

DETROIT LIBRARY COMMISSION PROCEEDINGS

ANNUAL MEETING

JANUARY 17, 2012

President Thomas called the Regular Meeting of the Detroit Library Commission to order at 1:50 p.m.

Present: President Thomas, Commissioners Bellant, Hicks, Kinloch, Quarterman, and Ex-Officio LaMar Lemmons,

Administrative Staff: Mondowney, Cromer, Machie, Moore and Norfolk

Excused: Commissioner Jackson
Commissioner Hicks left meeting early

Present Also: Toni Adams, Jamil Allah, Jose Alvarenza, Rene Bascombe, Janet Batchelder, Benita Beckles, Cheryl Blessett, Orelia Brown, Margaret Bruni, Robert Bryant, J. Randolph Call, Xavier Carr, Lakyra Carter, Sydne Clark, Nicole Conaway, Linda Cooper, Robbie Flowers, Atiim Funchess, Valerie Glenn, Amori Hart, Craig Hennigan, Sandra Hines, Mark Hoffman, Sandra Hines, Tabrian Joe, J. Jordur, Jaszane Jones, Joshua Klarr, Ashlie Knighten, Mary Lacy, Ray Lambert, Cynthia Lane, Kellie Lewis, Krystal Lewis, Leroy Lewis, Maricruz Lopez, Mike McElgunn, Helen Moore, Carolyn Mosley, Liana Mulholland, Rosemary Patterson, Don Peace, Cledos Powell, David Rambeau, DJuan Ramsey, Wanda Akilah Redmond, Joyce Schon, Minister Malik Shabazz, Dayneisha Sherley, Tiffani Simon, Alma Simmons, Monica Smith, Kate Stenvig, Tristan Taylor, Charles Thompson, Tim Tompkins, Shandria Vaughn, Tyler Wood, Tracy Wyatt, and others

The minutes of the Regular Meeting of December 20, 2011 and the Special Commission Meeting of January 12, 2012 were approved with any necessary corrections to be made.

President Thomas welcomed LaMar Lemmons, the new Ex-Officio Commissioner.

Commissioner Kinloch added one item to the agenda which was to re-open Monteith Branch. Commissioner Hicks noted that he may need to leave the meeting before it ended.

PUBLIC COMMENTS—BRANCH CLOSURES

Twenty-eight members of the public stepped up to the podium to criticize the Commission for its decision to close four branches and tried to persuade Commission to change its decision. Members of the group By Any Means Necessary (BAMN) emphasized its power and some threatened harm to the branches if Commission did not vote to re-open the closed branches. BAMN presented the Commission with signed petitions demanding that the branches re-open: "Re-Open or Resign! Reverse the Decision to Close the Libraries." BAMN members were advocating the State's \$1 billion surplus be used to re-open the DPL branches.

Supporters of the Monteith Branch expressed their concerns as the closing will negatively impact the community with seniors and kids losing drastically. Their message was emphatic and clear that the community desperately needed the Monteith Branch to re-open.

OUT-GOING PRESIDENT'S COMMENTS

After attentively listening to each and every comment made by the members of the public, President Thomas then asked that he also be given the same respect by listening to what he had to say. He said many ongoing discussions with Commission and various groups were held that explained exactly why the branches cannot stay open. President Thomas said it takes people to keep the branches open and 80 people have been laid off. DPL does not have the staff to keep these branches open.

The one billion dollar State surplus falls under the State's jurisdiction, not the Library. President Thomas said the State has owed the City of Detroit money for years and years; DPL will try to get its fair share. He said he had grown up in Detroit, lives in Detroit, worked in Detroit, and has always tried to help its citizens. The Commission does work to serve the people of Detroit. When the Highland Park Library closed, Commission helped grandfather Highland Park residents in with DPL so that the residents would continue to have library service. Other branches have closed in the past. Commission will continue to research and develop appropriate plans for the good of the Library.

President Thomas then passed the gavel to Commissioner Kinloch, the new Commission President for 2012.

Mrs. Mondowney thanked President Thomas for his service as President in 2011 and presented him with a gift on behalf of the staff and the Commission.

INCOMING PRESIDENTS COMMENTS

President Kinloch acknowledged and thanked President Judge Edward M. Thomas for his leadership during a very difficult year in the Library's history. He said he would be leaning on his wisdom as we move forward in 2012.

"The Detroit Public Library has been a jewel in the City of Detroit for almost 150 years. We have seen some good times and we have also seen some bad times. I assume leadership as president of this esteemed Detroit Library Commission, during what we can all agree are some very challenging times. The actions we take as a body, and the decisions we make moving forward, will undoubtedly determine health, the strength and vitality of this library system in the years to come.

