

Illinois Heartland Library System
Transition Board of Directors
6:00 pm; April 7, 2011
Hilton Garden Inn, Effingham, Illinois
AGENDA

1. Call to Order
2. Roll Call – Recording Secretary
3. Public Comments
If a member of the audience desires to speak to the Board, sign in at the entrance to the meeting and give to the Recording Secretary. When making a comment, please state your name, affiliation and nature of your business. Please limit your time to 3 minutes.
4. Minutes
March 29, 2011 Meeting
5. Financial Report
6. President's Report
Letter from Roseanne Reidner, President LTLS Board of Directors
7. Staff Report
9. Committee Reports
Nominating Committee
Facilities Location Committee
10. ISL Report – Greg McCormick; Lawren Tucker
Illinois State Library Memo SYSTEM DIRECTORS MEMO #11-011
Illinois State Library Memo SYSTEM DIRECTOR'S MEMO #11-005 Revised
11. Unfinished Business
 - a. Executive Director
Closed Session: The Board shall convene into closed session to consider the matter of Personnel related to the Executive Director position. The Library Board reserves the right to return to open session to act on matters discussed.
Document No: TBD 2011-08
Document No: TBD 2011-09
13. New Business
 - a. Membership Criteria
Resolution No: TBR 2011-09; Document No: TBD 2011-10
 - b. Illinois Heartland Library System Work Week
Document No: TBD 2011-11
 - c. Illinois Heartland Library System Benefits
Document No: TBD 2011-12
 - d. Illinois Heartland Library System Salary Scale
Document No: TBD 2011-13

The Illinois Heartland Library System Transition Board strives to ensure that its meetings are accessible to individuals with disabilities. If you are an individual with a disability and require assistance to observe or participate in this meeting, please contact any of the current Library Systems at least 48 hours prior to the start of the meeting with your specific request.

- e. Illinois Heartland Library System Pay Period
Document No: TDB: 2011-14
- f. Conflict of Interest Policy
Resolution No: TBR 2011-10; Document No: TBD 2011 – 15
- g. Financial Policy
Resolution No: TBR 2011-11; Document No: TBD 2011 – 16
- h. Investment of Public Funds Policy
Resolution No: TBR 2011-12; Document No: TBD 2011 -- 17

13. Announcements

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The Southern System Planning Panel met two times this past month. Both of these meetings have proven to be very stressful and difficult. It has been a highly emotional time as we near the time to turn things over to the transition board. I think in some ways we have lost our perspective. At this time, I thought I would put together some thoughts to pass along to members of the transition board, for what it's worth.

In my opinion, the transition board needs to establish priorities and work to accomplish what is truly important. The full range of emotion has been run. Now it's time to complete the task at hand. Neither the Planning Panel, nor the Transition Board, nor the State Library can change the unfortunate circumstances in which library systems in the state of Illinois now find themselves. However, I believe we can make the transition as smooth and free of problems as possible. We need to work hard to do this.

We need to express our concerns freely, but I think we also need to ask ourselves if our concerns are sufficient that we should prevent progress in doing so. We need to consider this carefully as we move through the process.

We need to have some faith in others. This could mean the State Library, other panel or board members, system membership, or the facilitators. We have to believe that others are working in good faith. Staying positive and taking information back to our board of directors and membership are crucial. Panel members and transition board members need to bring back to the process not only critical opinion, but also some solutions and helpful ideas. For that, we need the help of our membership and our local Board of Directors. The transition board will need to be strong and remain positive even when everything around them will be telling them to despair.

I think the goals set by the State Library can be met if we remain positive and work together. We must remember that if we fall short of these goals, the sky will not fall. I think the transition board needs to remember to not let personal opinions keep them from doing the right thing for all libraries and all library patrons in Illinois. I hope the members of the transition board can be realistic, and not be critical of others.

It's my observation that members of the Planning Panel care very much about the future of the current employees of all of the library systems in Illinois. They are working to try to cover every possibility. I hope with the Transition Board this concern will continue. The ideas and contributions of member libraries and each board of directors are essential.

I believe that the Illinois Heartland Library System will slowly evolve into the library system we will all be proud of. It will not happen immediately. Our current systems were not built in a day. There are many good people coming together to accomplish this goal. I hope members of the Transition Board don't lose sight of the sincere dedication we all bring to the process.

The members of Lincoln Trail Library System must take a positive approach to the Transition Board. You should be proud of your library system, but leave that identity at the door. You are part of one Transition Team. You will soon be part of one Illinois Heartland Library System. I thought of some

guidelines that I have learned from working on the Southern System Planning Panel. I would like to pass them along to members of the Transition Board:

1. Maintain your credibility with the other members of the transition team.
2. Work together with the other board members to solve problems
3. Be respectful
4. Maintain your dignity
5. Remember that other board members are good people working hard for libraries
6. Remember that you will not win everything that you want
7. Avoid personal criticism of other board members
8. Try to stay positive and upbeat
9. Remember that life and libraries will go on
10. Have trust in others

Thank you

Rosanne Reidner



OFFICE OF THE SECRETARY OF STATE

JESSE WHITE • Secretary of State and State Librarian

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Gwendolyn Brooks Building
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Springfield, Illinois 62701-1796

**SYSTEM DIRECTORS
MEMO #11-011**

TO: Library System Directors

FROM: Anne Craig, Director
Illinois State Library

DATE: April 6, 2011

RE: Restructuring Documents Needed by the State Librarian – Update & Clarifications

This communication is intended to be reviewed in concert with the revised April 6, 2011, System Directors Memo #11-005 "Restructuring Documents Needed for the State Librarian" (attached).

As of this date, and following the numbered points in Memo #11-005, the Illinois State Library and the State Librarian have received the following documents from both merger groups:

- 1) *Evidence that System Boards of Directors have formally voted to dissolve and merge into a single System by July 1, 2011*
- 2) *An Intergovernmental Agreement between the System Boards of Directors*
- 3) *An Application to Merge for the State Librarian's Review and Approval*

The application to merge from the Alliance Library System, DuPage Library System, Metropolitan Library System, North Suburban Library System, and Prairie Area Library System, is currently being reviewed, after which it will await the approval of the State Librarian. Likewise, the application to merge from the Lewis & Clark Library System, Lincoln Trail Libraries System, Rolling Prairie Library System, and Shawnee Library System, is currently being reviewed, after which it will await the approval of the State Librarian.

I expect the review and approval of the two applications to merge to be expedient. An official letter will be sent by the State Librarian approving the mergers and directing that two successor systems be formed in accord with 23 IL ADC 3030.25 *Establishment of Systems*.

In Memo #11-005, 4) *Documentation to Establish New System*, specific requirements are identified in order for the State Librarian to approve an application for the creation of a library system:

Bylaws and a Plan of Service must meet the standards and objectives of 75 ILCS 10/3 *Administration of Act*; and 23 IL ADC 3030, the Administrative Rules for *The Illinois Library System Act*.

