

## SOUTH HUNTINGTON PUBLIC LIBRARY

### Business Policy Manual (2021- 2022)

Revised 12/20/21

	<u>Page</u>
1. Annual Audit	1
2. Treasurer	1
3. Payment of Bills	1
4. Credit Cards	1-2
5. Petty Cash Procedure	2
6. Investment Policy	2-8
7. Third Party Custodial Agreements (on file in the Business Office)	8
8. Budget Process	8
9. Fund Balance Policy	8-9
10. Insurance	9
11. Building and Contents Appraisal	9
12. Purchasing Policies and Procedures	10-15
13. Consultants	15
14. Gifts and Donations gifts	15
15. Surplus Items	15-16
16. Code of Ethics/Conflict of Interest Policy	16-24
17. Whistleblower Policy	24
18. Records Retention	25

## 1. ANNUAL AUDIT

The library will retain the services of an independent certified public accountant who will provide service and consultation, review the financial records quarterly, and perform an annual audit in accordance with the requirements of the Office of the State Comptroller of the State of New York. The independent auditor will be appointed each year at the July organizational meeting of the library board of trustees.

A written report, including an opinion on the financial statements, will be prepared by the accountant at the close of the fiscal year. Under normal circumstances, the accountant will attend the September board meeting and present his or her findings.

## 2. TREASURER

The library will retain the services of an independent treasurer who will provide service and consultation, in accordance with the requirements of the New York State Department of Audit and Control. The treasurer will be appointed each year at the July organizational meeting of the library board of trustees.

## 3. PAYMENT OF BILLS

The fiscal year of the library shall run from July 1 through and including June 30.

Bills incurred by the library shall be presented to the board of trustees at each regular board meeting in a manner prescribed by the board of trustees and reviewed and approved by a board motion. The bills are approved by the director and an outside treasurer monthly. The president and treasurer co-sign the checks used for payment.

Pre-payment of payroll and employment tax bills are paid from a separate payroll account and are direct deposited into employee accounts. A report of the bi-weekly payroll is reviewed by the director, the outside treasurer and the board of trustees at the regularly scheduled board meeting.

The pre-payment of other bills (such as utilities, stamps, personnel benefits and those that carry a significant penalty for late payment) will be co-signed by the president of the board and the treasurer. A report of any such payments will be made to the board of trustees at the next regularly scheduled board meeting.

## 4. CREDIT CARDS

The board of trustees of the South Huntington Public Library has approved the establishment of corporate credit accounts.

Staff members, as designated by the library director and assistant director, will be permitted to use the corporate credit cards with the understanding that they are to be used for library purchases only. At no time are these cards to be used for personal purchases.

Without exception, employees must obtain receipts from vendors for all purchases made using their assigned library credit card, and these receipts must be submitted to the business office. The library reserves the right to request that the employee obtain a copy of any receipt that has not been submitted but appears on the monthly statement. If the employee cannot provide the receipt, the employee may be held personally liable for the expense.

Any misuse of the library's corporate credit cards, or delinquency in providing receipts for purchases, will result in the cancellation of the employee's corporate credit card, and the employee will be required to reimburse the library for purchases made. Additionally, the employee may be subject to disciplinary and/or legal action.

## 5. PETTY CASH PROCEDURE

The balance for the petty cash fund will be set at the annual organizational meeting (July board meeting). Petty cash disbursements are made throughout the month, and a monthly check will be issued to replenish the account. The check requisition form, along with receipts for the expenditures, will be reviewed by the business manager and the director prior to issuance of the check.

## 6. INVESTMENT POLICY

### I. SCOPE

This investment policy will apply to all moneys and other financial resources available for deposit and investment by the South Huntington Public Library on its own behalf or on behalf of any other entity or individual.

### II. OBJECTIVES

The primary objectives of the South Huntington Public Library's investment activities are, in priority order:

- to conform with all applicable federal, state and other legal requirements (legal);
- to adequately safeguard principal (safety);
- to provide sufficient liquidity to meet all operating requirements (liquidity);
- to obtain a reasonable rate of return (yield).

### III. PRUDENCE

All participants in the investment process will seek to act responsibly as custodians of the public trust and will avoid any transaction that might impair public confidence in the South Huntington Public Library.

Investments will be made with prudence, diligence, skill, judgment, and care, under circumstances then prevailing, which knowledgeable and prudent persons acting in like capacity would use. Decisions will be made not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process will refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

#### IV. DIVERSIFICATION

It is the policy of the South Huntington Public Library to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

The board of trustees will establish appropriate limits for investments that can be made with each financial institution or dealer and will evaluate this listing annually.

#### V. INTERNAL CONTROLS

It is the policy of the South Huntington Public Library for all moneys collected by any officer or employee of the library to be transferred to the business manager for deposit within five days of receipt, or within the time specified in law, whichever is shorter.

The library director and/or business manager will be responsible for establishing and maintaining internal control procedures to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization, recorded properly, and managed in compliance with applicable laws and regulations.

#### VI. DESIGNATION OF DEPOSITARIES

The director, or his/her designee, is authorized to deposit all available library funds in the short-term account that he/she feels best meets the library's current financial needs.

The director will report the deposit of all library funds to the board of trustees in the monthly financial report.

The board of trustees expects that the director, or his/her designee, will deposit all available library funds into authorized accounts in a timely manner.

As part of the annual reorganization in July, the board will approve the bank depositories and the maximum amounts to be deposited at each such depository.

