees desire to manage the Endowment's assets (the "Fund") in a consistent and prudent fashion to support the Library's financial needs. To that end, the Board has delegated to its Finance Committee (the "Committee") the responsibility to oversee the management of Fund assets. This Long Term Investment Policy Statement provides a framework for the Committee to review investments and make recommendations to the Board.

### **INVESTMENT OBJECTIVE**

The Fund's investment objective is ***moderate growth and income***. This strategy seeks to balance three basic investments objectives. The *primary* objective is growth of principal, only slightly favoring capital appreciation over

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current income. The *secondary* objective is preservation of capital. Overall, risk tolerance is moderate, which means occasional loss in principal is acceptable so that investments may outpace inflation over time. It is understood that there can be no guarantees about the attainment of the investment objectives outlined herein.

**Anticipated Expenditures**

The Fund will not make distributions until the Fund value equals or exceeds approximately \$1 million. At that point, the Fund may distribute earnings over and above the principal amount. Donations over and above the million dollars will be added to the principal base.

**Investment Considerations**

In structuring the investment options for the Fund's assets, the Finance Committee shall carry out its duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the investment of a fund of like character and with like aims. The Fund's investment options will be selected with the following considerations:

**Style correlation:** The investment options (other than multi-asset class options) should be highly correlated to their determined asset class.

**Broad range of options:** A broad range of investment options will be selected among various asset classes with different and distinct risk/return profiles that are expected to offer a sufficient level of overall diversification.

**Expense ratios/fees:** The investment option's expense ratio/fees should be reasonable based on its peer group and performance.

**Performance criteria:** The investment option should be evaluated against the relative peer group and appropriate style index.

**INVESTMENT STRATEGY**

The strategy below sets an acceptable range for the amount of the Fund's market value that is to be invested in each asset class. Market shifts and economic conditions may cause short-term volatility in investments and should be considered when rebalancing investments.

**Investment Allocation**

The following investment allocation guidelines provide an acceptable range for each asset class. Investments should be reviewed at least semi-annually by the Finance Committee against these suggested guidelines.

<u>Acceptable Range</u>	
Cash	0% to 50%

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Fixed Income	25% to 100%
Equity	0% to 70%
Alternatives	0% to 10%

**Investment Constraints/Security Selection**

The securities investments held in the portfolio should be limited to those that

- a) Trade on a recognized exchange (stocks)
- b) Are available over-the-counter (fixed income and mutual funds)and
- c) From financial institutions (money market funds, checking accounts and CDs)

The **Equity** portfolio at no time should have a commitment greater than 5% in the aggregate in any one stock. **Cash** investments shall be limited to money market funds, short-term CDs, Treasuries and federal agencies.

The following are prohibited:

- Purchases of letter stock, private placements or direct payments
- Execution of purchases on margin
- Purchases of securities not readily marketable
- Commodities transactions
- Puts, calls, straddles, or other option strategies
- Purchases of real estate with the exception of REITs and Real Estate Operating Companies (REOCs)
- Investment in limited partnerships
- Any type of derivative security or investment vehicles that utilize derivatives
- Any other security transaction not specifically authorized in this policy statement, unless approved in writing by the Committee
- Hedge fund investments

**Donor Gifts**

Occasional gifts are offered to the Library whereupon the donor wishes to place certain restrictions on the form of investment to which these amounts may be applied. Such funds will be invested according to the donor's requirement only to the extent such requirement is a condition of the gift, and these monies will be excluded from the total pool of available funds for the purposes of establishing investment allocation percentages as directed in the policy. As a normal course, donors will be encouraged to entrust endowed gifts to the institution without restriction of the investment of these funds, and the Library may, from time to time, determine that the refusal of such restrictions, and the gift, is more prudent than acquiescence.

As a general rule, securities received as gifts will be sold on receipt and the proceeds invested as determined by the investment and finance committee.



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**Endowment Fund Use Policy**

The Kirkwood Public Library Endowment designates money annually to fund a staff grant program. The purpose of the grant program is to provide support for programs, projects or materials that align with the mission, vision, values, and strategic objectives of the Kirkwood Public Library. The annual percentage of the endowment fund allocated towards the grant will be no more than 3% based on Endowment Fund value as of December 31st. The annual grant amount will be published to all interested applicants on July 1st.

