**ACTIONS BY UNANIMOUS WRITTEN CONSENT OF
THE BOARD OF DIRECTORS OF
BOONE COUNTY PUBLIC LIBRARY FOUNDATION**

The undersigned, being all of the Directors of the Boone County Public Library Foundation (“Foundation”), do hereby waive all requirements as to notice of such meeting and hereby take and authorize by unanimous written consent each and all of the following actions for adoption of the bylaws and appointment of Officers hereinafter set forth:

I. <u>Adoption of Bylaws</u>

RESOLVED, that the bylaws attached as Exhibit “A” are hereby adopted for the regulation of the government of the Foundation, the conduct of its affairs, and the management of its property as provided therein, to the extent consistent with the Articles of Incorporation of this Foundation.

II. <u>Nominate and Appoint Officers</u>

RESOLVED, that the Officers of this Foundation shall be, pursuant to the bylaws, as Director/Chair, Deputy Director/Vice-Chair, Secretary, and Treasurer, and

FURTHER RESOLVED, that each of the following named persons is hereby elected to the respective office indicated opposite each person’s name:

Director/Chair --

Deputy Director/Vice-Chair --

Secretary --

Treasurer --

III. <u>Authorization to Proceed with 501(c)(3) Status</u>

RESOLVED, that the Officers of this Foundation be authorized and directed to submit all necessary applications and documentation and take any additional measures deemed necessary to apply for and obtain 501(c)(3) tax exempt status with the IRS. Furthermore, any and all Directors are authorized and directed to sign any application or documentation needed to obtain such status.

IV. <u>Designation of Corporate Account</u>

The corporate account for the Foundation shall be determined by the Director/Chair.

V. <u>Directors</u>

The initial number of Directors pursuant to Article IV(A) of the bylaws shall be set at five (5) Directors.

IN WITNESS WHEREOF, this action by unanimous written consent has been executed by each Director of the Foundation.

DATED this _____ day of ____________________, 2022.

<u>ARTICLES OF INCORPORATION</u>
<u>OF</u>
BOONE COUNTY PUBLIC LIBRARY FOUNDATION

The undersigned Incorporators execute these Articles of Incorpoartion for the purpose of forming and do hereby form a nonprofit Foundation under the laws of the Commonwealth of Kentucky, KRS 273.161 et seq., in accordance with the following provisions:

<u>ARTICLE I</u>
<u>Name</u>

The name of the Foundation is Boone County Public Library Foundation (“Foundation”)

<u>ARTICLE II</u>
<u>Purposes and Powers</u>

A. The Foundation is organized and shall be operated exclusively for charitable and educational purposes with a special emphasis on providing training and supported employment for people with disabilities and other barriers to employment; including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

<u>ARTICLE III</u>

No part of the net earnings of the Foundation shall inure to the benefit of or be distributable to its Board of Directors, Officers, or other private persons, except that the Foundation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article II hereof. No substantial part of the activities of the Foundation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Foundation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

Notwithstanding any other provisions of these Articles, the Foundation shall not carry on any other activities not permitted to be carried on: (a) by a Foundation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (or the corresponding section of any future federal tax code); or (b) by a Foundation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code (or the corresponding section of any future federal tax code).

ARTICLE IV
Directors

The Foundation is organized on a non-stock basis and shall have no members. The business and affairs of the Foundation shall be governed by a Board of Directors. The initial Board of Directors shall consist of five (5) members who shall serve until the first annual election of Directors and until their successors are elected and qualify. Successor Directors shall be elected by the Board of Directors of the Boone County Public Library Foundation. Each year at least one (1) of the Successor Directors of the Board shall be chosen from the Board of Directors of the Boone County Public Library Foundation. The names and mailing addresses of the initial Directors are:

Name	Address
Pat Rafferty	
Pam Goetting	
Eric Richardson	

ARTICLE V
Dissolution

Upon the termination, dissolution, or winding up of the Foundation, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Foundation, distribute all assets of the Foundation to such organization or organizations organized and operated exclusively for charitable, educational, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code. If the Boone County Public Library, so qualifies, the board of directors shall provide that the assets of the Foundation shall be transferred to the Boone County Public Library. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the County in which the principal office of the Foundation is then located, exclusively for such purposes or to such organization or organizations as said court shall determine which are organized and operated exclusively for such purposes.