## VII. SECURING DEPOSITS AND INVESTMENTS

All deposits and investments at a bank or trust company, including all demand deposits, certificates of deposit and special time deposits (hereinafter, collectively, "deposits") made on behalf of the South Huntington Public Library that are in excess of the amount insured under the provisions of the Federal Deposit Insurance Act, including pursuant to a Deposit Placement Program in accordance with law, will be secured by:

- A pledge of "eligible securities" with an aggregate "market value" as provided by GML §10, that is at least equal to the aggregate amount of deposits on behalf of the South Huntington Public Library; (See below "Appendix A: Schedule of Eligible Securities" of this policy for a listing) or:
- An "eligible letter of credit," payable to the South Huntington Public Library, as security for 140 percent of the aggregate amount of deposits and the agreed-upon interest, if any. An "eligible letter of credit" will be an irrevocable letter of credit issued in favor of the South Huntington Public Library, for a term not to exceed 90 days, by a qualified bank (other than the bank where the secured money is deposited). A qualified bank is either one whose commercial paper and other unsecured short-term debt obligations (or in the case of a bank that is the principal subsidiary of a holding company, whose holding company's commercial paper and other unsecured short-term debt obligations) are rated in one of the three highest categories by a least one nationally recognized statistical rating organization or one that follows applicable federal minimum risk-based capital requirements; or:
- An "eligible surety bond," payable to the South Huntington Public Library, for an amount at least equal to 100 percent of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical

rating organizations. The board of trustees will approve the terms and conditions of the surety bond.

Appendix A  
Schedule of Eligible Securities

- 1) Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United States government sponsored corporation.
- 2) Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the Market Value of the obligation that represents the amount of the insurance guaranty.
- 3) Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of such State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys.
- 4) Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- 5) Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- 6) Obligations of counties, cities and other governmental entities of a state other than the State of New York having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating.
- 7) Obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization.
- 8) Any mortgage rated securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by bank regulatory agencies.
- 9) Commercial paper and bankers' acceptances issued by a bank, other than the Bank, rated in the highest short-term category by at least one nationally recognized statistical rating organization and having maturities of no longer than 60 days from the day they are pledged.
- 10) Zero coupon obligations of the United States government marketed as "Treasury strips".

VIII. SAFEKEEPING AND COLLATERALIZATION

Eligible securities, not including those included in a Deposit Placement Program, used for collateralizing deposits made on behalf of the South Huntington Public Library will be held by the depository, approved by the board of trustees, subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure South Huntington Public Library deposits together with agreed upon

interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It will also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the criteria that will enable the South Huntington Public Library to exercise its rights against the pledged securities.

If the securities are not registered or inscribed in the name of the South Huntington Public Library, such securities will be delivered in a form suitable for transfer or with an assignment in the bank to the South Huntington Public Library or its custodial bank

The custodial agreement will provide that pledged securities will be held by the bank or trust company, as agent of and custodian for the South Huntington Public Library; will be kept separate and apart from the general assets of the custodial bank or trust company, and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement will also describe how the custodian will confirm the receipt, substitution or release of the collateral, and it will provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreements will include all provisions necessary to provide the South Huntington Public Library a perfect interest in the securities.

#### IX. PERMITTED INVESTMENTS

As provided by General Municipal Law, §11, the South Huntington Public Library will authorize the library director and/or the business manager to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Special time deposit accounts in, or certificates of deposit issued by, a bank or trust company located and authorized to do business in the State of New York;
- Obligations of the United States of America;
- Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America;
- Obligations of the State of New York;
- Obligations issued pursuant to Local Finance Law §24.00 or 25.00 (i.e., Tax Anticipation Notice or Revenue Anticipation Notes) (with approval of the State Comptroller) by any municipality, school district or district corporation in the State of New York other than the South Huntington Public Library.

All investment obligations shall be payable or redeemable at the option of the South Huntington Public Library within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, will be payable or redeemable at the option of the South Huntington Public

Library within two years of the date of purchase. Time deposit accounts and certificates of deposit will be payable within such times as the proceeds will be needed to meet expenditures for which the moneys were obtained, and will be secured as provided in Sections VII and VIII herein.

X. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

All financial institutions and dealers with which the South Huntington Public Library transacts business shall be creditworthy and have an appropriate level of experience, capitalization, size, and other factors that make the financial institution or the dealer capable and qualified to transact business with the South Huntington Public Library. The director and/or business manager will evaluate the financial position and maintain a listing of proposed depositories, trading partners, and custodians. Recent Reports of Condition and Income (call reports) will be obtained for proposed banks. Security dealers that are not affiliated with a bank will be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers.

The South Huntington Public Library will maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amounts of investments that can be made with each financial institution or dealer.

XI. PURCHASE OF INVESTMENTS

The library director and/or business manager will be authorized to contract for the purchase of investments:

1. Directly from an authorized trading partner.
2. By participation in a cooperative investment agreement with other authorized municipal corporations pursuant to Article 5G of the General Municipal Law and in accordance with Article 3-A of the General Municipal Law.

XII. COURIER SERVICE

The director and/or business manager may, subject to the approval of the board of trustees by resolution, enter into a contract with a courier service for the purpose of causing the deposit of public funds with a bank or trust company. The courier service will be required to obtain a surety bond for the full amount entrusted to the courier, payable to the South Huntington Public Library, and executed by an insurance company authorized to do business in the State of New York, with a claims-paying ability that is rated in the highest rating category by at least two nationally recognized statistical rating organizations, to insure against any loss of public deposits entrusted to the courier service for deposit or failure to deposit the full amount entrusted to the courier service.



The South Huntington Public Library may agree with the depository bank or trust company that the bank or trust company will reimburse all or part of, but not more than, the actual cost incurred by the South Huntington Public Library in transporting items for deposit through a courier service. Any such reimbursement agreement will apply only to a specified deposit transaction and may be subject to such terms, conditions and limitations as the bank or trust company deems necessary to ensure sound banking practices, including, but not limited to, any terms, conditions or limitations that may be required by the banking department or other federal or State authority.