Please note that submission of this documentation was due May 2, 2011. This due date has been extended to June 1, 2011, in order for the applicant systems to submit the Bylaws, a Plan of Service and the remaining

components of the Application for State Aid together. To reiterate, numbers 4) and 5) of System Directors Memo #11-005 may be submitted jointly on or before June 1, 2011.

While Bylaws of the concerned systems have been submitted previously to the State Library for informal review and comment, the official submission of the Bylaws must accompany the Plan of Service and the remaining components of the Application for State Aid.

On February 17, 2011, the Illinois State Library issued System Directors Memo #11-010. This communication detailed the components, forms, and instructions for submitting the FY2012 Application for System Area and Per Capita Grant. Both successor systems must follow the directives outlined in System Directors Memo #11-010 when applying for State Aid. The following clarifications are reiterations of agreements made during a March video conference/conference call regarding the FY2012 Application:

- The FY2012 Area and Per Capita grant, first and foremost, **must fund only** the following four priorities:
 - resource sharing, to include LLSAPS, interlibrary loan, reciprocal borrowing, and delivery
 - talking book program (funding is received from another source for this activity)
 - expenditures related to administrative costs
 - maintenance of a system website containing timely information and pertinent content reflecting areas over which you exercise administrative review
- Revenue in excess of the operating budget expenditures must be reserved by system board action.
- System Board action is required to place funds into a designated reserve.
- Multiple contracts (revenues and expenditures) for Talking Book programs should be combined and accounted in the Special Revenue Fund.
- Plinkit activity is an example of what would be reflected in the “Agreements w/systems, Member libraries & Other Cooperatives” budget line.
- In the FY2012 Plan of Service, number 3.1, “Plan of Service” may replace “Long Range Plan.”
- The Illinois State Library is seeking a single set of system membership criteria for full and developmental membership for the successor systems. These criteria should be outlined in number 4.1. Following the establishment of the successor systems, the State Library will work with those systems to establish uniform statewide membership criteria.
- If the shared catalog for any of the current systems has become a legally separate entity with which the system now contracts, a copy of the contract including budget detail must be submitted with the FY2012 Application. Please submit in Word format.
- If the State’s financial and cash flow situation improves during the upcoming fiscal year, the Illinois State Library may accept for review/approval requests for amending the systems’ approved Plans of Service and budgets for FY2012.

I trust you will find this information helpful. My staff and I look forward to working with all parties involved in this process.

Attachments: System Directors Memo #11-005 Revised
System Directors Memo #11-010

Cc: System Board Presidents
Transition Board Chairs
ISL Managers
ISL Consultants



OFFICE OF THE SECRETARY OF STATE

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ILLINOIS STATE LIBRARY
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SYSTEM DIRECTOR'S
MEMO #11-005

MEMORANDUM

TO: Illinois Library System Directors

FROM: Anne Craig, Director
Illinois State Library

DATE: October 4, 2010
REVISED VERSION DATE: April 6, 2011

RE: Restructuring Documents Needed by the State Librarian - **REVISED**

Both Statute and Administrative Rule are prescriptive in the procedure to restructure regional library systems. In the simplest of terms, there are three overall steps which must be taken.

1. Every system board of directors entertaining merger must officially determine to terminate and merge. (See 1 & 2 below.)
2. An application to merge must be submitted by the boards and approved by the State Librarian. (See 3 & 4 below.)
3. An application for a System Area and Per Capita Grant must be submitted to the State Librarian if the new entity wishes to secure State financial aid. (See 5 below.)

The following documents will be needed for review and approval by the State Librarian:

- 1) Evidence that every System Board has formally voted to dissolve and merge into a single System by xxx date. This is a binding agreement. (Resolution, Proclamation, Board Approved Minutes, etc.) **Due February 1, 2011 RECEIVED from both merger groups**
- 2) Intergovernmental Agreement between XXX, XXX, and XXX Systems outlining such things as: independent and separate Board Resolutions; Transition Board; Systems operations prior to Merger; Policies and Activities following merger. **Due April 4, 2011 RECEIVED from both merger groups**
- 3) Application to Merge for the State Librarian's Review and Approval **Due April 4, 2011 RECEIVED from both merger groups**

23 IL ADC 3030.85 *Merger*: Submission of an application to the State Librarian together with a plan for the creation of the new system. The application contains:

- a. Complete list of all liabilities of the library system

- b. Complete list of all assets of the library system including detailed equipment descriptions
 - c. Proposals for distribution of assets and liabilities. The sale of any equipment or real property requires the prior approval of the State Librarian. Every effort shall be made to offer equipment items for the continuance of system services by the successor system or systems or to member libraries.
 - d. A plan for the orderly transition of system services.
- 4) Documentation to Establish New System ~~Due May 2, 2011~~ Due June 1

Upon the State Librarian's approval of the application to merge, the State Librarian will direct to follow 3030.25 *Establishment of Systems*.

a. Bylaws and a Plan of Service must meet the standards and objectives of Section 3 of the Act.

b. Compliance with:

i. 75 ILCS 10/3 *Administration of the Act* and

ii. 75 ILCS 10/4 *Establishment of Systems*

- 5) Application for State Aid 23 IL ADC 3035.100 *System Area and Per Capita Grants* Due June 1, 2011 Refer to Systems Director's Memo #11-010

a. Application for Annual Per Capita and Area Grants to the library systems shall be made to the State Librarian prior to July 1 of each year and shall consist of the following:

i. Annually updated plan of service 23 IL ADC 3030.65

ii. Estimated system budget for the ensuing fiscal year based on current year funding with a contingency plan for anticipated funding for the ensuing year.

b. 23 IL ADC 3030.65 *Plan of Service for a Cooperative or Multitype Library System* identifies components of such a Plan:

i. Long Range Program

ii. Plan for the fiscal year, including specific plans for services

iii. An up-to-date listing, with membership categories of all system members

iv. A cover sheet, on a form provided by the State Librarian, certifying the plan of service by the Board and system director

v. Operational plan

vi. Other information requested by the State Librarian

This summary of information is being provided by the Illinois State Library as a courtesy and does not substitute for the responsibility of the library systems or their attorneys to review the applicable Statutes and Administrative Rules to make sure that what actions are taken in relation to merger are in compliance with the law.

cc: System Board Presidents
ISL Managers
ISL Consultants

As the Transition Board begins the discussion of the Executive Director position, it seems appropriate for the Board to be aware of the discussion and actions of the Reaching Across Illinois Library System Transition Board. Provision of this information is for the purposes and discussion by the Illinois Heartland Library System Transition Board.

This is a **list of competencies** that the Northern Merger Design team discussed when beginning discussion of the Executive Director position. These are ranked from most desired first based on a “quick poll.” These provide an interesting and helpful beginning when considering the characteristics and competencies of a Director.