ARTICLE VI
Limitation of Director Liability

No Director shall be personally liable to the Foundation for monetary damages for breach of his duties as a Director except for liability:

A. For any transaction in which the Director's personal financial interest is in conflict with the financial interests of the Foundation;

B. For acts or omissions not in good faith or which involve intentional misconduct or are known to the Director to be a violation of law; or

C. For any transaction from which the Director derives an improper personal benefit.

If the Kentucky Revised Statutes are amended after approval of these Articles to authorize corporate action further eliminating or limiting the personal liability of Directors, then the liability of a Director of the Foundation shall be deemed to be eliminated or limited by this provision to the fullest extent then permitted by the Kentucky Revised Statutes, as so amended. Any repeal or modification of this Article shall not adversely affect any right or protection of a Director of the Foundation existing at the time of such repeal or modification.

ARTICLE VII
Registered Office and Registered Agent

The street address of the initial registered office of the Foundation is 1786 Burlington Pike, Burlington, Kentucky 41005-9557, and Carrie Herrimann at the same address shall be the Registered Agent of the Foundation.

ARTICLE VII
Principal Office

The mailing address of the principal office of the Foundation is 1786 Burlington Pike, Burlington, Kentucky 41005-9557.

ARTICLE VIII
Incorporators

The name and address of the Incorporators are as follows:

Name	Address
Jennifer B	
Pat Rafferty	
Pam Goetting	

Polly Lusk Page	
Eric Richardson	

IN WITNESS WHEREOF, we have hereunto subscribed our names this _____ day of______________________, 2022.

AUDIT POLICY

Created 2/2023
Approved 03/2023

The Commonwealth of Kentucky does not require an audit of organizations recognized as a 501(c)(3) by the IRS. Kentucky requires that the Foundation file an annual report with the Secretary of State.

The IRS requires 501(c)(3) organizations to file a Form 990. The 990-N Form should be filed for organizations with gross receipts less than $50,000. The 990 EZ Form should be filed for organizations with gross receipts less than $200,000 and total assts of less than $500,000. The 990 Form should be filed for organizations with gross receipts of $200,000 or more and total assets of $500,000 or more.

The Foundation will be required to conduct an annual single audit if federal grants of more than $750,000 in any fiscal year are expended.

Review/Audit Schedule

The Foundation will contract with a Certified Public Accountant (CPA) for a review or audit in accordance with Generally Accepted Accounting Principles (GAAP) of the financial statements.

During a review, a CPA shall examine the Foundation's financial records. The CPA will issue a report of any material modifications that should be made to the financial statements for them to be in conformity with GAAP.

Reviews will occur on the following schedule:

- Income less than $100,000 every two years
- Income greater than $100,000 annually

During an audit, a CPA shall examine the Foundation's financial records. The CPA will issue an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

An audit will be performed every fourth year as long as the Foundation has gross receipts of less than $200,000 and total assts of less than $500,000.

An audit will be performed annually as long as the Foundation has gross receipts in excess of $200,000 and total assts of more than $500,000.

Review/Audit contract

The Board will contract, through noncompetitive negotiation, for the services of a certified public accountant. The Board may elect to request proposals for review/audit services or renew an existing contract.

The selection of the independent accountant is based on professional competence and experience as demonstrated by a high level of attainment in professional practice. In selecting an accountant, the Board will consider such factors as:

- Prior experience in performance of nonprofit reviews/audits, including both financial and compliance audits.
- Professional qualifications of individuals to be assigned to review/audit, as evidenced by (1) academic degrees, (2) professional certifications, (3) continuing professional educational attainments.
- Professional reputation.
- Number of locally based personnel available for review/audit engagement.
- Proposed fee arrangements.