### XIII. ANNUAL REVIEW AND AMENDMENTS

The board of trustees will review this investment policy annually and have the power to amend this policy at any time.

#### 7. THIRD PARTY CUSTODIAL AGREEMENTS (Held in Business Office)

#### 8. BUDGET PROCESS

The director will prepare the first draft of a proposed budget for discussion at the November board meeting. A second discussion on the budget will take place at the December board meeting, and a third, at the January board meeting. The final discussion will take place at the February meeting, when the final proposed budget will be adopted by the board for presentation to the public. Typically, the date of the vote is on a Tuesday in the first or second week of the month of April. If practical, the South Huntington Public Library's budget vote day will coincide with the voting dates of neighboring libraries.

#### 9. FUND BALANCE POLICY

In accordance with GASB 54, the Unassigned General Fund Balance will only be appropriated by formal action of the South Huntington Public Library board of trustees. Amendments or modifications to all allocations of fund balances must also be approved by formal action of the South Huntington Public Library board of trustees.

A portion of the library's Unassigned General Fund Balance will be maintained as such to provide the library with sufficient working capital and a margin of safety to address emergencies without borrowing. The library will strive to maintain a yearly fund balance in the general operating fund in which the total unassigned fund balance is 25 percent of the projected expenditures for the ensuing budget year (which equals three months of the total operating expenditures).

When it is appropriate for fund balance to be classified as *assigned*, the library board will delegate authority to the director.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended will be as follows: *restricted fund balance*, followed by *committed fund balance*, *assigned fund balance*, and lastly, *unassigned fund balance*.

## **Capital Reserve Funds**

### **Repairs and Improvements to the Building - 10/18/04**

This fund will be set aside to cover improvements to the mechanical, electrical and plumbing systems as well as other improvements to the building. Except for emergency repairs, expenditures in excess of \$5,000 require board authorization.

### **Improvements to the Gardens and Grounds - 10/18/04**

This fund will pay for improvements to the gardens and grounds including, but not limited to, the acquisition of outdoor sculpture. Expenditures in excess of \$2,500 will require board authorization.

### **Computer, Telecommunications and Equipment - 9/15/03**

These funds will be designated for the cost of upgrading the library's computers, telecommunications and equipment. Expenditures from this fund will require board authorization.

### **Debt Service Reserve Fund - 12/18/06**

This fund will be set aside to reduce the cost of repayment of the debt service. Board approval will not be needed for expenditures from this fund.

## 10. INSURANCE

The library will maintain a commercial insurance package for the building, contents and liability and a separate automobile policy.

## 11. BUILDING AND CONTENTS APPRAISAL

For insurance protection purposes, a complete inventory will be conducted annually and appraisal of the library building and contents will be undertaken every four years.

## 12. PURCHASING POLICIES AND PROCEDURES

1. All purchases of goods and contracts for public services shall be made in accordance with the provisions of the New York State General Municipal Law. Every prospective purchase of goods/services must be initially reviewed to determine whether it is a purchase contract or public works contract. Once that determination is made, a good faith effort will be made to determine whether it is known or can be reasonably be expected that the aggregate amount to be spent on the item of supply or service is not subject to competitive bidding, taking into account past purchases and the aggregate amount to be spent in a year.
2. Except as otherwise provided by law (paragraphs 3a and 3b), all public works contracts in excess of \$35,000 and all purchase contracts in excess of \$20,000 shall be subject to competitive bidding.
  - a. Rejection of a Low Bidder based upon an initial determination that the Low Bidder is not "responsible" within the meaning of the General Municipal Law shall be made following notice to the Low Bidder of the Board's intent to so disqualify him/her and providing the Low Bidder an opportunity to be heard by the Board or its designee on the issue of his/her qualifications.
3. For public works and purchase contracts which fall below the competitive bidding thresholds stated in paragraph "2," the following conditions may apply:
  - a. The following items are not subject to competitive bidding pursuant to Section 103 of the General Municipal Law: emergency purchases; goods purchased from agencies for the blind or severely handicapped; goods purchased from correctional institutions, purchases under New York State, Suffolk County, Town of Islip, or Suffolk Cooperative Library System contracts and surplus and secondhand purchases from another government entity.
  - b. General Municipal Law 103, Subdivision 16, permits political subdivisions "to make purchases ... or to contract for services ... through the use of a contract let by the United States of America or any agency thereof, any state or any other county or political subdivision or district therein....." Such a piggyback contract may be used if it has been "let in a manner that constitutes competitive bidding consistent with state law, and made available for use by other governmental entities."
  - c. The decision that a purchase is not subject to competitive bidding will be documented in writing by the individual making the purchase. This document may include written or verbal quotes from vendors, a memo from the purchaser indicating how the decision was arrived at, a copy of the contract or contract number indicating the source which makes the item or service exempt, a memo from the purchase detailing the circumstance

which led to an emergency purchase or any other written documentation that is appropriate.

- d. All goods and services not subject to competitive bidding will be secured by use of written requests for proposals (RFP), written quotations, verbal quotations or any other method that assures that goods will be purchased at the lowest price and that favoritism will be avoided.
  - e. Any questions regarding the applicability of any of these exceptions should be referred to Library Counsel.
4. The following method of purchase will be used when required by this policy to achieve the highest savings.