- Dynamic, passionate, and energetic leader with a strong vision of the future for libraries, library professionals, and library systems
- Ability to effectively present and communicate ideas, concepts, and policies both internally and externally, verbally, and in writing.
- Ability to envision problem solutions and define critical paths to reach those solutions
- Political acumen and the ability to operate and influence within a political environment
- Ability to create an effective senior management team to oversee 100 or more staff
- Ability to develop and maintain relationships with numerous and diverse internal and external stakeholders
- Ability to plan, delegate, supervise, and lead personnel in a manner which gains respect
- Ability to inspire and motivate staff and member libraries
- Ability to make recommendations to effectively resolve problems or issues, by using judgment that is consistent with standards, practices, policies, and procedures
- Organizational and interpersonal skills with ability to deal with matters or issues of extreme confidentiality
- A visionary
- Ability to effectively organize and prioritize work, and manage multiple tasks simultaneously
- Teamwork
- Ability to support the framing and implementation of strategic plans
- Exceptional public speaking, communication, and interpersonal skills
- A collaborative decision maker
- Ability to solve problems using an integrative style that seeks common ground among stakeholders
- Ability to work effectively with senior finance staff
- Customer service
- Ability to support and engage Board members to ensure that the Board adds value to the organization
- Multifunctional task aptitude
- Supervisory skills
- Ability to work effectively with senior human resources staff
- Appetite for innovation and risk taking

- Group facilitation
- Analytical abilities
- Negotiation
- Computer literacy
- Budget creation and budget management
- Project management
- Consulting skills
- Ability to develop business plans that generate funds from fee-based services
- An entrepreneur
- Library networking, automation, and informational media skills
- Ability to raise funds from philanthropic sources

This is the discussion by the Northern System's Design team regarding **options for the Executive Director** – the following is from a February 2011 meeting

Process Options for the Executive Search

• **Current proposed process**

A Search Committee will be appointed by the Transition Board. Jane Arsenault will support the search, developing the job description and materials for candidates, posting the job opening in appropriate venues, local and national. Jane will handle the communication with candidates, forwarding the job description and supportive materials. Jane committee in setting up interviews. The Search Committee will define the vetting process for candidates and make a recommendation of one or two final candidates to the Transition Board.

Current Time Frame: March 1 to May 1. Goal would be to extend an offer by the end of April contingent on the approval of the merger by ISL.

• **Use of a Search Firm**

A Search Committee will be appointed by the Transition Board. Jane Arsenault will support the Search Committee by developing an RFP for a national search firm. The search firm would undertake the search and will provide candidates for interviewing by the Time Frame: 4-6 weeks for the search firm hiring process. 2-3 months for the search.

Offer would be extended by the end of June. If the search extends beyond July 1, an interim ED could be appointed.

• **Use of an Interim Director instead of a search**

Given the number of detailed and complex issues that will be left to be resolved in 2012, the MDT/Transition Board may wish to consider hiring an interim director for 2012, who would complete the merge. The financial situation may be clearer and, therefore, the position may be more attractive than at this juncture. A national search could be conducted in the spring of 2012. The interim ED would be chosen from among the current EDs in order to avoid the learning curve that an outside candidate

would have.

This is the action taken by the Transition Board

Selection Process for the Executive Search

History:

- The Merger Design Team/Merger Transition Board has discussed the selection of the executive director at meetings held on January 21, February 8, February 24, and March 10.
- At the February 8 meeting, Jane Arsenault provided: (1) a report on responses to a poll asking what competencies are important for an executive director, and (2) three options for conducting the executive search.
- At the February 24 meeting, a comprehensive discussion was conducted regarding the three options for conducting the executive search. Also, Jane Arsenault presented a proposed process for appointing the Search Committee and developing a position description.
- At the March 10 meeting, the Merger Transition Board discussed the benefits versus risks of the three options for conducting the executive search.

Decision:

- At the March 10 meeting, via a roll call vote, a majority of Merger Transition Board members selected the option of hiring an interim executive director. The option selected, as stated in Document 12.1, reads:

Use of an Interim Instead of a Search

Given the number of detailed and complex issues that will be left to be resolved in 2012, the MDT/Transition Board may wish to consider hiring an interim director for 2012 who would complete the merge. The financial situation may be clearer and, therefore, the position may be more attractive than at this juncture.

A national search could be conducted in the spring of 2012. The interim ED would be chosen from among the current EDs in order to avoid the learning curve that an outside candidate would have.

The following is the timeline associated with the above decision.

Task	Timeline	Responsible Party
Position description design	March 22 to April 1	Search Committee
Approval of position description	April 6	Merger Transition Board
Posting of position availability	April 7	Search Committee
Receipt of applications	April 14	Search Committee
Interview process	April 15 to April 19	Search Committee
Recommendation of final candidate to Transition Board	April 20	Search Committee
Consider recommendation from the search committee and select finalist	April 20	Merger Transition Board
Negotiate contract with the finalist for the interim executive director position	May 1	Merger Transition Board Officers
Implement contract with interim executive director as soon as approval for merger is received from the state	May 2011	Merger Transition Board President

The following is the Draft of the Interim Executive Director Position for RAILS

Job Description

TITLE: Interim Executive Director

REPORTS TO: Board of Directors

General Statement of Duties: The Interim Executive Director is responsible for providing executive leadership in the overall administration and integration of a multi-type library System that has been formed from five previously existing Systems. The Interim Executive Director's main efforts will be focused on ensuring the uninterrupted continuation of services to member libraries within a large geographic area while completing the merger process undertaken in FY 2011. The Interim Director will work closely with the System Board of Directors, System staff, member library directors and representatives, and Illinois library regional System directors and the Illinois State Library. The Interim Executive Director serves at the pleasure of the System Board of Directors.

STATUS: Full time, exempt

RESPONSIBILITIES:

1. Works to assure System service programs are efficient, effective and respected by all multi-type member libraries. Employs a collaborative approach to carrying out duties and responsibilities.
2. Leads, participates in, and delegates planning activities for all phases of the library System's operations with particular attention to integrating program services and operations as a result of the merger of the five library Systems. Works with member library directors to plan quality and

desirable service programs. With System staff, implements the policies of the System Board and the Plan of Services as defined in the ILS Per Capita Grant.