**INVESTMENT PERFORMANCE CRITERIA**

The Board and Committee will monitor the Fund's performance on a minimum quarterly basis.

**Rate of Return**

Rate of return will be calculated on a time-weighted basis that includes current income (interest and dividends) and capital appreciation or depreciation (realized and unrealized) adjusted for cash flow. The following are long-term return objectives:

- a) Total Fund assets should achieve a real annualized rate of return that is reasonable based on the objectives stated herein.
- b) Active managers will be expected to provide returns greater than their appropriate benchmark Index (see below) net of fees while considering standard deviation over a 36-month period. Managers should also be evaluated on their adherence to their stated investment style.
- c) Passive managers will be expected to provide returns very nearly identical to the appropriate benchmark Index before reasonable fees with no more volatility than the benchmark.

**Investment Managers**

An Investment Manager may be a registered investment advisor, mutual fund group, brokerage institution or bank trust company. Investment managers will be evaluated against the following indices and their peers on three and five-year timeframes considering standard deviation and total return.

	<u>Benchmark Index</u>
<b>Cash</b>	90-Day TBills
<b>Fixed Income</b>	
Short Term	Barclays US Gov't/Credit Float Adjusted 1-5Y
US Fixed Income	Barclays US Aggregate
International	Barclays Global Aggregate Ex US
Emerging Markets	JP Morgan Emerging Markets
Inflation Linked	Barclays Universal Inflation-Linked
High Yield	Barclays Global High Yield
<b>Equity</b>	

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US Large Cap	S&P 500
US Mid/Small Cap	Russell 2000
International	MSCI EAFE
Emerging Markets	MSCI Emerging Markets
<b>Alternatives</b>	
REITs	FTSE EPRA/NAREIT Global
Ex Precious Metals	DJ/UBS Ex Precious Metals
Precious Metals	DJ/UBS Precious Metals

The following criteria shall also be used to evaluate Investment Managers:

- Quality of communications
- Quality of security holdings
- Ability to maintain a well-diversified portfolio within defined permissible securities
- Ability to achieve above relevant Index and peer group
- Fee and rate structure

**TAX & LEGAL**

Any issues will be handled as normal library operations policies dictate and will be reviewed by the Finance Committee on a semi annual basis.

**CONFLICTS OF INTEREST**

All persons responsible for investment decisions or who are involved in the management of the Fund or who are consulting to, or providing any advice whatsoever to the Trustees or the Committee members shall disclose in writing at the beginning of any discussion or consideration by the Board, any relationships, material beneficial ownership or other material interest(s) which the person has or may reasonably be expected to have, with respect to any investment issue under consideration. The Board may require such persons to remove themselves from the decision-making process.

Any Trustee involved shall refuse any remuneration, commission, gift, favor, service or benefit that might reasonably tend to influence them in the discharge of their duties, except as disclosed in writing to and agreed upon in writing by the Board. The intent of this provision is to eliminate conflicts of interest between Trustee membership and the Fund. Failure to disclose any material benefit shall be grounds for immediate removal as a Trustee. This provision shall not preclude the payment of ordinary fees and expenses to the Fund's custodian(s), Investment Managers or Consultant in the course of their services on behalf of the Fund.

*Adopted this 21st day of February, 2018, Kirkwood Public Library Board of Trustees.*

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**Section 3. Technology and Automation** -- The library recognizes that technological innovations may have positive applications for improving public service. Evaluation and implementation of new technologies shall be a responsibility of the staff.

**Section 4. Publicity and Promotion** -- It shall be the responsibility of the entire staff to present a positive image of the library at all times. Excellent public service is of the highest priority.

**Section 5. Materials Collection**

**A. Classification** -- The Dewey Decimal Classification as currently in national use shall be the classification system for the library's materials.

**B. Selection and Evaluation** -- All selection is subject to the Collection Development Policy

**C. Inventory** -- A record of the quantities of the materials holdings shall be maintained and included in the annual report to the Board.