<u>Estimated Amount /Purchase Contract</u>	<u>Method</u>
\$0 to \$500	No quotes required
\$501 to \$750	Two written quotes
\$751 to \$2,000	Written request for the goods And written quotes from 2 vendors
\$2,001 to \$20,000	Written request (RFP) and written quotes from 3 vendors

<u>Estimated Amount /Public Works Contract</u>	<u>Method</u>
\$0 to \$1,000	No quotes required
\$1,001 to \$3,000	Two written quotes
\$3,001 to \$10,000	Written RFP and written proposals from 2 contractors
\$10,001 to \$35,000	Written RFP and written proposals from 3 contractors

- a. Any written RFP shall describe the desired goods, quantity and the particulars of delivery. The purchaser shall compile a list of all vendors from whom written/email/oral quotes have been requested and the written/email/oral quotes offered.
- b. A good faith effort shall be made to obtain the required number of proposals or quotations. If the purchaser is unable to obtain the required number, the purchaser will document the attempt made at obtaining the proposals. In no event shall the failure to obtain the proposals be a bar to procurement.

- c. All information gathered in complying with the procedures of this policy shall be preserved and filed with the documentation supporting the subsequent purchase or public works contract.
  - d. Whenever possible, the library shall purchase items made from recycled materials (i.e. manufactured from secondary materials) if the recycled products meet contract specifications and the price of such products is reasonably competitive, as specified in Section 104A, General Municipal Law.
5. Under normal circumstances, contracts shall be awarded to the vendor or contractor with the lowest price quotation deemed responsible. If a vendor/contractor is not deemed responsible, facts supporting that judgment shall also be documented and filed with the records supporting the procurement.
- a. For purchase contracts in excess of \$20,000 and where it is deemed in the best interests of the library, the 'best value' analysis may be used as permitted by New York State Finance Law §163. Best Value is defined as “the basis for awarding contracts for services to the offeror which optimizes quality, cost and efficiency, among responsive and responsible offerors. Such basis shall reflect, wherever possible, objective and quantifiable analysis. Such basis may also identify a quantitative factor for offerors that are small business, certified minority- or women-owned business enterprises as defined in Executive Law §310(1), (7), (15), (2) or disabled-veteran-owned business enterprises as defined in Executive Law 369-h(1) to be used in evaluation of offers for awarding of contracts for services.”
  - b. Circumstances under which the contract may not be awarded to the lowest responsible vendor or contractor include, but are not limited to:
    - 1) Vendor cannot guarantee delivery of goods or services within the time frame or under the conditions established by the library;
    - 2) Vendor's or contractor's terms for payment are disadvantageous to the library, e.g. full payment before commencement of work or delivery of goods;
    - 3) Vendor cannot fully comply with the specifications for goods or services as set forth by the library;
    - 4) Vendor's warrant for goods or services is deemed inadequate by the library;
    - 5) Vendor's post-purchase support services are deemed inadequate by the library.

6. Pursuant to General Municipal Law Section 104-b (2) (f) the solicitation of alternative proposals or quotations will not be required in the best interest of the municipality in the following circumstances:
- a. Professional services or services requiring special or technical skill, training or expertise. The individual or company must be chosen based on accountability, reliability, responsibility, skill, education and training, judgment, integrity and moral worth. In determining whether a service shall fit into this category, the board of trustees shall take into consideration the following guidelines:
    - i. Whether the services are subject to state licensing or testing requirements.
    - ii. Whether substantial formal education or training is a necessary prerequisite to the performance of the services; and
    - iii. Whether the services require a personal relationship between the individual and municipal officials.

Professional and technical services shall include but not be limited to the following: services of any attorney; services of a physician; technical services of an engineer or architect engaged to prepare plans, maps and estimates; securing insurance coverage and/or services of an insurance broker; printing services involving extensive writing, editing or art work; management of municipally owned property; and computer software or programming services for customized programs or services in substantial modification and customizing of prepackaged software.

- b. Emergency purchases pursuant to Section 103(4) of the General Municipal Law. Due to the nature of this exception, these goods or services must be purchased immediately and a delay in order to seek alternate proposals may threaten life, health, safety or welfare of library property or individuals. This section does not preclude alternate proposals if time permits.
- c. Purchases of surplus and second-hand goods from any source. If alternate proposals are required, the library is precluded from purchasing surplus and second-hand goods at auctions or through specific advertised sources where the best prices are usually contained. It is also difficult to try to compare prices of used goods and a lower price may indicate an older product.
- d. Goods under \$500 and public works contracts for less than \$1,000. The time and documentation required to purchase through this policy may be costlier than the item itself and, therefore, not in the best interest of the taxpayer. In addition, it is not likely that such de minimis contracts would be awarded based on favoritism.

- e. Sole source suppliers. Competitive bidding is not required in those limited situations when there is only one possible source from which to procure goods or services such as in the case of certain patented goods or services or public utility services. When making a sole source determination, the purchaser should document among other things the unique benefits of the item to be purchased or service to be rendered and that no other item or service is substantially equivalent and that there is no possibility of competition for the good to be purchased or service to be rendered.
  - f. Library Programs and Bus Trips. If it is determined that a service/program/bus trip can only be provided by a 'sole source supplier' or it is not possible to obtain the required number of quotes, this must be documented. Most library programs are unique and the presenter will be considered as a sole source or providing professional services. Whenever possible, library program planners that contract with outside vendors (programmers or bus trip companies) should provide an RFP if the dollar amount reaches the threshold required by the Estimated Amount for a Purchase Contract (see 4.a.).
7. The employees responsible for purchasing are the library director, the assistant library director, and the business manager. As per New York State General Municipal Law, the library employees and titles responsible for purchasing will be appointed at the annual reorganization meeting.
8. E-Bids
- a. New York State law authorizes local governments to receive electronic bids in connection with purchase contracts. The bid advertisement must designate how the electronic bid will be received (such as designating a website or email address where the bid should be sent.) The submission of bids in electronic format may not be required as the sole method for the submission of bids and paper bids must still be accepted. All other minimum requirements of the competitive bidding process remain the same.
  - b. However electronic bids are received, they must comply with Article 3 of the New York State Technology Law (the "Electronic Signatures and Records Act"). At a minimum, an electronic bid must document the time and date of the receipt, authenticate the identity of the sender, ensure the security of the information transmitted and ensure the confidentiality of the bid until the time and date established for the opening of bids.
9. No purchase of goods or services shall be made from any vendor in which elected officials of the library, (i.e., the board of trustees) or library administrators (i.e., (library chief executive officer or assistant library director), hold a full or partial interest.