3. Advises the Board on System policy progress as executed by System staff. Serves as the communication link between Board and System staff, as appropriate. Interprets Board policies to System staff and provides staff support in the execution of such policies.
4. Advises and provides recommendations to the Board on the need for new or revised policies. Advises Board on plans and concepts for current and future policy revisions. Prepares and submits to the Board recommendations and reports relative to all matters requiring Board action, ensuring communications include such necessary and helpful information as is needed to ensure informed decision making.
5. Calls meetings and special meetings of the Board of Directors. Prepares agenda and reviews minutes for Board meetings, and serves as staff representative to the Board. Attends System, regional and state committee meetings. Plans, promotes and facilitates System-wide meetings. Serves as ex-officio to the System Advisory Committee.
6. Coordinates and directs System staff in developing programs designed to help member libraries achieve their goals. Delegates responsibility for various aspects of System programs as appropriate, and works effectively with System staff, member library directors and Illinois library leaders in problem solving and decision making.
7. Bears final authority and responsibility for staff appointments, terminations, evaluations and promotions, as well as all other personnel matters in accordance with System policies. Bears responsibility for maintaining written System personnel evaluation records. Establishes and maintains an HR System for personnel. Ensures compliance of all library System activities with the provisions of the Library Systems Act and regulations of the Illinois State Library.
8. Responsible for preparation and management of the annual budget . Supervises preparation and presentation of the monthly and annual reporting, and brings financial recommendations and budget concerns to the Board in a timely manner. Provides for participation of System staff in budget preparation, and supervises alternate revenue sources. Signs contracts for services and grants. Certifies bills and monies expended by countersigning checks and managing expenditures. Ensures completion of annual audit as recommended by the Board.
9. Supervises processes needed for, and facilitates evaluation of, building and equipment maintenance and replacement with particular attention to implementing the facilities consolidation plan as approved by the Board of Directors.
10. Represents the System and its membership in civic, educational, and library affairs of the System area and its relations at state and national levels. Works with the state legislature on library funding and relevant legislation affecting libraries. Assists with the development, oversight and promotion of approved legislative functions to member

libraries on the state level. Promotes advocacy efforts on library legislation and assists with implementation of state laws as relevant to libraries. Promotes System and its member libraries throughout the state and serves as System spokesperson to the press.

11. Contributes to professional development of librarianship. Informs self on educational, political, legal, technological and sociological trends as they apply to librarianship. Is ever vigilant of emerging library trends within the System and its member libraries, and the promotion thereof where appropriate. Promotes library services to un-served and underserved areas of the System, and helps to develop new programs consistent with changing environments. Works to further the growth of library services throughout the System area, and to encourage improvements for member library services as well. Promotes participation in System-wide programs. Acts as liaison with member libraries and serves as consultant in appropriate areas.

12. Promotes productive cooperation among member libraries and other library Systems or agencies. Contributes to the elevation of library cooperative concept.

13. Works to maximize the System's grant support. Delegates administrative supervision of special projects and grants as appropriate.

14. Performs other duties as assigned.

QUALIFICATIONS:

A. MLS Degree from an ALA accredited library school.

B. Minimum of ten years progressively responsible library management experience, with five years at the senior and/or executive level including supervision of professional and supervisory staff

C. Experience in at least two types of libraries is desired

D. Knowledge of and experience working with the Illinois legislative process affecting libraries

E. Capacity to be responsive and empathetic to member library needs

F. Knowledge of principles and practices of modern library System administration

G. Working knowledge of library automation principles and current library trends

H. Working knowledge of telecommunication services and informational media, including RSS, wikis, alternative communication formats, etc.

I. Experience in long range planning and budgeting

J. Strong verbal and written communication skills. Ability to concisely summarize essential needs to the System Board, System staff, state legislatures and member libraries. Ability to disseminate information in a concise, timely manner in a format that is friendly to the Board and member libraries.

K. Organizational skills

L. Ability to delegate authority, supervise and lead personnel effectively in team building

- M. Strong interpersonal skills and public relations experience
- N. Negotiation and conflict resolution experience
- O. Capability for regional and statewide travel

These were the top competencies from the survey. Would you like to include any of them in the interim position description? Dynamic, passionate and energetic leader with a strong vision of the future for libraries, library professionals and library Systems Ability to effectively present and communicate ideas, concepts, and policies both internally and externally, verbally and in writing.

Ability to envision problem solutions and define critical paths to reach those solutions Political acumen and the ability to operate and influence within a political environment

Ability to create an effective senior management team to oversee 100 or more staff Ability to develop and maintain relationships with numerous and diverse internal and external stakeholders

Ability to plan, delegate, supervise, and lead personnel in a manner which gains respect

Ability to inspire and motivate staff and member libraries

Ability to make recommendations to effectively resolve problems or issues, by using judgment that is consistent with standards, practices, policies, and procedures

Organizational and interpersonal skills with ability to deal with matters or issues of extreme confidentiality

The following is a draft Executive Director position description that the Southern System Planning Panel and the Boards of Lewis & Clark Library System, Lincoln Trail Libraries System, Rolling Prairie Library System and Shawnee Library System have received for review.

Executive Director

General Statement of Duties

The Executive Director is the chief administrative officer of the System and is charged with and responsible for (1) implementing the policies and programs for the System. (2) Directing and leading all operations and activities of the System.

Job Duties and Responsibilities

Works closely with the Board of Directors. Prepares agenda, provides reports and recommendations, and reviews minutes of meetings. Attends all Board meetings except for the appointment, dismissal or salary discussions directly involving the Director.

Carries out the directives of the Illinois State Library; adheres to State Statutes that relate to Library Systems; ensures the conformity to appropriate local, state, and federal regulations.

Plans, formulates, and recommends policies and programs that will further the mission and strategic goals of the System for the approval of the Board of Directors. Initiates and participates in the System's strategic planning process and ensures that action plans are implemented and evaluated.

Plans, organizes, directs and implements programs and services and evaluates results.

Directs development of the annual budget and submits it for Board approval. Manages the budget to insure fiscal responsibility, including the borrowing and investment of funds and safeguarding all funds, physical assets, and other property of the System, utilizing appropriate control and risk aversion practices. Certifies all expenditures for Board approval.

Directs human resources activities, including Staff appointments, terminations, and promotions of personnel consistent with approved personnel policies, laws and regulations.

Serves as the liaison between Staff and the Board.

Maintains effective relationships with member libraries through site visits and communications.

Maintains effective relationships with other organizations both public and private; such as the Illinois State Library, professional library organizations, state and federal legislators and others as appropriate.

Plays an active role in library development and legislative activities related to libraries on state and national levels.

Negotiates and/or approves contracts and agreements with suppliers, distributors, federal and state agencies, and other organizational entities.

Supervision Received:

Work performed in accordance with board policies and objectives outlined by the Library Board of Directors.

Supervision Exercised:

Supervision extends to the entire Staff of the System, but is exercised through key professional subordinates who head organizational elements of the System.

Standards of Performance:

Adherence to the policies and procedures of the System

Implementation of the System's Strategic Plan and its annual elements

Effectiveness of the System in fulfilling its mission

Quality of service provided to members.

Satisfaction of member libraries with System services.

Establishment and maintenance of effective relationships with member libraries and federal, state, and regional agencies and libraries.

Position Qualifications

KSAO (Knowledge, Skills, Abilities, and Other):

Comprehensive knowledge of the principles, methods and practices of professional library science and administration.

Comprehensive knowledge of management principles as they relate to System operation and administration.

Demonstrated administrative ability to plan, organize, direct, and train a large staff of professional and support staff personnel, which compose the System.

Ability to analyze System services in relation to needs of the libraries, balance these needs with future trends, while understanding the diversity of libraries within the System in terms of type, size and budget.

An understanding of library automation systems.

Considerable ability in establishing and maintaining effective work relationships with Staff, Board, members, representatives of government, professional groups, and the general public.

Ability to clearly and diplomatically communicate with others employing strong oral and written communication skills.