Detroit loves its libraries. We know that from the number of people here today, from the level of protests over closed libraries and from the community's support for this library system over its history. It is our job as the Detroit Library Commission, to ensure that Detroit's libraries stay open for our citizens to enjoy.

Our City, the nation and libraries across the country are going through some overwhelming financial challenges. For our library system, declining property values as well as reductions in the City's population have combined to create a major revenue shortfall. We know this to be our reality. The question is what are we doing about it? And how do we navigate from here without completely eroding this library system that many of us have worked hard to build and maintain.

I have spent time to examine other library systems to see how they are addressing their own financial challenges. Most libraries fall into three possible scenarios:

- Do nothing—simply close enough libraries to accommodate the size of your budget. This is where we find ourselves and to me it is unacceptable. We know that more people use libraries during economic hardships. It has been necessary to close a few libraries as a stopgap measure but this cannot be our strategy moving forward. As I said before, Detroiters need their libraries and it is our job to ensure that Detroit's libraries remain open.
- Another strategy has been to float a supplemental millage to make up for the money lost. Some communities have experience success with this strategy. In our case, to simply do this, with the assumption that Detroit

taxpayers have the resources and willingness to maintain the status quo is a denial of reality.

- A third option, my preferred approach moving forward, is a hybrid of one and two, plus a compelling fundraising strategy. I would like to outline this in four action steps:
 1. We must demonstrate stewardship by changing the way we operate and deliver services. I am calling on the unions and management to present a plan by the next Commission meeting to show how we can use volunteers to support our services and relieve the burden on staff.
 2. We must determine whether Detroit residents are willing to support a reasonable millage increase proposal that will ensure reduced but high quality library services that we can sustain.
 3. We must aggressively pursue alternative funding streams. I am appalled at the lack of serious fundraising efforts in this library system and I have decided to make this a priority under my presidency. Anyone who has expertise in this area is invited to join my efforts. I will be convening a fundraising taskforce, as well as a press conference in the coming weeks to initiate a fundraising campaign.
 4. Finally, we must engage with all our stakeholders to become a part of the solution. Every person that has attended a Commission meeting to express concern, every person that has participated in a protest, everyone that has written a letter is a stakeholder. We value your passion for the Detroit Public Library and we would like to tap into that.

It is my goal as your new Commission President to ensure that we all work together and not against each other. The Detroit Public Library needs all our support. It is my hope that this year, 2012, will be a year for turning things around at this great institution.”

President Kinloch thanked everyone and said he looked forward to working with each and every one.

SLATE OF OFFICERS FOR 2012

Jonathan C. Kinloch, President
Russell Bellant, Vice President
Judge Edward M. Thomas, Secretary

COMMITTEE ASSIGNMENTS

DETROIT LIBRARY COMMISSION COMMITTEES FOR 2012

ADMINISTRATION..... Jonathan C. Kinloch, Chair
Franklin Jackson
Carole Quarterman

AUDIT..... Carole Quarterman, Chair
Rollin Henderson
Franklin G. Jackson
LaMar Lemmons
Judge Edward M. Thomas

BOOKS & LITERACY.....Gregory Hicks, Chair
Russ Bellant
Carole Quarterman

BUILDINGS.....Franklin G. Jackson, Chair
Russ Bellant
Judge Edward M. Thomas

FINANCE.....Judge Edward M. Thomas, Chair
LaMar Lemmons
Carole Quarterman

LIBRARY MILLAGE

SPECIAL COMMITTEE.....Russ Bellant, Chair
Gregory Hicks
Franklin G. Jackson

Term expires 5/31/2012

**LIAISON TO THE
DPL FRIENDS FOUNDATION..... Judge Edward M. Thomas**

REPORT OF THE EXECUTIVE DIRECTOR

Mrs. Mondowney reported:

HOUSE BILL 4932

Mrs. Mondowney thanked State Representative Jimmy Womack for his unwavering support of HB 4932. On December 20, 2011, Governor Rick Snyder approved HB 4932, the bill to amend 1977 PA 89 entitled "State aid to public libraries act", by amending section 6 (MCL 397.556), as amended by 2005 PA 30. The amended bill modifies the population requirement to 600,000 for designation as cooperative board of an existing library system. Nancy Robertson,

State Librarian of Michigan, is aware of the new law and Mrs. Mondowney has sent her a letter requesting that the Detroit Library Cooperative retain its status as a Library Cooperative.