10. This policy shall be reviewed annually. The chief executive officer, in consultation with the business manager, shall be responsible for conducting an annual evaluation of the effectiveness of the Procurement Policy and its procedures and an evaluation of the control procedures established to ensure compliance with the policy, and shall be responsible for reporting back to the board of trustees.
11. Unintentional Failure to Comply. The unintentional failure to comply fully with the provisions of General Municipal Law, section 104-b shall not be grounds to void action taken or give rise to a cause of action against the library or any officer or employee thereof.

### 13. CONSULTANTS

Authorization to retain a consultant will be approved by the library board of trustees. At the July organizational meeting of the board, the trustees will set the annual retainer for the music coordinator and the art curator. Other appointments will include legal counsel, treasurer, and the library's accountant. The board of trustees may, at its discretion, approve the hiring of consultants to fulfill the requirements of library policies and/or to enhance the operation of the library.

### 14. GIFTS AND DONATIONS

The South Huntington Public Library accepts gifts and donations from the public with the understanding that any gifts or donations become the property of the library. At the sole discretion of the library, the gifts for donations may be stored, used, discarded, or sold.

Gifts exceeding \$100 may be accepted or rejected at the discretion of the library director or the board of trustees. However, the library will assign no monetary value to the gift. Gifts exceeding \$100 in value will be accepted upon the receipt of a form signed by the donor agreeing to the library's terms and conditions for gifts.

### 15. SURPLUS ITEMS

- 1) Definition: Surplus Property is any item owned by the library that is no longer needed for the provision of library services.
- 2) Declaring Property Surplus:
  - a) Only property having more than nominal monetary value need be declared surplus. Obsolete or broken property without any useful value may be disposed of, at the discretion of the director, without notice or approval from the board of trustees.
  - b) The director is authorized to declare as surplus, library property having an estimated unit value less than \$1,000.
  - c) The board of trustees is authorized to declare as surplus, library property having an estimated unit value of \$1000, or greater.



- 3) Disposal and Sale of Surplus Property:
  - a) For property with an estimated unit value of less than \$1,000, the director is authorized to sell such property as deemed to be in the best interest of the library, including through a fixed price system, a closed bidding system, or otherwise.
  - b) For property with an estimated unit value of \$1,000 or greater, after authorization from the board is obtained to dispose of such property, the director shall sell such property by advertising for sealed bids through a posting in the library building, and advertised in the paper of record if time permits. If no such sealed bid is deemed reasonable, the director is authorized to sell the property by a method that will most effectively and efficiently provide the library with the greatest monetary return, in which case, documentation of the library's efforts shall be documented and retained.
- 4) The disposal of library property yielding more than \$200 shall be reported to the board as part of the monthly financial report.
- 5) Prior to the discarding of used or surplus books or other such reading materials the library shall offer to donate such books or materials to a not-for-profit corporation or political subdivision located within the area of the library district or offer to sell such books or materials to the public. Nothing in this subsection shall preclude the library from offering to donate such books or materials to a non-profit corporation or political subdivision outside the geographic area of the library district. The library shall retain any proceeds received from the sale of such books and materials for maintaining and improving library service (Ed. L. §260(12)).

## 16. CODE OF ETHICS/CONFLICT OF INTEREST POLICY

The board of trustees of the South Huntington Public Library recognizes that sound, ethical standards of conduct serve to increase the effectiveness of library board members and their staff as leaders in their community. Actions based on an ethical code of conduct promote public confidence and the attainment of library goals. The board also recognizes its obligation to set forth a code of ethics under the provisions of the General Municipal Law.

The board therefore adopts the following code of ethics, and its accompanying regulation, for the guidance of its officers and employees. Board members and their staff commit themselves to:

**ASSURING** the opportunity for high-quality library service for every district resident, making the well-being of library service the fundamental principle in all decisions and actions;

**REPRESENTING** the entire community without fear or favor;

**ACCEPTING** all responsibilities as a means of unselfish service, while not using their positions for personal gain;

**ACTING** as part of a team with mutual respect and regard for each other's respective responsibilities and duties, recognizing that the strength of a library board is in acting as a board, not as individuals;

**PRESERVING** the obligation of having all issues considered fairly and without bias;  
**UPHOLDING** the principles of due process and individual dignity, and protecting the civil and human rights of all;  
**MAINTAINING** high standards and the effectiveness of library service research and continuing professional development;  
**OBEYING** all national, state, and local laws and regulations pertaining to libraries and public agencies; and  
**INSTILLING** respect for community, state, and nation.

NOW, WHEREAS, article 18 of the General Municipal Law prohibits the officers and employees of a municipality from having certain conflicts of interest, and

WHEREAS section 806 of the General Municipal Law requires the governing body of each county, city (other than the City of New York), town, village, school district, library and fire district to adopt a code of ethics that sets forth for the guidance of its officers and employees standards of conduct reasonably expected of them, and

WHEREAS section 806 of the General Municipal Law also authorizes the governing body of any other municipality to adopt such a code of ethics, and

WHEREAS, a code of ethics adopted by the governing body of a municipality must set forth standards of conduct for the guidance of the officers and employees of the municipality with respect to disclosure of interests in legislation before the local governing body, holding of investments in conflict with official duties, private employment in conflict with official duties, future employment, and such other standards as may be deemed advisable

NOW, THEREFORE, be it resolved that the board of trustees of the South Huntington Public Library hereby adopts a code of ethics to read as follows:

## **Code of Ethics of the South Huntington Public Library**

### **Section 1. Purpose.**

Officers and employees of the South Huntington Public Library hold their positions to serve and benefit the public, and not for obtaining unwarranted personal or private gain in the exercise and performance of their official powers and duties. The South Huntington Public Library recognizes that, in furtherance of this fundamental principle, there is a need for clear and reasonable standards of ethical conduct. This code of ethics establishes those standards.