**Section 6. Circulation (loan) Service**

*(Entire section revised by Board of Trustees **December 15, 2010**)*

**A. Registration** -- Anyone who lives or owns property in the City of Kirkwood is eligible, with proper identification, to borrow materials from the library. A borrower's card shall be free of charge. Registration for a child under 18 years of age shall be signed by a parent or guardian.

A patron who lives, or owns or leases property in St. Louis Public Library District, St. Charles City-County Library District, or St. Louis County Library District is eligible to apply for a Kirkwood Library card.

Anyone with a valid library card from Brentwood Public Library, Ferguson Municipal Public Library, Maplewood Public Library, Richmond Heights Memorial Library, Rock Hill Public Library, University City Public Library, Valley Park Community Library or Webster Groves Public Library is eligible to borrow materials from the Kirkwood Public Library using the card from their home library. Patrons living in these communities need to obtain a card from their own library prior to borrowing materials from the Kirkwood Public Library.

A patron who lives outside St. Louis City, St. Louis County, or St. Charles City or County must pay an annual non-resident fee of \$50 per family to obtain a Kirkwood Library card. Each member of the immediate family living at the same address may have his/her own card.

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*Revised by the Board of Trustees on November 20, 2013*

Employees of the City of Kirkwood who live outside the above mentioned areas are eligible for a free library card. City employees need to present city picture ID as well as one of the following acceptable forms of identification: driver's license, voter's ID card, residency permit, lease or bill of sale for residence, utility bill, or checkbook. Acceptable identification should include the patron's name and address. Picture identification is required. This library card will have the same borrowing privileges and fines as a city resident's card. If employment with the city ends, the card would no longer be active.

*Approved by the Board of Trustees on September 16, 2009*

Borrowing privileges are available to anyone who teaches in a school or licensed day care center within the city of Kirkwood. The teacher card application must be signed by the principal or director as well as by each teacher who wishes to be eligible for this service.

These privileges allow educators to check out materials from the Library for use in the classroom. Educator cards should not be used for personal checkouts; educators should use their own personal card from one of the MLC libraries for items checked out for reasons other than classroom use. Educators present identification when they wish to check out materials.

Educators may check out up to 50 items at a time for 30 days and may be renewed by phone for 30 additional days. No fines are assessed on educator accounts. Educators may select materials themselves, or may ask Library staff to assemble a collection to be picked up later

Teachers and/or schools and day care centers are responsible for lost or damaged items. When a staff member leaves a school or day care center, the principal or director must notify the Library so that teacher checkout privileges for that staff member can be discontinued.

Non-profit organizations within the Kirkwood Public Library district may obtain a library card. Cards of this type will be in the name of the organization, under the care of an authorized person who will be responsible for any materials checked out on behalf of the organization. Organizations wishing to obtain a library card must show **proof of non-profit status** and some **proof of authorization** for the cardholder. Non-profit cards *expire every 2 years, offer 6 week checkouts without renewals, and are exempt from fines*. Non-profit cards should not be used for personal checkouts; non-profit cardholders should use their own personal card from one of the MLC libraries for items checked out for reasons other than their non-profit activity. Non-profit cardholders present identification when they wish to check out material.

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*Approved by the Board of Trustees on September 19, 2012*  
*Revised by the Board of Trustees on October 19, 2016*

Businesses within the Kirkwood Public Library district may obtain an eResources library card which may be used by anyone in the group/business for online database research. Cards of this type will be in the name of the organization and under the care of an authorized person. Business eResource cards expire every 2 years. Business cards may not be used for personal electronic checkouts; Business cardholders should use their own personal card from one of the MLC libraries for items checked out for reasons other than business activity. Business eResource cards may not be used to check out physical items.

*Approved by the Board of Trustees on May 17, 2017*

**Identification Required for Issuing a Card.** The following are acceptable identification for receiving a library card: driver's license, voter's ID card, residency permit, lease or bill of sale for residence, utility bill, checkbook, or identification by a staff member. Acceptable identification should include the patron's name and address. Picture identification is required.