Ability to perform duties in a professional manner under constant time constraints and interruptive conditions with flexibility and wise use of time. Ability to continually display a professional business behavior with a pleasant demeanor while working in a customer-service oriented organization.

Demonstrated willingness to help others accomplish their objectives.

Education and Experience Requirements:

Masters Degree in Library Science from an ALA-accredited library program

Minimum of five (5) years of progressively responsible library experience of which two years must have been in an administrative capacity.

Knowledge of Illinois library system structure, function, and relationship to the Illinois State Library.

Physical requirements:

Primarily sedentary work, but also requires the ability to perform work that involves standing, walking, stooping or crouching, stooping, kneeling, reaching, pushing, grasping, hearing and talking.

Requires the ability to exert up to 20 pounds of force occasionally to lift, carry, push, pull or otherwise move objects.

Ability to perform work that involves clarity of vision at 20 inches or less, including the ability to bring objects into sharp focus as well as clarity of vision at 20 or more feet.

Ability to input data on a keyboard.

Licensing:

Must have a valid driver's license and current automobile insurance.

This job description is not intended to imply that the duties identified above are the only duties to be performed by the employee(s) in this position. Employees may be required to perform other job duties as requested, subject to applicable state and federal laws. This job description or certain job functions described herein may be subject to modification in accordance with applicable state and federal laws.

Resolution No: TBR 2011-09

Subject: Membership Criteria

Recommended By: Southern
System Planning Panel

Date: April 7, 2011

Adopted:

Resolution
Illinois Heartland
Library System
Transition Board

Membership has been one of the most studied aspects of the merger process. Membership criteria have been reviewed and commented on by the boards Lewis & Clark Library System, Lincoln Trail Libraries System, Rolling Prairie Library System and the Shawnee Library System. Because of the understanding that the Illinois State Library desires to have a statewide criteria for RAILS and IHLS the Planning Panel is recommending the adoption of the criteria as listed in the administrative code for IHLS, with the understanding that work on statewide membership criteria will begin after July 1, 2011. Further the Boards of the current systems have been asked not to accept any new members during the remaining of fiscal year 2011. The panel recommends that the Illinois Heartland Library System Transition Board adopt the Resolution as attached in TBD 2011-10.

The Illinois Heartland Library System does hereby resolve to approve the Membership Criteria as attached in --TBD 2011-10.

**Illinois Heartland Library System
Membership Criteria**

Membership in the Illinois Heartland Library System shall be offered to libraries that meet the following definitions.

"Library": Unless otherwise defined as a public library by statute, an entity that serves the basic information and library needs of its constituents through a bibliographically organized collection of library materials and has at least one employee who works at least 15 hours per week as the librarian. The collection must have permanent financial support, be accessible centrally, and occupy identifiable quarters in one principal location. These requirements can be met through contractual services provided by another library.

"Public Library": A tax-supported public library established by or as a governmental unit that either is authorized to levy a tax for library purposes, or supports the library at least in part from local tax revenues other than federal revenue sharing. Such a library is established by a city, village, incorporated town, township, county or library district under the Illinois Local Library Act [75 ILCS 5], the Village Library Act [75 ILCS 40], Division 5-38 of the Counties Code (Public County Library Service) [55 ILCS 5/Div. 5-38], the Village Library Conversion Act [75 ILCS 45], the Library Property Sale Act [75 ILCS 55], and the Public Library District Act of 1991 [75 ILCS 16]. This definition excludes free public libraries established by villages but not supported at least in part from local tax revenues, and incorporated free public libraries not established by a governmental unit.

Libraries may make application for membership in a library system when the library is located within the geographic boundaries of the library system and meets the criteria for one of the two following membership categories:

- a) Developmental membership:
 - 1) A public library that is applying for developmental membership in any library system shall meet either the financial requirements for state per capita grants to public libraries as stated in the Act or levy a tax that produces a revenue of \$6.00 per capita.
 - 2) A library applying for developmental membership in a multitype library system shall meet the definition of "library" and be a library

of one of the types of libraries defined in Section 3030.10 of the Illinois Administrative Code (23 IL ADC 3030.10).

- 3) The governing board of the library system in which the library has applied for membership shall have approved the application in accordance with its bylaws and/or rules.
 - 4) The library applying for membership shall certify to the State Librarian that it will meet the requirements of this Part and of the plan of service of the library system in which it becomes a developmental member.
 - 5) A developmental library is entitled to the following services from the library system of which it is a member: consulting, continuing education, and system communications. A library in this membership category also meets the library system membership requirement for State grants. A library is eligible for developmental membership for five years, if annual progress has been made towards meeting the "full member" criteria which is defined in this Part. An additional year of developmental membership may be granted to a library if the library system determines that extraordinary circumstances interrupted progress toward meeting the criteria for full membership. Representatives from developmental member libraries are not eligible for system board seats.
 - 6) As part of the application for developmental membership, the library shall submit a developmental plan which sets forth the library's annual goals and explains how the library will meet the criteria for full membership in the library system. The developmental member shall report annually to the library system on which goals have been met and on any deviations from the plan to become a full member of the system.
- b) Full membership:
- 1) The library will meet any additional membership requirements specified by the library system.
 - 2) A full member is entitled to the library system services for which it meets system requirements and must follow the ILLINET Interlibrary Loan Code (1991, Office of the Secretary of State, Illinois State Library, Room 505, 300 S. Second Street, Springfield,

IL 62701-1796). The material incorporated by reference includes no later amendments or editions. A full member is also eligible for voting representation on the Board of Directors. The full member shall also provide reciprocal borrowing to resident patrons of other public libraries that are full members of the library system and shall also honor library cards issued to non-residents of the system area if the library does not opt out of the non-resident card program.

- c) For a full or developmental member to remain in good standing, member libraries must abide by the System's Plan of Service and all System policies.

Membership criteria is subject to prior approval of the State Librarian who will review the criteria to make sure that the criteria addresses state legislation and rules and is equitable among different types of libraries. Library system members may not be charged fees for membership in the library system.

Work Week
Full Time; Part-Time

As the Transition Board moves to July 1, 2011, it is important to consider what the work-week will be for the Illinois Heartland Library System and what is considered full time employment and what is considered part-time employment. In addition it will be necessary to determine what benefits will be available to employees.

The 4 library Systems that are merging have different work weeks established.

LCLS = 40 hour work week

LTLS = 40 hour work week

RPLS = 37.5 and 40 hour work week

SHLS = 37.5 hour work week

Part Time Employment is different across systems and in some instances is not spelled out in terms of hours worked. It appears that employees working less than 30 hours per week are not eligible for paid health insurance in all systems.

System Staff Benefits

As the Transition Board moves to July 1, 2011 what benefits will be available to employees.

The following is for information purposes taken from each individual system Personnel Policy or Manual. The items included for information are the primary benefits, health insurance, vacation leave, medical or sick leave and holiday leave. No information is provided on Bereavement, Leave without Pay, Education Leave, etc. Information is not provided on the number of days staff receive for each type of leave. A chart will be prepared for the Transition Board prior to the next Board meeting.