CONGRESSMAN JOHN CONYERS

On Friday January 13, 2012, Mrs. Mondowney met with Congressman John Conyers. He expressed his concern over library closures and he recognized the role the Detroit Public Library played in the daily lives of its citizens. Mrs. Mondowney conveyed the critical need for federal funding to help support operations and capital improvements. He recommended that DPL follow-up with his staff.

LIBRARY FOR THE FUTURE TASK FORCE

At no time in history has the Library played a more relevant role to the thousands of people who depend daily on its programs and services. The communities passionate response to difficult decisions to close four library branches, clearly confirms DPL's importance throughout the city. DPL serves as a safe haven for young people and levels the playing field for those who cannot afford Internet at home and must search for jobs and submit resumes and applications on line. DPL encourages lifelong learning and supports those who desire to learn to read. On January 10, 2012, the Detroit City Council unanimously supported a resolution submitted by several members of the community to reopen the closed library branches. The resolution appeals to Governor Rick Snyder and members of the State Legislature to allocate funds to reopen the four branch libraries.

Threats of additional funding losses at both the local and state levels mean that DPL must pursue creative ways to continue to provide meaningful library services to citizens. This enormous task will require the best thinking, hard work and a collaborative spirit by staff, Commission and the community. Mrs. Mondowney submitted a draft proposal to the Commission to convene a "Library for the Future Task Force".

COMMITTEE ON ADMINISTRATION

Vice President Bellant assumed the Chair for President Kinloch to make a motion

Commission Action

President Kinloch moved to re-open the Monteith Branch. Commissioner Lemmons supported the motion.

Discussion Followed

Commissioner Quarterman inquired on the timeframe for re-opening as she did not want to mislead the public in to thinking that Monteith Branch would immediately open. She said Commission should have a realistic timeframe on a plan to re-open; DPL simply cannot get the billion-dollar surplus from the State the next day. Commissioner Quarterman was also

concerned about the asbestos in the building and whether or not it had to be removed. President Kinloch said he was not aware of the asbestos but said it should not be a problem if it has not been disturbed; the reason for closing Monteith was not due to asbestos.

President Kinloch requested staff to bring a report to the Committee on Administration. He said staff and the Union members need to work together and change.

Commissioner Bellant said he was not aware of this action to re-open Monteith Branch; however, he is pursuing a four-branch opening strategy. Commissioner Quarterman said she wanted to make sure everyone was on the same page. She said first a plan to re-open should be presented and reviewed; her vote was never intended to close the branches permanently.

President Kinloch said that the Monteith community has demonstrated a desire to have partnerships; he suggested the Executive Director bring forth plans for such a task force at the next Committee on Administration meeting.

Commission Action Restated and Modified

President Kinloch moved to re-open the Monteith Branch in 20 days and to negotiate with staff. A response would be expected by the next Committee on Administration meeting.

Discussion Continued

Commissioner Thomas said when he voted to close branches, he had two concerns: 1. Lack of funds, and 2. The stress placed on staff after the lay-offs. Re-opening requires adequate staff. Without a plan or a change in the financial situation, he does not want to send the message to staff that says "so what". He indicated the decision to re-open was not previously discussed in a committee meeting.

President Kinloch said how much stress would it take to re-open the Monteith Branch; the motion is still on the table.

Commissioner Lemmons inquired about plans for the closed building and the security cost. Commissioner Bellant said since he had served as the past chair of the Committee on Buildings, the cost for securing the buildings would include a one-time board up cost and a monthly security fee for surveillance. DPL staff would also be monitoring the closed branches.

President Kinloch believes Monteith's situation is unique; Commission has an obligation not to shut down City services in one area. Commissioner Bellant said it takes 7-10 staff members per branch; the motion does not indicate where to get staff but he hoped the motion was not meant to replace staff with volunteers.

Commission Action Concluded

A roll call vote was taken on the motion to re-open Monteith Branch in 20 days: President Kinloch voted yes; Commissioner Quarterman voted yes, based on it being a realistic plan; Commissioner Thomas abstained; Commissioner Lemmons voted yes; and Commissioner Bellant abstained. The motion carried. (Neither Commissioner Hicks nor Commissioner Jackson were present.) Mrs. Mondowney said the 20 days would be approximately 20 working days.

After the Commission disposed of the action, President Kinloch assumed chairing the meeting.

Amend Detroit Library Commission Rules and Regulations

President Kinloch reported the purpose was to amend the "policy" that grants the Executive Director the authority to hire and/or promote people into an Assistant Director's position, including compensation without the approval of the Commission.