**B. Confidentiality of Library Records** --Circulation records and any other library records that identify the names of patrons with specific materials are confidential in nature. These records, or any information from the records, shall not be given to, or made available to, any individual or group or any agency of state, federal or local government except pursuant to such court order or subpoena as may be issued under the authority of federal, state or local law relating to civil, criminal or administrative discovery procedure or legislative investigatory power. If any such order or subpoena is issued, it shall not be complied with until the Library Director has consulted with their legal counsel to determine:

- if such documents are in proper form
- if there is showing of good cause for their issuance.

If the documents in question are not in proper form, and/or if good cause is not shown, the Library Director will insist that any defects be cured before the requests are complied with.

**C. Policy on Presenting Library Cards**

Using library cards ensures accuracy, protects privacy, and expedites the checkout procedure.

Patrons using Kirkwood Public Library should present their cards for all transactions, to use the library's public access computers, and to access information in their accounts.

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If a patron comes to the library without a library card, and can present alternate ID with a picture, name and current address, library staff will look up his or her card number. The library cannot look up a card number without a picture ID.

Patrons wishing to use the self-checkout but who do not have their library card with them must present a valid picture ID to circulation staff, who will confirm the patron's account and then sign the patron on to the self-checkout.

If the patron has lost the card, the library will replace the card for free.

Juvenile patrons have no valid ID, and so should bring their library cards to the library. However, if a student has a valid Kirkwood school ID, and can verbally verify the address in the database, the library will allow checkout, renewal or computer use. Juvenile patrons' accounts can also be looked up using a parent or guardian's ID as long as it includes a picture, name, and current address.

If a patron calls to renew items or inquire about things on his or her record, he or she must have the card number available.

If a parent calls and presents his or her card number, and then asks to check on children's library records, library staff may look up the children by name, providing they share a name and/or address with the parent on the telephone. Library staff cannot look up the children without having the parent's card number.

Library patrons cannot use another patron's library card without consent. Library privileges may be revoked if a patron is found using another's library card without consent.

*Approved by the Board of Trustees on March 17, 2010*

**D. Borrowing Regulations**

1. A record shall be kept of the number of items circulated and shall be reported to the Kirkwood Public Library Board of Trustees.
2. Patrons' cards shall be retained and/or borrowing privileges limited or denied when large fines or other charges are unpaid.
3. Materials may be returned to any library within the Municipal Library Consortium, the St. Louis Public Library, or the St. Louis County Library.
4. Reciprocal Materials' Return shall be available with other participating libraries, including Saint Louis County Library, Saint Louis Public Library, and St. Charles City County Library.
5. Reserved Material -- If specifically requested material is owned and cataloged, or on order within the system, a hold may be placed on it. If it is not owned, an attempt will be made to borrow it from another library via

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interlibrary loan, if feasible (see section 12). When material is available, notification shall be by telephone and/or e-mail.

6. Overdue Materials -- A limited fine (\$0.10 per day/\$2.80 maximum per item) shall be charged for overdue materials identified as HOT in the collection. A patron shall be notified when library materials are overdue. Upon notification of the patron, materials and/or fines due after a certain period and totaling \$35 or more shall be sent to a collections agency. Any patron who has library debt and presents evidence to the library that the patron has filed for bankruptcy will have outstanding fines waived. However, borrowing privileges will not be reinstated until all materials are returned or another arrangement acceptable to the Library Director is made.

*Revised by the Board of Trustees on January 15, 2014*

*Revised by the Board of Trustees on August 19, 2015*

*Revised by the Board of Trustees on May 16, 2018*

7. Biannual Food for Fines Program – Mission Statement: To provide a period of time for the amnesty of fines from overdue library materials in which the patrons of the library may help the community by donating food.

Food for Fines will be held biannually. Once during National Library Week each year in April and for one week in September during National Library Card Month.

One can or box of food is equivalent to \$1 in fines up to \$20.

The following will not be accepted: expired food, glass containers, dented or damaged cans. Staff performing transaction will examine food before waiving fines.