LCLS -- From the Employee Handbook – “. . .all salaried employees shall receive pay for all holidays authorized by the office of the Secretary of State and the Board of Directors of Lewis & Clark Library System.”

“Part-time employees working on a regular 20-hour workweek schedule and receiving the same pay each pay period will receive the same proportionate vacation allowance as is given full-time staff members in the same vacation categories listed above.”

“Medical leave with pay is given to all full-time employees and salaried part-time employees working on a regular schedule. Medical leave is earned at the rate of eight hours per month for full-time employees. Part-time employees who work a regular 20-hour workweek schedule and receiving the same pay each pay period will earn medical leave at a proportionate rate.”

“Employees who routinely work at least 1,000 hours per year and their eligible dependent family members are covered under the Lewis & Clark Library System group health insurance program beginning the first day of employment. The Lewis & Clark Library System pays the premium for the employee only.”

LTLS -- From the Personnel Policy – “Part-time employee with partial benefits -- Employee who is regularly scheduled to work less than a 40 hour work week. Employee is paid on an hourly rate basis, is required to participate in the Illinois Municipal Retirement Fund (IMRF) if working in a position normally requiring 600 or more hours per year, and is entitled to pro-rated holiday, vacation, and sick leave benefits. Employees who work more than 30 hours per week on a regular basis are eligible to receive medical, dental, and life insurance.

Substitute employee -- Employee who is scheduled to substitute for a full or part-time employee, for no more than 400 hours in any twelve month period. Employee is paid on an hourly rate basis. A Substitute employee does not qualify

for holiday, vacation, sick leave, health, dental, retirement or other benefits.”

RPLS – From the Personnel Manual -- “Employees working 30 hours per week or more have group health, dental and life insurance

“Permanent part-time employees will earn holiday pay on a pro-rated basis.”

All full-time employees earn the benefit of sick leave with pay at the rate of 12 days per calendar year. Permanent part-time employees will earn sick leave on a pro-rated basis. Sick leave may be used in increments of one-half hour.

All permanent employees will earn vacation leave with pay. Permanent part-time employees will earn vacation on a pro-rated basis.

All full-time employees earn the benefit of sick leave with pay at the rate of 12 days per calendar year. Permanent part-time employees will earn sick leave on a pro-rated basis.”

SHLS – *From the Employee Handbook* – “All employees fall within one of the following categories that are relevant to determining eligibility for benefits:

1. Full-time employee – Employee who is regularly scheduled to work a 37.5-hour work week. Full-time employees are eligible for all benefits provided by the System.

Part-time employee – Employee who is regularly scheduled to work less than a 37.5-hour work week. Part-time employees receive holiday pay.”

Salary Scale

As the Transition Board moves to July 1, 2011, it is important to consider what the overall philosophy of payment plans and salary schedules.

The following is what is currently in place at each of the systems. This is for information and discussion purposes for the April 7, 2011 meeting.

LCLS -- LCLS does not have salary schedules or pay grades. Any salary adjustments have been made due to increased employee responsibilities. In those cases LCLS uses salary equity as a guide.

LTLS – From the LTLS Salary Administration Policy – “LTLS policy is that a salary range will be established for each class of position and that these ranges will be (a) internally equitable, i.e. fair when compared with the ranges established for other LTLS position classes as well as (b) competitive when compared with the rates paid and ranges utilized by other employees for comparable positions. The salary schedule is reviewed whenever necessary to keep salaries equitable and competitive within the budget constraints inherent in LTLS being a state-funded institution.

It is also LTLS policy that each employee will receive a rate of pay, which falls within the range established for their job; and the progression of each employee’s salary with the range will be determined by the employee’s on-the-job work performance.”

RPLS – From the Personnel Policy Manual – “The System shall maintain and revise as necessary an Employee Classification Schedule based on the similarity of duties and responsibilities assigned so that an equitable schedule of pay may be applied to employees performing equivalent duties

Salary ranges shall be determined by the Board of Directors. All exceptions must be approved by the Board.”

SHLS = From the Employee Manual – “The pay plan of the Library System consists of a salary schedule for each class of position, with the rates of pay that consider the difficulty and responsibility of each class of position. Each schedule is made up of several steps and gives the minimum rate, intermediate rates, and maximum rate. Periodically the entire salary schedule is reviewed based on the salaries of comparable library positions, internal equity, cost of living, and pay for similar work elsewhere.”

As the Transition Board moves to July 1, 2011, it is important to consider what the work-week will be for the Illinois Heartland Library System and what the pay period will be for the employees

The following is what is currently in place at each of the systems. This is for information and discussion purposes for the April 7, 2011 meeting.

LCLS – From the Employees handbook -- “Employees will receive pay via direct deposit semi-monthly. Statements of proof verifying that the deposits were made will be received on the first day (1st) and on the sixteenth (16th) day of the month. If these days occur on Saturday, Sunday or a holiday, statements of proof will be issued on the workday prior to the first (1st) and the sixteenth (16th) day of the month. Direct deposits cannot be made early for vacations or for any other reasons.”

LTLS – There are 26 pay periods a year – every other Friday. Employees are paid for hours worked through the preceding Friday. LTLS uses direct deposit into the employee’s bank account.

RPLS – From the Personnel Policy Manual – “All employees are paid bi-weekly. Employees terminating their employment in the middle of a pay period will be paid for the actual time worked during the pay period on the next regular pay date. Pay periods will begin on Mondays at 12:01 a.m.” “Direct deposit of paychecks will be made to the employees’ bank accounts on the Thursdays following the end of the pay period.”

SHLS – From the Employees handbook – “Paychecks will be issued biweekly on alternate Fridays. The pay period covered by each check will be the two-week period previous to the week in which the paycheck is issued.”

Resolution No: TBR 2011- 10

Subject: Conflict of Interest Policy

Recommended By: Southern System Planning Panel/Legal, Governance and Membership Subcommittee

Date: April 7, 2011

Adopted:

Resolution
Illinois Heartland
Library System
Transition Board

As part of their planning process over the last several months, the Legal, Governance and Membership subcommittee of the Southern Systems Planning Panel developed a Conflict of Interest Policy to ensure appropriate action by members of the board of directors. This policy was shared with the panel. The subcommittee recommends that the Illinois Heartland Library System Transition Board adopt the Resolution as attached in TBD 2011-15.

The Illinois Heartland Library System does hereby resolve to approve the Conflict of Interest Policy -- TBD 2011-15.

Illinois Heartland Library System
Board of Directors
Conflict of Interest Policy

I. Scope

In the normal course of service on the Board, the Board may consider business in which individual members of the Board may have a direct interest. This interest may be personal, financial, or may relate directly to the home library of the Director. This policy relates to the actions of members of the Board of Directors of the System in the conduct of System business when the individual Director has, or appears to have, a direct personal, financial, or home-library-specific interest.