### **Section 2. Definitions.**

- (a) "Board" means the governing board of a municipality and any municipal administrative board (e.g. planning board, zoning of board of appeals), commission, or other agency or body comprised of two or more municipal officers or employees.
- (b) "Code" means this code of ethics.

(c) "Interest" means a direct or indirect financial or material benefit, but does not include any benefit arising from the provision or receipt of any services generally available to the residents or taxpayers of the municipality or an area of the municipality, or a lawful class of such residents or taxpayers. A municipal officer or employee is deemed to have an interest in any private organization when he or she, his or her spouse, or a member of his or her household, is an owner, partner, member, director, officer, employee, or directly or indirectly owns or controls more than 5% of the organization's outstanding stock.

(d) "Municipality" means the South Huntington Public Library. The word "municipal" refers to the municipality.

(e) "Municipal officer or employee" means a paid or unpaid officer or employee of the South Huntington Public Library, including, but not limited to, the members of any municipal board.

(f) "Relative" means a spouse, domestic partner, same sex committed partner, parent, step-parent, sibling, step-sibling, sibling's spouse, child, step-child, uncle, aunt, nephew, niece, first cousin, or household member of a municipal officer or employee, and individuals having any of these relationships to the spouse of the officer or employee.

### **Section 3. Applicability.**

This code of ethics applies to the officers and employees of the South Huntington Public Library, and shall supersede any prior municipal code of ethics. The provisions of this code of ethics shall apply in addition to all applicable State and local laws relating to conflicts of interest and ethics including, but not limited to, article 18 of the General Municipal Law and all rules, regulations, policies and procedures of the South Huntington Public Library.

### **Section 4. Prohibition on use of municipal position for personal or private gain.**

No municipal officer or employee shall use his or her municipal position or official powers and duties to secure a financial or material benefit for himself or herself, a relative, or any private organization in which he or she is deemed to have an interest.

### **Section 5. Disclosure of interest in legislation and other matters.**

(a) Whenever a matter requiring the exercise of discretion comes before a municipal officer or employee, either individually or as a member of a board, and disposition of the matter could result in a direct or indirect financial or material benefit to himself or herself, a relative, or any private organization in which he or she is deemed to have an interest, the municipal officer or employee shall disclose in writing the nature of the interest.

(b) The disclosure shall be made when the matter requiring disclosure first comes before the municipal officer or employee, or when the municipal officer or employee first acquires knowledge of the interest requiring disclosure, whichever is earlier.

(c) In the case of a person serving in an elective office, the disclosure shall be filed with the governing board of the municipality. In all other cases, the disclosure shall be filed with the person's supervisor or, if the person does not have a supervisor, the disclosure shall be filed with the municipal officer, employee or board having the power to appoint to the person's position. In addition, in the case of a person serving on a municipal board, a copy of the disclosure shall be filed with the board. Any disclosure made to a

board shall be made publicly at a meeting of the board and must be included in the minutes of the meeting.

**Section 6. Recusal and abstention.**

(a) No municipal officer or employee may participate in any decision or take any official action with respect to any matter requiring the exercise of discretion, including discussing the matter and voting on it, when he or she knows or has reason to know that the action could confer a direct or indirect financial or material benefit on himself or herself, a relative, or any private organization in which he or she is deemed to have an interest.

(b) In the event that this section prohibits a municipal officer or employee from exercising or performing a power or duty:

(1) if the power or duty is vested in a municipal officer as a member of a board, then the power or duty shall be exercised or performed by the other members of the board; or

(2) if the power or duty that is vested in a municipal officer individually, then the power or duty shall be exercised or performed by his or her deputy or, if the officer does not have a deputy, the power or duty shall be performed by another person to whom the officer may lawfully delegate the function.

(3) if the power or duty is vested in a municipal employee, he or she must refer the matter to his or her immediate supervisor, and the immediate supervisor shall designate another person to exercise or perform the power or duty.

**Section 7. Prohibition inapplicable; disclosure, recusal and abstention not required.**

(a) This code's prohibition on use of a municipal position (section 4), disclosure requirements (section 5), and requirements relating to recusal and abstention (section 6), shall not apply with respect to the following matters:

(1) adoption of the municipality's annual budget;

(2) any matter requiring the exercise of discretion that directly affects any of the following groups of people or a lawful class of such groups:

(i) all municipal officers or employees;

(ii) all residents or taxpayers of the municipality or an area of the municipality; or

(iii) the general public; or

(3) any matter that does not require the exercise of discretion.

(b) Recusal and abstention shall not be required with respect to any matter:

(1) which comes before a board when a majority of the board's total membership would otherwise be prohibited from acting by section 6 of this code;

(2) which comes before a municipal officer when the officer would be prohibited from acting by section 6 of this code and the matter cannot be lawfully delegated to another person.

**Section 8. Investments in conflict with official duties.**

(a) No municipal officer or employee may acquire the following investments:

(1) investments that can be reasonably expected to require more than sporadic recusal and abstention under section 6 of this code; or

(2) investments that would otherwise impair the person's independence of judgment in the exercise or performance of his or her official powers and duties.