In accordance with The Detroit Public Library Rules and Regulations, Revised January 2010; Section F, #5(b): "Amendments to the Rules. The rules of the Commission may be amended at any regular meeting by a two-thirds vote of the members present, but no amendment may be passed without the affirmative vote of four members. No proposed amendments to these rules shall be acted on at the same meeting at which such amendments are submitted".

Present Reading: The Detroit Public Library Rules and Regulations, Revised January 2010; Section II / Subsection #4 The Staff reads thusly:

"Service Units: Each service unit shall be the charge of a competent head responsible to the Director and the Deputy Director through the Associate and the Assistant Director to whom the unit is assigned. Service units are defined to be departments, bureaus, or other such units, which shall be established by the Commission as reflected in the organization chart. The heads of the units shall be vested with the authority inherent in the responsible supervision of service and property and public interest under their jurisdiction. Appropriate staff shall be assigned to each service unit as determined by the Executive Director. Their salaries, fringes benefits, working conditions shall be determined through the collective bargaining process as embodied in collective bargaining agreements."

Purposed Reading: *(Area underlined denotes where change is to be made)*

"Service Units: Each service unit shall be the charge of a competent head responsible to the Director and the Deputy Director through the Associate and

*the Assistant Director to whom the unit is assigned. Service units are defined to be departments, bureaus, or other such units, which shall be established by the Commission as reflected in the organization chart. The heads of the units shall be vested with the authority inherent in the responsible supervision of service and property and public interest under their jurisdiction. **Appropriate staff, including new hires, promotions or reassignments, shall be assigned to each service unit as approved by the Commission based upon the recommendation of the Executive Director.** Their salaries, fringes benefits, working conditions shall be determined through the collective bargaining process as embodied in collective bargaining agreements, **and/or as established by DPL compensation matrix for non-union employees.***

Reason for Amendment:

President Kinloch reported that additional oversight is needed to better manage a very critical staffing level of the organization. The operational responsibilities and duties of the Assistant Directors have a direct impact on program and service delivery, budget and customer care. As such, it is vitally important that Commission have an opportunity to review the credentials, references, and experiences of those being placed in this very important mid-level administrative position.

Vice President Bellant assumed the Chair for President Kinloch to make a motion.

Commission Action

President Kinloch moved to approve amending the Detroit Library Commission Rules and Regulations to provide the Commission with greater staffing control regarding new hires and internal movement at this level, in addition to give timely information about planned or unplanned financial expenditures. Commissioner Lemmons supported the motion.

Discussion

Commissioner Thomas said this was all prospective. Commissioner Quarterman said the language is clear in the current Rules and Regulations that assistant directors report to the Executive Director. President Kinloch said it would be better for Commission to have stronger oversight because of a recent decision. Commissioner Bellant disagreed; the Executive Director and staff did nothing incorrect.

Commissioner Bellant said the matter was not a financial issue but a routine Human Resources issue. The Commission does not oversee all the Human Resources decisions; he has not seen such oversight in other institutions.

Commission Action Continued

President Kinloch and Commissioner Lemmons voted in favor of the motion; Commissioners Bellant, Quarterman, and Thomas opposed the motion. The motion failed.

President Kinloch stated although the motion failed, he asked for it to be brought back to the next Commission meeting.

After the Commission disposed of the action, President Kinloch assumed chairing the meeting.

AUDIT COMMITTEE

The following policies have been reviewed, edited and approved for Detroit Library Commission's Approval: Escheat Policy, Segregation of Duties Policy and an Amendment to the Purchasing Policy: Capital Project Contracts

Commissioner Quarterman reported on the following policies:

The *Escheat Policy* provides DPL guidelines on the escheatment process for checks in compliance with the State of Michigan Department of Treasury's Public Act 29 of 1995 requirement for unclaimed property.

The *Segregation of Duties Policy* was developed to provide internal controls or to decrease the risk of errors or irregularities; identify problems; and ensure that corrective action is taken.

Amendment to the Purchasing Policy states that professional services contracts, leases, and all contracts be kept in the central files of the Purchasing Office.

Commissioner Quarterman moved to approve the Escheat Policy, the Segregation of Duties Policy, and the amendment to the Purchasing Policy regarding Capital Project Contracts. Commissioner Thomas supported the motion, the motion carried.