II. Purpose

It is the purpose of this policy to:

- A. Describe circumstances, which may constitute a conflict of interest within the scope of this policy.
- B. Provide a clear means by which a Director may publicly declare any real or apparent conflict of interest in any business which may come before the Board.
- C. Prevent conflicts of interest or the appearance of same by requiring System Directors to disclose personal, financial, and home-library-related interests which could foreseeably cause conflicts.

III. Definitions

Conflict of Interest:

Any circumstance in which any Director is or may be called upon to take official action in his/her capacity as a member of the Board of Directors on any matter in which he/she has or appears to have an opportunity for economic gain or loss, or any other personal interest not common to the other Directors, or which involves any action or potential action specific to the home library of the Director.

IV. Matters Constituting Conflict of Interest

- A. Any personal interest or involvement, not common to other members of the Board, in a matter coming before the Board or committee of the Board.

- B. Matters involving the financial interest of the Director in any capacity which is required to be disclosed on the "Statement of Economic Interest" form required to be submitted by each Director each year.
- C. Any matter coming before the Board or committee of the Board directly relating to the Director's home library. Such matters include, but are not limited to, the membership eligibility of the library, requests for action or applications submitted by the library which are decided by Board action, and matters concerning grievances filed by or against the library.
- D. Any other financial, business, library-related, or personal interest, which will or may reasonably be expected to bear on the Director's exercise of independent judgment on behalf of the System.

V. Limitations On Directors Who Have Conflicts

- A. No Director may participate in the discussion, vote upon, or otherwise attempt to influence any action on any matter before the Board in which he/she has a direct personal or financial interest, or on a matter, which has a direct bearing on the home library of the Director.
- B. The general rule prohibiting a Director from speaking to any matter before the Board in which he/she has a direct personal or financial interest, or which has a direct bearing on his/her home library may be waived by the Chair as described in Section VII below.

VI. Requirement To Declare the Conflict

- A. Any Director who has a direct, personal interest in a matter coming before the Board shall be required to make his/her interest known to the Board upon the introduction of the matter for consideration or as soon thereafter as he/she shall become aware of the conflict. This shall apply to matters brought up for consideration before official Board committees in which the Director is involved as well as to meetings of the entire Board.
- B. If a potential conflict of interest in any matter is not declared by the Director having the conflict, but is perceived to exist by any other member of the Board, it shall be the responsibility of each member of the Board to bring the conflict of interest to the attention of the Board and to state his/her reason for believing there is a real or apparent conflict of interest on the part of the other Board member regarding the matter.
- C. In the event of a difference of opinion regarding whether a Director has a conflict of interest regarding any specific matter, the mere appearance of a

plausible conflict of interest shall be sufficient to require the Chair to inquire and decide whether a conflict exists.

- D. The challenged Director shall have the opportunity to provide information, as requested by the Chair, explaining why he/she believes no conflict of interest exists. The final determination of whether such a conflict or appearance of a conflict of interest exists shall be at the exclusive discretion of the Chair. If the Chair determines such a conflict to exist, all limitations upon the conduct of the Director described in this policy shall be observed.

VII. Conduct of the Director Upon Declaration of a Conflict

- A. Following his/her announcement of the existence of a conflict of interest, or following the determination, by the Chair as described in Section VI(C) and (D) above, of the appearance of a conflict of interest, the Director shall be required to excuse himself/herself from the meeting during discussion of the matter.
- B. The other Directors may, upon passage of a proper motion, request that the Director remain in, or return to, the meeting during discussion of the matter.
- C. During discussion of the matter, the Chair may, on his/her own authority or at the suggestion of another member of the Board, request the Director having the conflict of interest to address the matter if he/she determines that doing so would contribute to the deliberations of the Board.
- D. The Director having the conflict of interest shall not be permitted to speak regarding the matter unless he/she is specifically requested to do so by the Chair.
- E. The vote of any Director who has a conflict of interest on any matter being voted upon by the Board shall be recorded as an abstention.

VIII. Employees and Relatives Not Allowed To Serve On Board

- A. Any Director who submits an application for employment to the System shall be required to submit a letter of resignation from his/her position as member of the System Board of Directors, with an effective date not later than the date of the next Board meeting following submission of the application for employment or the deadline date for applications, whichever is earlier.
- B. No employee may be nominated or elected to serve on the Board.

- C. No spouse or immediate relative of an employee may serve on the Board.

Statement of Economic Interest

1. In accordance with the "Illinois Governmental Ethics Act," Directors are required to submit a statement of economic interest to the county clerk in their county of residence by May 1 of each year.

Resolution No: TBR 2011-11

Subject: Financial Policy

Recommended By: Southern System Planning Panel/Legal Governance Membership Subcommittee

Date: April 7, 2011

Adopted:

Resolution
Illinois Heartland
Library System
Transition Board

In order to ensure that the Illinois Heartland Library System (IHLS) has solid internal fiscal controls, the development of a financial policy was part of the work undertaken by the Legal, Governance and Membership subcommittee of the Southern System Planning Panel. This document has been shared with the planning panel. The subcommittee recommends that the Illinois Heartland Library System Transition Board adopt the Resolution as attached in TBD 2011-16.

The Illinois Heartland Library System does hereby resolve to adopt the Financial Policy -- TBD 2011-16.

Illinois Heartland Library System Financial Policy

Goal:

The goal of this policy is to ensure that Illinois Heartland Library System (IHLS) has internal fiscal controls in place to provide reasonable assurances regarding:

- Effective and efficient operation
- Reliable financial reporting
- Compliance with applicable Illinois state and federal laws and regulations
- Compliance with the Illinois Library System Act: Administrative Rules
- Compliance with the Bylaws and other policies of the IHLS

Scope:

1 Financial Format and Reporting

- 1.1 The fiscal year for IHLS shall begin on July 1 and end on June 30.
- 1.2 The funds, accounts, and descriptions of accounts shall be consistent with generally accepted accounting principles and the *Uniform Accounting and Reporting Manual for the Illinois Library System Headquarters*. The funds shall be brought together per the *Governmental Accounting Standards Board Statement No. 34--Basic Financial Statements--Management's Discussion and Analysis--for State and Local Governments* (GASB 34). Budgeted versus actual comparisons shall be included in financial reports submitted to the Board of Directors and the Illinois State Library.
- 1.3 The Board of Directors shall adopt and then submit an annual budget prior to the beginning of each fiscal year to the Illinois State Library. The accounting system shall provide the basis for comparison of actual expenditures to this budget. Any revisions to the budget shall be approved by the Board of Directors and reported to the Illinois State Library for approval.
- 1.4 A six-month cumulative report is due to the Illinois State Library on February 15 of each year for the period July 1 through December 31. The format of the report shall be in compliance with the form contained in the *Uniform Accounting and Reporting Manual for the Illinois Library System Headquarters*
- 1.5 An annual audit of IHLS for the preceding fiscal year shall be filed with the Illinois State Library on or before September 30 following the end of the fiscal year. The audit shall be conducted in accordance with the most recent Government Auditing Standards.