(b) This section does not prohibit a municipal officer or employee from acquiring any other investments or the following assets:

- (1) real property located within the municipality and used as his or her personal residence;
- (2) less than five percent of the stock of a publicly traded corporation; or
- (3) bonds or notes issued by the municipality and acquired more than one year after the date on which the bonds or notes were originally issued.

**Section 9. Private employment in conflict with official duties.**

No municipal officer or employee, during his or her tenure as a municipal officer or employee, may engage in any private employment, including the rendition of any business, commercial, professional or other types of services, when the employment:

- (a) can be reasonably expected to require more than sporadic recusal and abstention pursuant to section 6 of this code;
- (b) can be reasonably expected to require disclosure or use of confidential information gained by reason of serving as a municipal officer or employee;
- (c) violates section 805-a(1)(c) or (d) of the General Municipal Law; or
- (d) requires representation of a person or organization other than the municipality in connection with litigation, negotiations or any other matter to which the municipality is a party.

**Section 10. Future employment.**

(a) No municipal officer or employee may ask for, pursue or accept a private post-government employment opportunity with any person or organization that has a matter requiring the exercise of discretion pending before the municipal officer or employee, either individually or as a member of a board, while the matter is pending or within the 30 days following final disposition of the matter.

(b) No municipal officer or employee, for the two-year period after serving as a municipal officer or employee, may represent or render services to a private person or organization in connection with any matter involving the exercise of discretion before the municipal office, board, department or comparable organizational unit for which he or she serves.

(c) No municipal officer or employee, at any time after serving as a municipal officer or employee, may represent or render services to a private person or organization in connection with any particular transaction in which he or she personally and substantially participated while serving as a municipal officer or employee.

**Section 11. Personal representations and claims permitted.**

This code shall not be construed as prohibiting a municipal officer or employee from:

- (a) representing himself or herself, or his or her spouse or minor children before the municipality; or
- (b) asserting a claim against the municipality on his or her own behalf, or on behalf of his or her spouse or minor children.

**Section 12. Use of municipal resources.**

(a) Municipal resources shall be used for lawful municipal purposes. Municipal resources include, but are not limited to, municipal personnel and the municipality's money, vehicles, equipment, materials, supplies or other property.

(b) No municipal officer or employee may use or permit the use of municipal resources for personal or private purposes, but this provision shall not be construed as prohibiting:

(1) any use of municipal resources authorized by law or municipal policy;

(2) the use of municipal resources for personal or private purposes when provided to a municipal officer or employee as part of his or her compensation; or

(3) the occasional and incidental use during the business day of municipal telephones and computers for necessary personal matters such as family care and changes in work schedule.

(c) No municipal officer or employee shall cause the municipality to spend more than is reasonably necessary for transportation, meals or lodging in connection with official travel.

### **Section 13. Interests in Contracts.**

(a) No municipal officer or employee may have an interest in a contract that is prohibited by section 801 of the General Municipal Law.

(b) Every municipal officer and employee shall disclose interests in contracts with the municipality at the time and in the manner required by section 803 of the General Municipal Law.

### **Section 14. Nepotism.**

Except as otherwise required by law:

(a) No municipal officer or employee, either individually or as a member of a board, may participate in any decision specifically to appoint, hire, promote, discipline or discharge a relative for any position at, for or within the municipality or a municipal board.

(b) No municipal officer or employee may supervise a relative in the performance of the relative's official powers or duties.

### **Section 15. Political Solicitations.**

(a) No municipal officer or employee shall directly or indirectly compel or induce a subordinate municipal officer or employee to make, or promise to make, any political contribution, whether by gift of money, service or other thing of value.

(b) No municipal officer or employee may act or decline to act in relation to appointing, hiring or promoting, discharging, disciplining, or in any manner changing the official rank, status or compensation of any municipal officer or employee, or an applicant for a position as a municipal officer or employee, on the basis of the giving or withholding or neglecting to make any contribution of money or service or any other valuable thing for any political purpose.

### **Section 16. Confidential Information.**

No municipal officer or employee who acquires confidential information in the course of exercising or performing his or her official powers or duties may disclose or use such information unless the disclosure or use is required by law or in the course of exercising or performing his or her official powers and duties.

### **Section 17. Gifts.**

- (a) No municipal officer or employee shall solicit, accept or receive a gift in violation of section 805-a(1)(a) of the General Municipal Law as interpreted in this section.
- (b) No municipal officer or employee may directly or indirectly solicit any gift.
- (c) No municipal officer or employee may accept or receive any gift, or multiple gifts from the same donor, having an annual aggregate value of seventy-five dollars or more when:
- (1) the gift reasonably appears to be intended to influence the officer or employee in the exercise or performance of his or her official powers or duties;
  - (2) the gift could reasonably be expected to influence the officer or employee in the exercise or performance of his or her official powers or duties; or
  - (3) the gift is intended as a reward for any official action on the part of the officer or employee.
- (d) For purposes of this section, a "gift" includes anything of value, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form. The value of a gift is the gift's fair market value, determined by the retail cost of the item or a comparable item. The fair market value of a ticket entitling the holder to food, refreshments, entertainment, or any other benefit is the face value of the ticket, or the actual cost to the donor, whichever is greater. Determination of whether multiple gifts from a single donor exceed seventy-five dollars must be made by adding together the value of all gifts received from the donor by an officer or employee during the twelve-month period preceding the receipt of the most recent gift.
- (e) (1) A gift to a municipal officer or employee is presumed to be intended to influence the exercise or performance of his or her official powers or duties when the gift is from a private person or organization that seeks municipal action involving the exercise of discretion by or with the participation of the officer or employee.
- (2) A gift to a municipal officer or employee is presumed to be intended as a reward for official action when the gift is from a private person or organization that has obtained municipal action involving the exercise of discretion by or with the participation of the officer or employee during the preceding twelve months.
- (f) This section does not prohibit any other gift, including:
- (1) gifts made to the municipality;
  - (2) gifts from a person with a family or personal relationship with the officer or employee when the circumstances make it clear that the personal relationship, rather than the recipient's status as a municipal officer or employee, is the primary motivating factor for the gift;
  - (3) gifts given on special occasions, such as marriage, illness, or retirement, which are modest, reasonable and customary;
  - (4) unsolicited advertising or promotional material of little intrinsic value, such as pens, pencils, note pads, and calendars;
  - (5) awards and plaques having a value of seventy-five dollars or less which are publicly presented in recognition of service as a municipal officer or employee, or other service to the community; or
  - (6) meals and refreshments provided when a municipal officer or employee is a speaker or participant at a job-related professional or educational conference or program and the meals and refreshments are made available to all participants.