POLICIES

Financial & Business Operations

Accounting Policy and Procedure Manual (APPM)

Escheats/Unclaimed Property Policy

December 8, 2011

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FORMS

- Due Diligence for Outstanding Checks
- 2011, Michigan Holder Transmittal for Annual Report of Unclaimed Property

Financial & Business Operations

Accounting Policy and Procedure Manual (APPM) Escheats/Unclaimed Property Policy

I. Purpose/Scope

The purpose of this policy is to provide Detroit Public Library (DPL) guidelines on the escheatment process for checks in accordance with State of Michigan Department of Treasury's instructions on filing for unclaimed property.

II. Background

The "Disposition of Unclaimed Property Act", Public Act 29 of 1995, as amended, protects the rights of owners of abandoned property and relieves those holding the property of the continuing responsibility to account for such property. Under the Act, when an agency holds property that belongs to someone else ("payee") but has lost contact with that owner for a specified period of time ("dormancy period"), that holder must turn over ("remit") the property to the Michigan Department of Treasury. The remittance must be accompanied by a report describing the property and contain certain information that will help the state advertise the property and take other steps to return the property to the rightful owner. The Michigan Department of Treasury serves as custodian for any property remitted under the Act, allowing the owners or their heirs an opportunity to claim their property in the future. Complete filing requirements can be located at <http://www.michigan.gov/treasury> under unclaimed property.

III. Definitions

Escheat - Succession of abandoned property to the State that results from the failure of a person legally entitled to that property to make a valid claim against property within a prescribed period of time. The most common form of escheated property for the state is un-cashed checks.

Unclaimed Property - Unclaimed property consists of bank accounts, wages, utility deposits, insurance policy proceeds, stocks, bonds, and contents of safe deposit boxes that have been abandoned – property for which there has been no documented transaction(s) or contact with the owner(s) for a statutory period of time. In most cases, this period of time varies from 1 to 3 years depending upon the property type.

IV. Notice to Owners-Due diligence

Michigan law requires holders to send written notice to owners at their last known address informing them that they hold property subject to being turned over to the state. The notice must be sent not less than 60 days or more than 365 days before filing the report. This requirement applies if all of the following conditions exist:

- The address for the owner does not appear to be inaccurate
- The property has a value of \$50 or more
- The statute of limitation does not bar the claim of the owner

V. State of Michigan recommended timeline for Unclaimed Property Review

March 31	Identify properties that could be reportable as unclaimed property as of March 31.
April 15	Prepare and mail due diligence letters to those customers listed as inactive.
May 15	Determine property owners with whom contact has not occurred (i.e., returned mail, no response, etc.)
June 1	Begin preparing the annual unclaimed property report for submission to the State of Michigan
On or before July 1	Submit report and remittance to the Michigan Unclaimed Property Department (UPD)

VI. Policy

1. DPL shall comply with the state statutes, “Michigan Uniform Unclaimed Property Act”, and the filing requirements established by the Michigan Department of Treasury.

2. DPL will escheat outstanding **public funds** and **restricted funds** Accounts Payable checks over 3 years from the actual check issue date.
3. Generate a schedule to track stale dated checks until they are remitted to the Michigan Department of Treasury as unclaimed property.
4. "Mark" outstanding payable checks as "escheated", after 180 days.
5. Exercise due diligence to contact a payee's last known address, between April 1st and May 1st, prior to remitting the funds to Michigan Department of Treasury.
6. DPL must annually remit escheated Accounts Payable checks to the Michigan Department of Treasury on or before July 1st.
7. DPL shall not "VOID" checks in order to avoid the required escheatment process.

VII. Escheatment Procedures

A. Monthly Accounts Payable Escheatment Process

1. Perform bank reconciliations for all checking accounts, which list all outstanding checks at the end of every month.
2. Review monthly bank reconciliations and clear outstanding checks.
3. After 180 days on the bank reconciliations create a stale date checks report and move the funds to a liability account by "marking" the checks as escheated. Once checks have been marked as escheated, those payments will be identified as voided payments. Payees will be unable to claim funds from the check.
4. Create the following entries:
 Debit Cash account (101100)
 Credit Accounts Payable GL (246120) account Funds
 Held for Others-Checks Uncashed/Unclaimed for
 escheated checks.
5. The liability for escheated checks will remain in account (246120) until the cash is transferred to the Michigan Department of Treasury as unclaimed property or when an escheated check is reissued.
6. If a vendor notifies DPL regarding an outstanding check anytime between 180 days and the 3-year timeframe, DPL can reissue the check prior to remittance to the Michigan Department of Treasury. DPL must reissue checks using the same invoice number and adding an "R" at the end. (i.e. original invoice #12345, new invoice #12345R)

7. Reissued checks will be charged to the Account (246120) Debit-Funds Held for Others-Checks Uncashed/Unclaimed. This entry will liquidate the liability for the escheated check.