No amnesty given for lost or damaged materials or lost Interlibrary Loans. Overdue fines for library materials including overdue ILL fines will be waived for Municipal Library Consortium cardholders for KPL materials only. All food will be donated locally.

*Approved by the Board of Trustees on March 15, 2017*

8. Claimed Return Materials -- The patron is responsible for returning materials to the library drawn from the library on his/her card. If the patron believes he/she returned the material to the library, he/she may claim they returned the materials. Only a manager on duty may determine if an item can be set as a claimed return. All fines and processing fees accrued will be frozen and not assessed to the patron. Patrons may have up to two (2) claimed returns on their account and still retain their borrowing privileges. If a patron has two claimed returns on their account and additional

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material(s) is claimed returned, the patron and staff will search for the material(s) for up to 3 weeks (1 borrowing period). If the material is not located, the patron will be charged for the lost material(s) and a processing fee.

*Revised by the Board of Trustees on July 20, 2011*

9. Lost and Damaged Materials -- The patron is responsible for materials overdrawn from the library on his/her card. The indicated price shall be the general guide in charges for damages or losses. A processing fee of \$5 shall also be charged for each lost item. Refunds will be given for lost materials which have been found within three months. Processing fee shall be deducted from the refund.

*Revised by the Board of Trustees on November 16, 2011*

If a patron has paid the entire cost of an item which has been judged to be damaged and unusable for library circulation, the patron may be offered the item for which they have paid, if they wish to have it.

If an item is judged damaged and unusable for library circulation, the patron is to be charged the full cost of the item, plus a \$5 processing fee. Any exception to this should be handled by a supervisor.

10. Library Cards -- Responsibility for all lost or damaged material charged to a card rests with the registered patron unless the card has been reported lost or stolen prior to the date the materials were charged out.

- Only individual cards will be issued.
- A parent or legal guardian must apply for a library card for any child under 18 years old.
- One proof of residence is required
- Identification is required for only one member of each household.
- A box number is not acceptable for address.
- Library card or picture identification (such as a driver's license) is required for borrowing library materials.
- Library cards will be renewed after two (2) years for adult and juvenile patrons who are Kirkwood residents and after one (1) year for nonresidents. Prior to renewing the card, all outstanding fees and fines shall be paid and resolved. If these are not paid, then the Library card shall not be renewed and all borrowing rights suspended.
- All patrons when first moving from a juvenile to adult card after the age of 18 will have all accrued fines on overdue materials waived. No lost, processing, or debt collection fees will be waived.

*Revised by the Board of Trustees on March 16, 2016*



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11. Length of Loans -- The majority of the materials of the library shall circulate for a period of 21 days with no limit placed on the amount of material borrowed. However, a patron is allowed to check out only 3 video games at a time. Materials not on reserve for another library patron may be renewed twice. Videos and CD's shall circulate for three weeks; patrons may renew twice. Magazines shall circulate for one week with no chance to renew. Loan lengths for materials from other MLC libraries may differ so patrons should refer to their receipts.

*Revised by the Board of Trustees on August 19, 2015*

12. Vacation Loans -- Materials not in demand may be loaned to patrons planning holidays away from the city for a period not to exceed three times the regular loan period.

13. Kirkwood Public Library Interlibrary Loan Policy

*Approved by Board of Trustees on December 15, 2010*

*Revised by the Board of Trustees on September 21, 2016*

*Revised by the Board of Trustees on May 16, 2018*

*Revised by the Board of Trustees on April 17, 2019*

The Kirkwood Public Library (KPL) strives to create and display a collection that is representative not only of our local community, but also of the wider world (see Article V: Collection Development Policy). If materials are not available within the Municipal Library Consortium of St. Louis County (MLC), interlibrary loan (ILL) service is an option to accommodate these needs. ILL includes borrowing materials from other library systems and obtaining copies of periodical articles. The Library also recognizes that the reciprocal sharing of materials with lending libraries across the country is an integral part of library services.

**KPL ILL Borrowing Guidelines**

**Eligibility and Limits on Interlibrary Loan Borrowing**

Restrictions and limits apply to interlibrary loan borrowing. Interlibrary loan service is available to Kirkwood Public Library card holders in good standing--i.e. owing no more than \$10.00 in outstanding overdue fines. Eligible patrons may have up to five active requests at a time. Active requests include items currently on loan to the patron and requests not yet filled.