**Section 18. Board of Ethics.**

(a) There is hereby established a board of ethics for the municipality. The board of ethics shall consist of three members, a majority of whom shall not be officers or employees of the municipality, but at least one of whom must be a municipal officer or employee. The members of such board of ethics shall be appointed by the board of trustees of the South Huntington Public Library, serve at the pleasure of the appointing authority, and receive no salary or compensation for their services as members of the board of ethics.

(b) The board of ethics shall render advisory opinions to the officers and employees of the South Huntington Public Library with respect to article 18 of the General Municipal Law and this code. Such advisory opinions must be rendered pursuant to the written request of any such officer or employee under such rules and regulations as the board of ethics may prescribe. The board of ethics shall have the advice of legal counsel employed by the board, or if none, the municipality's legal counsel. In addition, the board of ethics may make recommendations with respect to the drafting and adoption of a code of ethics, or amendments thereto, upon the request of the board of trustees of the South Huntington Public Library.

**Section 19. Posting and distribution.**

(a) The director of the South Huntington Public Library must promptly cause a copy of this code, and a copy of any amendment to this code, to be posted publicly and conspicuously in each building under the municipality's control. The code must be posted within ten days following the date on which the code takes effect. An amendment to the code must be posted within ten days following the date on which the amendment takes effect.

(b) The director of the South Huntington Public Library must promptly cause a copy of this code, including any amendments to the code, to be distributed to every person who is or becomes an officer or employee of the South Huntington Public Library.

(c) Every municipal officer and employee who receives a copy of this code or an amendment to the code must acknowledge such receipt in writing. Such acknowledgments must be filed with the board secretary of the South Huntington Public Library who must maintain such acknowledgments as a public record.

(d) The failure to post this code or an amendment to the code does not affect either the applicability or enforceability of the code or the amendment. The failure of a municipal officer or employee to receive a copy of this code of ethics or an amendment to the code, or to acknowledge receipt thereof in writing, does not affect either the applicability or enforceability of the code or amendment to the code.

**Section 20. Enforcement.**

If any board member or the library director appears to conflict with the above, he or she will be asked to meet with an executive committee of the board to discuss the issue. This committee will make a recommendation to the full board based on their findings. Employees who are or appear to conflict with the above will be asked to meet with the library director who will decide as to discipline or termination based on his or her findings.

**Section 21. Effective date.**



This code takes effect on January 20, 2015.

## 17. WHISTLEBLOWER POLICY

The South Huntington Public Library is committed to operating in furtherance of its tax-exempt purposes and in compliance with all applicable laws, rules and regulations, including those concerning accounting and auditing, and prohibits fraudulent practices by any of its board members, officers, employees, or volunteers. This policy outlines a procedure for employees to report actions that an employee reasonably believes violate a law or regulation or that constitutes fraudulent accounting or other practices. This policy applies to any matter which is related to the South Huntington Public Library's business and does not relate to private acts of an individual not connected to the business of the South Huntington Public Library.

If an employee has a reasonable belief that an employee of the South Huntington Public Library has engaged in any action that violates any applicable law, or regulation, including those concerning accounting and auditing, or constitutes a fraudulent practice, the employee is expected to immediately report such information to the library director. If the employee does not feel comfortable reporting the information to the director, he or she is expected to report the information to their supervisor.

All reports will be followed up promptly, and an investigation conducted. In conducting its investigations, the South Huntington Public Library will strive to keep the identity of the reporting individual as confidential as possible, while conducting an adequate review and investigation.

The South Huntington Public Library will not retaliate against an employee in the terms and conditions of employment because that employee: (a) reports to a supervisor, to the library director, the board of trustees or to a federal, state or local agency what the employee believes in good faith to be a violation of the law; or (b) participates in good faith in any resulting investigation or proceeding, or (c) exercises his or her rights under any state or federal law(s) or regulation(s) to pursue a claim or take legal action to protect the employee's rights.

The South Huntington Public Library may take disciplinary action (up to and including termination) against an employee who in management's assessment has engaged in retaliatory conduct in violation of this policy.

In addition, the South Huntington Public Library will not, with the intent to retaliate, take any action harmful to any employee who has provided to law enforcement personnel or a court truthful information relating to the commission or possible commission by the South Huntington Public Library or any of its employees of a violation of any applicable law or regulation.

## 18. RECORDS RETENTION AND DISPOSITION

The board of trustees of the South Huntington Public Library has adopted the New York State Retention and Disposition Schedule for New York Local Government Records (LGS-1), which supersedes and replaces the existing schedule MI-1.

Further Resolved, that in accordance with Article 57-A:

- a. Only those records will be disposed of that are described in the *Retention and Disposition Schedule for New York Local Government Records* after they have met the minimum retention periods described therein;
- b. Only those records will be disposed of that do not have sufficient administrative, fiscal, legal or historical value to merit retention beyond established legal minimum periods.