B. Annual Accounts Payable Escheatment Process

1. Run the Annual Escheatment Report On March 1st. The Escheatment Report lists all escheated checks by age and any reissued checks based on the GL (246120) account.
2. Remove payments that should not be submitted to the Michigan Department of Treasury. Generate the Annual Escheatment Report listing the payments, which need to be remitted to the Michigan Department of Treasury.
3. Review the Annual Escheatment Report for checks over 3 years old. For all checks over 3 years and over \$50, make a final attempt to notify the payee by sending a first class **Owner Notification Letter** to the payee's last known address between April 1st and May 1st. This is the last required attempt to contact payees before funds are remitted to the Michigan Department of Treasury. (Attempts must be documented) [see exhibit I]
4. Before July 1st, complete the **Holders Report Form and Owners Report** and submit the payment to the Michigan Department of Treasury. [see exhibit 2]
5. Create an Accounts Payable check request to remit funds to the Michigan Department of Treasury. The account, which is charged, is the **GL (246120) account**. This will liquidate the agency's liability and transfer the cash to the Michigan Department of Treasury.
6. Once funds are submitted to the Michigan Department of Treasury, DPL Account Payable manager will refer vendors directly to the Michigan Department of Treasury to claim their money.

Mailing the Remittance Report

Mail report and a check payable to the "State of Michigan" for the total amount of cash reported to the following address:

Michigan Department of Treasury
Unclaimed Property Division
P.O. Box 30756
Lansing, MI 48909

Public Services/Branch Services **Segregation of Duties Policy**

I. Policy Statement

State and federal policies require that accounting transactions be authorized according to sound management practices. One of the most basic, yet most important principles of sound management is that of segregation of duties.

Segregation of duties is critical because it ensures separation of different functions and defines authority and responsibility over transactions. Segregation of duties is critical to effective internal control; it reduces the risk of both erroneous and inappropriate actions.

The fundamental premise of segregated duties is that an individual should not be in a position to initiate, approve, and review the same action. Also, the accounting/reconciling function, and the asset (e.g., money, inventory) custody function should be separated among employees. These are called incompatible duties when performed by the same individual.

II. Scope/Purpose

To provide internal controls intended to prevent, or decrease the risk of, errors or irregularities; identify problems; and ensure that corrective action is taken. This is done by assuring that no single individual should have control over all phases of a cash transaction.

Cash is an important asset that must be safeguarded and controlled. Cash is received from a variety of sources including, fees, fines, activities, sponsored programs, gifts and copiers. The definition of cash receipts for this policy includes cash, checks, lock box receipts, credit and debit cards and electronic receipts.

The advantage derived from proper segregation of duties is twofold:

- Fraud is more difficult to commit because it would require collusion of two or more persons, and most people hesitate to seek the help of others to conduct wrongful acts, and;
- By handling different aspects of the transaction, innocent errors are more likely to be found and flagged for correction.

III. Definition of Terms

Segregation of Duties.

When the work of one employee is checked by another, and when the responsibility for custody for assets is separate from the responsibility for maintaining records relating to those assets, there is appropriate segregation of duties.

Personnel

Personnel need to be competent and trustworthy, with clearly established lines of authority and responsibility documented in written job descriptions and procedures manuals. Personnel need to be provided adequate training and ongoing development.

Cash

"Cash" is defined as coin, currency, checks, money orders, and credit card transactions.

IV. Process

Each branch is responsible for designating different personnel to perform the following Cash Handling functions; collecting and counting of cash, recording cash, reviewing and reconciling cash reports, approving transactions, taking cash to the bank. If the Branch lacks sufficient personnel to segregate the responsibilities outlined in this policy, send a memo detailing your proposal of alternative controls to the Finance and Business Operations Department. Proposals for alternative controls will be approved by the Director of Finance and Business Operations on a case by case basis.

All cash proceeds must be regularly deposited into an authorized bank account. Branches must ensure cash proceeds are correctly recorded consistent with the procedures provided by the Finance and Business Operations Office. See Attachment (A) for detail cash control instructions on process and role.

V. Roles and Responsibilities

Each branch shall designate different individuals to perform cash handling functions. If possible backups should be assigned for each. Individuals should not verify transactions they authorized.

Personnel	Duties
Sr. Clerk/Clerk	<ul style="list-style-type: none"> ○ Collect cash from cash register and copier ○ Count and Record
Assistant Manager	<ul style="list-style-type: none"> ○ Review and Reconcile ○ Prepare Bank Deposit Slip
Manager/or Designee	<ul style="list-style-type: none"> ○ Authorize all transactions ○ Approve all transactions ○ Deposit money into the bank

VI. Related Policies

The Segregation of Duties Policy links to the Fraud Prevention, Code of Ethics, and Purchasing Policies.