2 Control Environment

- 2.1 Meetings of the Board of Directors shall be held at least nine times a year to review financial reports, approve IHLS bills for payment, discuss any governance issues, and to be advised of and/or discuss key operational information.
- 2.2 An annual audit (which includes a management letter) for the preceding year shall be conducted by an independent certified public accountant. The Board of Directors shall meet with the independent certified public accountant to discuss the annual audit and any material management findings.
- 2.3 Every employee at IHLS shall have some responsibility to ensure a well functioning financial system. However, responsibility for the financial reporting and controls, as well as ensuring a culture of integrity and ethics shall be delegated to the Executive Director.
- 2.4 IHLS Financial Procedures and Practices, which provide the day-to-day guidelines for financial reporting and controls (including the assignment of authority and responsibility), shall be developed and shall be approved by the Executive Director. The Financial Procedures and Practices shall be reviewed annually and updated as necessary.
- 2.5 IHLS shall maintain policies and procedures, which include a comprehensive code of conduct, policies addressing good business practices, conflicts of interest, and standards of ethical and moral behavior.
- 2.6 Any violations or deviations from established policies shall be investigated, documented, and brought to the attention of the Board of Directors.

3 Risk Assessment

- 3.1 The IHLS Board of Directors shall periodically review the financial health of IHLS. The Board shall receive assurances of the completeness, accuracy, and validity of the information provided and the systems and processes used to generate such information.
- 3.2 IHLS management will periodically assess risks from both external and internal sources. Such assessments should include the potential impact of economic conditions, political actions, financing availability, retention and succession of key employees, and information system security and backup.
- 3.3 IHLS shall consider the risks associated with misstatements of financial information and shall take steps to mitigate such risk.

4 Control Activities

- 4.1 IHLS shall have a process to ensure that appropriate policies and procedures are in place, adhered to, periodically reviewed, and updated.
- 4.2 Financial practices shall include authority and responsibility for approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets, and segregation of duties.
- 4.3 The Board Secretary (or designee) shall be responsible for the retention of IHLS Board of Directors Meeting Agenda, Minutes, and other such Board related documents, which must be maintained at IHLS.
- 4.4 The Business Office shall be the official repository of all financial and human resource records. This includes financial reports and information; original copies of all contracts, agreements, and memoranda of understanding; fixed asset information; and official employee files and payroll information. Retention and disposal of such records shall be based on the requirements as established by the State of Illinois--Local Records Commission, and other applicable state and federal rules, regulations, and guidelines.

5 Information and Communications

- 5.1 Periodically, information shall be collected from the library industry, political entities, member libraries, and other external sources to ascertain the potential impact on IHLS, the services it provides, its business, and financial reporting.
- 5.2 Milestones to achieve programmatic and financial goals and objectives shall be monitored and reported to the Board of Directors to ensure that deadlines are met.
- 5.3 Accurate operational and financial information (including changed policies and procedures) shall be clearly communicated to management and other IHLS employees in a timely manner.
- 5.4 A process shall be in place to document, analyze, and eliminate operational and financial problems, errors, complaints, and new information, which may require a change in operations.
- 5.5 A process shall be in place for directors, employees, and others to communicate suspected wrongdoing by IHLS or IHLS employees. Such process shall ensure that anyone making such a report is protected from retaliation for making such a report.

6 Monitoring

- 6.1 The IHLS Board of Directors and employees shall be obligated to communicate to management any known weaknesses in the internal controls of the IHLS.
- 6.2 IHLS employees shall acknowledge that they have read and understand the Employee Handbook, which includes IHLS's policies on conduct and ethics.
- 6.3 Reconciliations and other control activities shall be followed as identified in the IHLS Financial Procedures and Practices.
- 6.4 IHLS shall follow-up on any recommendations made by the external auditors.

Resolution No: TBR 2011-12

Subject: Investment of Public Funds Policy

Recommended By: Southern Systems Planning Panel/Legal, Governance and Membership Committee

Date: April 7, 2011

Adopted:

Resolution
Illinois Heartland
Library System
Transition Board

In order to outline the responsibilities, general objectives, and specific guidelines for management of public funds by the Illinois Heartland Library System, the Legal, Governance and Membership subcommittee of the Planning Panel developed a policy regarding the investment of public funds. This document has been shared with the planning panel. The subcommittee recommends that the Illinois Heartland Library System Transition Board adopt the Resolution as attached in TBD 2011-17.

The Illinois Heartland Library System does hereby resolve to approve the Resolution on Investment of Public Funds ---TBD 2011-17.

ILLINOIS HEARTLAND LIBRARY SYSTEM INVESTMENT OF PUBLIC FUNDS POLICY

PURPOSE AND SCOPE. The purpose of this policy statement is to outline the responsibilities, general objectives, and specific guidelines for management of public funds by the Illinois Heartland Library System. Its scope is all public funds of the System.

RESPONSIBILITIES. All investment policies and procedures of the System will be in accordance with Illinois Law. The authority of the System's Board of Directors to control and invest public funds is defined in the Illinois Public Funds Investment Act and the investments permitted are described therein. Administration and execution of these policies are the responsibility of the Treasurer, who is hereby designated as the "Chief Investment Officer" of the System acting under the authority of the Board of Directors.

DELEGATION OF AUTHORITY. Management and administrative responsibility for the investment program is hereby delegated to the Chief Investment Officer. The Chief Investment Officer and the System's Executive Director, are responsible for establishing internal controls and written procedures for the operation of the investment program.

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

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

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

GUIDELINES. The following guidelines should be used to meet the general investment objectives:

A) Legality and Safety:

1. Investments will be made only in securities guaranteed by the U.S. or state government, or in FDIC Insured institutions including SAIF of the FDIC. Deposit accounts in banks or savings and loan institutions will not exceed the amount insured by FDIC coverage [unless adequately collateralized pursuant to Regulations of the Federal Reserve regarding custody and safekeeping of collateral].
2. Authorized investments include and will primarily consist of: Certificates of Deposit, Treasury Bills and other securities guaranteed by the U.S. Government, participation in the State of Illinois Public Treasurer's Investment Pool, and any other investments allowed under State law that satisfy the investment objectives of the System.

B) Liquidity:

In general, investments should be managed to meet liquidity needs for the current month plus three months (based on forecasted needs) and any reasonably anticipated special needs.

C) Yield/Return on Investment:

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

D) Simplicity of Management:

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

REPORTING. Investments, fund balances and the status of such accounts will be reported at each regularly scheduled meeting of the System Board of Directors and at least quarterly include information regarding securities in the portfolio by class or type, book value, income earned, and market value as of the report date. At least annually, the Chief Investment Officer shall review this Policy for any needed modifications and report to the Board on the investment portfolio, its effectiveness in meeting the System's need for safety, liquidity, rate of return, diversification and general performance. These reports will be available to the general public upon request

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

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

CONFLICTS OF INTEREST. Officers and employees involved in the investment process shall refrain from personal business activities that might conflict with the proper execution and management of this investment program, or that could impair their ability to make impartial decisions, or that could give the appearance of impropriety.