Due to the value of a continuing relationship with its independent accountant and due to the administrative difficulties and inefficiencies ensuing from frequent changes, the Board will normally reappoint the same firm of independent accountants until that firm has served for a period of at least five years.

Review/Audit process
It is the responsibility of the Library Director and designated library staff members to prepare for and schedule the audit and to respond to questions and requests for information and documentation.

Ideally, the review/audit will begin no later than September 15 and be complete by the date of the regular October Board meeting.

At the Board's discretion, the review/audit will be presented at the meeting by the CPA or the Board's financial advisor. The Board approves the review/audit and each member receives a copy.

The Annual Report, Form 990, Reviews, and Audits will be placed on the Foundation's website.

Board Development and Succession Policy

Created 10/2023
Approved 12/2023

The quality of leadership of the Board of a non-profit organization is extremely important to its ongoing success and sustainability. The leadership of the Board must be carefully managed and cultivated. This policy is intended to ensure the orderly identification and selection of new Board Members in the event of an anticipated or unanticipated vacancy in such position.

Key Factors for Consideration in Succession Planning

The Foundation Board will need to consider a range of issues and factors, including, but not limited to, the length of tenure, skills and diversity of the members of the current Board, any skills gaps, internal talent management, and the Board's diversity needs and objectives.

Guidelines for Succession of the Board Chair

It is the policy of the Boone County Public Library Foundation to invest in the future of the organization by establishing a succession plan for the Board.

A. Succession is a three-year commitment
B. A slate of candidates as outlined by the Bylaws of the Boone County Public Library Foundation is presented to the Board for election at the Annual Meeting.
C. The Vice-Chair works closely with the current Board Chair for the current Chair's term to apprentice for one year.
D. The Vice-Chair is then elected to the role of Chair.
E. At the end of the Chair's term, the Chair then serves as Board Member at Large for one (1) year

Contingency Planning

It is the policy of the Board to plan for sudden and unforeseen departures.

A. Board Members who have determined that they will not seek re-election or re-appointment to the Board are encouraged to inform the Board in a timely manner to allow it ample time to seek candidates for the position.
B. When a Board Chair successor is not elected or leaves before taking office, the current president's term is extended until the role is filled.
C. In the event of an unexpected loss of a Board Member for any reason, the Board shall be notified immediately of the vacancy.

D. If any officer or board member vacates their position, the remaining members of the board will appoint a replacement, as soon as practical in accordance with Article I, Section C, and Article II, Section B, of the Bylaws.
E. If any officer-elect or board member elect vacates a position, the remaining members of the board will appoint a replacement, as soon as practical in accordance with Article I, Section C, and Article II, Section B, of the Bylaws.
F. Board Members shall recommend name(s) of candidate(s) who have the requisite qualifications and attributes for being considered for a position on the Board.

Policy Review

This policy may be amended, modified, or supplemented from time to time to ensure compliance with applicable laws or as may be otherwise prescribed by the Board.

BYLAWS OF
BOONE COUNTY PUBLIC LIBRARY FOUNDATION

PURPOSE

These regulations are made for the government of the Boone County Public Library Foundation, a nonprofit Foundation organized under the laws of the Commonwealth of Kentucky, KRS 273.161 et seq., (the "Foundation") and the conduct of its affairs, and the management of its property. The Boone County Public Library Foundation is a 501(c)(3) nonprofit charitable organization that enhances and supports the Boone County Public Library's ("Library") resources, collections, programs, and services beyond the means of public funding.

Support shall include applying for grants for the Library, and to acquire and administer funds devoted to these purposes. It is not the purpose of this Foundation to replace the funding that the Library receives from the library tax. The Foundation and the Library shall work together, in a strong partnership, to determine where private funds can be leveraged to have the greatest impact and at the same time, not supplant the public's responsibility for funding a strong library system.