CASH CONTROLS GUIDE

Process	Potential Risks	Control Objectives	Control Activities
<p>Communication Training and Segregation of Duties</p>	<p>Appropriate personnel do not have access to and knowledge of applicable policies and procedures</p> <p>Appropriate personnel are not aware of external compliance requirements</p>	<p>Ensure personnel with cash handling responsibilities have knowledge of applicable policies and procedures, and receive appropriate training.</p> <p>Ensure segregation of duties among department personnel – between those that are receiving monies and those that reconcile cash or revenue accounts.</p> <p>Ensure segregation of duties between departments accepting monies and Business Affairs doing the bank deposit.</p>	<p>Review position responsibilities and training needs/opportunities during annual evaluation process.</p> <p>Conduct periodic cash handling training.</p>
<p>Receiving Cash</p>	<p>Monies left unattended, unauthorized individuals allowed in areas where cash handled, cash handled/counted within sight of public Improper commingling of cash receipts and petty cash</p> <p>Incoming monies</p>	<p>Ensure appropriate stewardship of public funds</p> <p>Protect employee from risk by following policies and procedures</p> <p>Provide for the safekeeping and timely and accurate deposit of funds</p>	<p>Doors are locked at all times where cash is handled.</p> <p>If an employee leaves a workstation for any reason, monies will be secured in a locked place</p> <p>Monies received will be receipted immediately on sequentially numbered cash receipts or through a</p>

	not acknowledged with a receipt, or not immediately recorded.		cash register Currency will be counted in the presence of the person presenting the monies for payment.
Deposits of currency, checks, foreign currency or checks, credit card batches, monies as gifts/donations	<p>Checks not restrictively endorsed "FOR DEPOSIT ONLY" immediately upon receipt</p> <p>Checks/money orders not reviewed for completeness</p> <p>Foreign currency or checks accepted</p> <p>Credit card transactions are not settled daily in order to receive payment.</p>	<p>Ensure checks endorsed appropriately and timely</p> <p>Ensure accuracy of checks and money orders</p> <p>Ensure daily settlement of credit card transactions</p>	<p>Departments deposit cash within one business day after collection or receipt of monies</p> <p>Monies held overnight are secured in some form of locking device, such as a safe or locking file cabinet</p> <p>All checks are properly endorsed upon receipt</p>

FORMS

SOURCE:

State of Michigan
 Department of Treasury
 Unclaimed Property Division
 MANUAL FOR
 REPORTING UNCLAIMED PROPERTY

Exhibit I

SAMPLE DUE DILIGENCE FOR OUTSTANDING CHECK

To: _____ Date: _____

Re: Disposition of Outstanding Check

Our records indicate that the following check issued to you is still outstanding:

Check#	Date Issued	Amount Issued

Please indicate the disposition of the check on the bottom of this form and return it to us within _____ days

Disposition of Check

____ I cashed the above check. Provide date cashed, if known: ___/___/___

____ I am holding the above check for the following reason:

____ I received the above check, but it has been lost or destroyed. Please issue a replacement check.

____ I did not receive the above check. Please issue a replacement check.

____ Other, explain:

Please sign here:

Address (if other than above)

CAPITAL PROJECT CONTRACTS
AMENDMENT TO PURCHASING POLICY

Effective July 1, 2010, per the directive of the Detroit Public Library Commission and the Executive Director of the Detroit Public Library, all original executed contract documents obligating financially the Detroit Public Library and or the Detroit Public Library Commission as it relates to Professional Services Contracts, Leases, and all Capital Projects shall reside in the Purchasing Office along with all other individual documentation as it pertains to that particular obligation.

COMMITTEE ON BOOKS AND LITERACY

Commissioner Quarterman reported that the following donations were received in 2011:

- From: Thomas J. Motschall, The Henry Ford II Fund -- \$5,000 for General Contribution
- From: Florence Gantz--\$100 for General Support
- From: Posner & Podolsky families in memoriam of Doris McCrary McCree--\$50.00 for General Contribution
- From: Miriam Mondry -- \$100 for General Support
- From: Catherine Broderick -- \$300 for General Support
- From: Ellen Crowley in memoriam of James M. Ethridge--\$50.00 for General Contribution
- From: Donna Deman--\$30.00 for General Support
- From: Sarah Gaines--\$75.00 for General Support

These gifts total \$5,705.