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**Materials Available**

Books, audiovisual materials, including videotapes, audiotapes, DVDs, CDs, and photocopies of periodical articles not owned by KPL or the MLC can be requested through interlibrary loan.

**Materials Not Available**

Items that cannot be borrowed include any item currently owned by the MLC, including items checked out, reference items, items released in the past 12 months, or items on order in our system.

**Cost**

There is no cost associated with requesting an ILL for Kirkwood Public Library cardholders.

**Overdue Fines and Replacement Costs**

Patrons are responsible for any overdue fines and replacement costs. Fines for overdue ILL items are \$0.25 per day, per item. Replacement costs for damaged or lost items are determined by the lending institution, and may amount to many times the actual value of the item.

**Loan Periods, Renewal of Items, and Restrictions on Use**

Loan periods and renewal options are determined by the lending institution. A lender may recall an item at any time. Some libraries do not allow renewals, or require that items be used only within the library.

Renewals, which are solely at the discretion of the lending institution (not KPL), cannot be guaranteed. KPL will request one renewal per item. Requests for renewal must be made at least 5 days before an item's due date. If the request is made later, fines may be accrued while waiting for a response from the lending library.

**Damage to Items**

The condition of borrowed items is noted upon arrival at KPL, including any noticeable damage or damage noted by the lending institution. Damage to items while in the possession of patrons will be noted upon return to the lending library. It is the discretion of the lending library whether to charge for such damages.

**Fines**

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Fines may be incurred by the patron for overdue ILL materials, damage to loaned items, or other abuse of ILL privileges. Penalties are as follows:

Overdue ILL materials	\$0.25/day fine
Lost or damaged ILL materials	Replacement cost to lending library, plus \$5.00-processing fee
Overdue fines accrued on two ILL items, OR two unclaimed ILL items, OR two ILL cancellations after requested item has shipped from the lending library within a 1 year period	Suspension of ILL privileges for 3 months
Returning ILL without ID card (barcode), sticker, or other identifying information two times within a 1 year period	Suspension of ILL privileges for 3 months
Outstanding fines for replacement or damage costs of ILL materials	Suspension of ILL privileges and library card until account is paid (See Appendix B. Fines and Charges)

**KPL Lending Guidelines**

**Materials Offered to Other Institutions**

All circulating books, audiovisual materials, including DVDs and CDs are available for ILL without charge, as long as the request is within reason.

**Materials Not Offered**

Reference items are not available for loan to other institutions.

**Loan Periods, Renewal of Items**

Items are loaned to other institutions for a period of 30 days. Items will generally be renewed once, with the exception of items currently requested by MLC patrons.

**Charges**

No fines or shipping charges will be imposed. Charges will be imposed for lost or damaged items and are assessed on a case by case basis. Charges include a replacement cost for the item and a reprocessing cost (\$5.00).

(11/06/2010)

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**E. Umbrella Technology Policy**

The Kirkwood Public Library strives to create a collection of technological and electronic items that are on the leading edge of trends, are in demand by our community, and promote accessibility. Evaluating and evolving this collection to meet the needs of our community is a priority. Items for the technology collection will be determined by staff.

**KPL Technology Borrowing Guidelines:**

- Patron must have less than \$10.00 in fines on their Library account.
- For patrons under 18, a parent or guardian must be present to provide signed permission for check out.
- Technology items may be placed on hold, but must be picked up and returned to Kirkwood Public Library.
- The Library will not be held liable for any injuries or damage to self or personal property as a result of Technology item use. Individuals using Technology items agree that they do so at their own risk.
- The Kirkwood Public Library is not responsible for breaches of personal information, or online accounts that may occur from an individual's use of the Library's Technology devices.