Commissioner Quarterman moved to accept these gifts and to convey to the donors our appreciation from the Detroit Library Commission and Staff. Commissioner Bellant supported the motion; the motion carried.

COMMITTEE ON FINANCE

Routine Reports on Finance

Commissioner Thomas reported that the following accounts have been examined and found correct by the staff of the Financial and Business Operations and ratification of payment is recommended.

Summary of Expenditures January 2012	
<u>PUBLIC FUNDS</u>	
Total Payroll & Benefits	\$1,814,508.10
Total Vouchers 378 - 437	<u>\$ 701,911.00</u>
Grand Total	<u>\$2,516,419.10</u>

Summary of Expenditures January 2012

<u>Restricted/Designated Funds</u>	
Branch & Main Checking – Checks 1877 - 1916	\$12,350.83
Burton Endowment Fund Checking – Checks 8184 - 8186	\$ 9,706.59
Knight Foundation grant – Checks 1339 - 1342	\$ 9,728.69
Louise Webber O'Brien Fund – Check 4206	\$ 2,000.00
Programs & Gifts Checking – Check 1528 - 1534	<u>\$18,649.01</u>
Grand Total	<u>\$52,435.12</u>

<u>Summary of Credit Card Expenditures</u>	
Executive Director	\$ 1,175.50
Executive Director's Office	\$ 3,086.24
Chief Administrative Officer	\$ 194.98
Marketing Department	\$ 1,548.65
Technical Services	\$ 7,710.17
Facilities Department	<u>\$ 4,409.47</u>
Grand Total	<u>\$18,625.01</u>

Commissioner Bellant asked for clarification on vouchers #386 and #406. Mr. Cromer said #386 is for books purchased and the other is for audio materials purchased. Mr. Cromer indicated the Pyratech contract is due to be rebid. President Kinloch said to make sure the monies are not advanced.

Commission Action

On motion of Commissioner Thomas, the recommendation of the Committee on Finance as set forth above was unanimously adopted.

NEW BUSINESS

Commissioner Bellant presented a resolution to restore funding cuts and to restore the four closed branches. He asked Commission for permission to move forward with this resolution.

RESOLUTION IN SUPPORT OF THE DETROIT PUBLIC LIBRARY

Whereas, the State of Michigan is projected to realize a budget surplus of up to a billion dollars, and

Whereas, the State of Michigan in this current fiscal year reduced funding support to the Detroit Public Library, and

Whereas, the Detroit Public Library services over 70,000 non-Detroiters through its university student access policy and through special collections unavailable in other libraries and receives no regional support for doing so, and

Whereas, the Detroit Public Library has consistently reduced spending over the last several years due to projected reductions in property tax collections, showing prudence with its public resources, and

Whereas, the Detroit Public Library reduced staffing 20% and closed four branches due to reduced funding, and

Whereas, the staff reductions and the closing of four branches have had a deleterious effect on public access to local library services, including internet access for job searches, as well online tutoring service for school children and adult users, and

Whereas, these branches provided basic training sessions on computer skills, auto repair, study skills, children's movies and storytelling, crafts, health education, literacy and general education tutoring, sponsoring book clubs, block club meeting rooms, as well as warming and cooling centers to protect disadvantaged citizens from weather extremes, and

Whereas, some served at those branches are school children and senior citizens who can only use library services if they are within walking distance, as is also true for indigent users who do not have personal transportation. None of these citizens can routinely walk to the nearest open branches, which are a minimum of three miles away, and

Whereas, the public transportation system routing is not configured to transport citizens to these more distant branches, therefore be it

Resolved that the Detroit Library Commission calls upon governor Rick Snyder and the Michigan Legislature to restore funding cuts to the Detroit Public Library and funding to return the four closed branches to their critical public education service.

Commission Action

Commissioner Lemmons moved to adopt the resolution; President Kinloch supported; the motion carried.

Meeting Conclusion

President Kinloch said he expects to see a report from staff at the next Committee on Administration meeting to re-open Monteith Branch.

Commissioner Thomas thanked Commission for his award.

Commissioner Bellant commended and appreciated BAMN for taking a motion to City Council for library funding from the State and for the Detroit School Board adopting a similar resolution.

Ms. Machie said the proposal that will be submitted to the Committee on Administration to re-open Monteith does not mean it will be restored to full capacity because DPL does not have the ability to do that; a modified plan will be submitted.

There being no further business to come before the meeting; the meeting was adjourned at 4:17 p.m.

*Signing off as your faithful Recorder since May 2004,
Rosemary Patterson*