**Overdue Fines and Replacement Costs:**

Patrons are responsible for any overdue fines and replacement costs. Fines for overdue Technology items are \$1.00 per day, per item up to \$28. Replacement costs for Technology items plus a \$5.00 processing fee will be charged at 28 days overdue. If an item is returned missing a part that can be replaced the patron will be charged the cost to replace that item as recorded in the item record or determined by library staff. Technology items returned to the bookdrop or another library will be assessed a \$25.00 fee. A \$10.00 fee will be assessed to patrons who reset or render unusable a device that can be restored. If the device is rendered completely unusable by the altering of settings the patron will be charged for the full replacement of the device.

Loan Periods and Renewals: Technology items will check out for a period of 2 weeks with 2 renewals.

**See Appendix T for Kirkwood Public Library Circulating Technology User Agreement.**

*Revised by the Board of Trustees on November 19, 2014*

*Revised by the Board of Trustees on January 16, 2019*

*(10/15/2014)*

**F. Kirkwood Public Library Early Literacy iPad Kit Policy**

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**See Appendix Y for Kirkwood Public Library Early Literacy iPad Kit Agreement, Kit Check-out & Kit Check-In.**

*Approved by the Board of Trustees on May 20, 2015*

*Adopted this 21st day of February, 2018, Kirkwood Public Library Board of Trustees.*

**Section 7. Volunteer Policy** – Volunteer activities on behalf of the Kirkwood Public Library should work to make the Library strong, relevant, and well-funded. These activities should provide resources and support that further the Library’s mission to “inspire a life-long commitment to learning and creativity, for a more prosperous and connected community.” The volunteer program should serve as a method for area residents to become familiar with the Library, and create opportunities for individuals to feel personal satisfaction while performing a valuable service for the community. Volunteers are not a substitute for the core of paid staff that is necessary to provide library service. Procedures associated with volunteer activities should align with the procedures of the Library.

- A. A volunteer is a person who performs tasks for the Kirkwood Public Library without wages, benefits, or compensation (including travel expenses) of any kind.
- B. Service volunteers are recognized by the public as representatives of the library and shall be guided by the same work and behavior codes as employees. They work with the status of “at-will” employees.
- C. Failure to report to work promptly may result in termination of service. Absence without notifying the supervisor may result in termination of service upon the second offense.
- D. The Library does not provide workers compensation coverage for volunteers. The Library requires negligence on the Library’s part for volunteers to collect on the Library self-insured liability coverage. Only the volunteer's own auto coverage will cover auto claims.
- E. Minors under eighteen (18) years of age may only work as volunteers with the written consent of a parent or legal guardian.
- F. Volunteers are selected based upon their qualifications and the needs of the library at any given time. Background checks will be conducted on adult volunteers prior to their work. Volunteers must be able to commit to a block of work time that is helpful to their library supervisor.
- G. Volunteers will be trained by and work with a specific supervisor. Volunteers are expected to take directions from the supervisor who is responsible for their work. They may be removed by that supervisor.

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H. Volunteers are not to use their positions for unauthorized personal gain. Any conflict between personal interests and official responsibility is to be resolved by consciously avoiding possible conflicts or disclosing the basis of a conflict or possible conflict to a supervisor so that, if necessary, decisions can be reviewed or made by others. No volunteer shall have any interest, financial or otherwise, direct or indirect, or engage in any business transaction, or professional activity or incur any obligation of any nature which is in conflict with the discharge of his/her duties in the public interest. Volunteers for book sales and the Books & Beyond Shop may not sell any items obtained through their association with the Library, including discards, for personal profit.

*Revised by the Board of Trustees on September 20, 2017*

*Revised by the Board of Trustees on September 19, 2018*

**Section 8. Accident Report Policy** – Accidents which occur to patrons on library property or to staff on the premises, or in the course of carrying out work related duties must be reported. When such accidents occur the following procedures will be used:

- A. Employees on duty determine whether to call 911.
- B. All accidents must be reported to the supervisor.
- C. The person injured or a person responsible for him/her must fill out the report form which may be obtained from all supervisors or the Director of Operations. All information including whether or not a person has refused medical treatment must be reported in full. This information will be kept on file in the Business Office.
- D. Copies of all medical records pertaining to an employee injury in the course of performing job duties will be kept on file in the Business Office.