ARTICLE I
Directors

A. **General Powers.** The business and affairs of the Foundation shall be managed by its Board of Directors.

B. **Number, Tenure, and Qualifications.** The number of Directors of the Foundation shall be at least five (5), but not greater than seven (7). The Incorporators shall serve as the initial Directors. Thereafter, the number of Directors shall be as set by the Board of Trustees of the Library. The Library Director shall be included as ex-officio, non-voting Member of the Board. The Board of Directors shall be elected at the annual meeting by the Board of Trustees of the Library. Directors shall be chosen for a term of four (4) years, or until the Member's successor is duly elected. The terms of all elected Members of the Board shall be staggered. Elected Members may serve no more than two (2) consecutive full four (4) year terms. Directors having served two (2) consecutive full four (4) year terms and having been off the Board for one (1) year are eligible for re-election. Any vacancy occurring in the Board shall be filled for the unexpired term by majority vote of the Members present at the next meeting of the Board following the occurrence of such vacancy, provided that a quorum is present. Directors shall serve without compensation but may be reimbursed by the Foundation for any reasonable expenses incurred in carrying out their duties as Directors provided that such reimbursement is approved by a resolution of the Board. The duly constituted Members of the Board of Directors shall from time to time determine the exact number of the Members of the Foundation's Board.

C. **Vacancies.** Should a vacancy occur on the Board before completion of a term, such vacancy may be filled by the affirmative vote of a majority of the remaining Board of Directors, though less than a quorum.

D. **Meetings.** The Board of Directors shall meet a minimum of four (4) times per year. The Board or Committees of the Board may meet on a more frequent basis as needed. Meetings of the Board shall be held at the principal office of the Foundation, or at such other places as may be determined by the Board. At least three (3) days' notice of such meetings shall be given to each Director, unless the Board has fixed a regular time and place for such meetings, in which case no notice shall be required. Notice shall be in writing. Notice by email constitutes written notice. Attendance of any Director at any such meeting without protesting the lack of prior notice shall be deemed to be a waiver of that notice. Meetings may be called by the President, the Vice-President, the Secretary, the Treasurer, or by any three (3) Directors, upon the giving of notice as herein required. Meetings may be held by any means of communication by which all persons participating in the meetings can simultaneously hear each other during the meeting.

E. **Special Meetings.** Special Meetings of the Board of Directors may be called by the Chairperson and shall be called by the Chairperson or Vice-Chairperson at the written direction of not less than two (2) Directors then in office, or as may otherwise be provided by law. The written request of the Directors shall state the purpose or purposes of such meeting. Such meetings shall be held at the office of the Foundation, 1786 Burlington Pike, Burlington, Kentucky 41005-9557, unless otherwise directed by the Board of Directors and stated in the notice of meeting, in which case the meeting may be held at any place within or outside of the Commonwealth of Kentucky. Any notice for such meeting shall state the purpose or purposes of the proposed meeting.

F. **Notice.** Notice of any regular or Special Meeting other than the annual meeting shall be given at least three (3) days prior thereto by written notice delivered personally or mailed, faxed, or emailed to each Director. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with first class postage thereon prepaid. If faxed, notice shall be deemed to be delivered when sender receives confirmation that fax was transmitted. Any Director may waive notice of any meeting in writing. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any notice required hereunder shall state the time and place of the meeting.

G. **Quorum.** A majority of the Board of Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided that if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

H. **Manner of Acting.** The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

I. **Compensation.** No Director shall receive compensation for his services as Director or receive any compensation which would be inconsistent with the qualification of the Foundation under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code; however, any expenses incurred by any Director by reason of his duties or responsibilities as such may be paid by the Foundation; provided, that nothing contained herein shall be construed to preclude any Director from serving the Foundation in any other capacity and receiving compensation therefor.

J. **Committees.** The Board of Directors shall have authority to establish such Committees as it may consider necessary or convenient for the conduct of its business. The Board of Directors may establish an executive Committee in accordance with and subject to the restrictions set out in the statutes of the Commonwealth of Kentucky.

K. **Informal Action.** Any action required or permitted to be taken at a meeting of the Board of Directors, or any action which may be taken at a meeting of the Board of Directors or of a Committee, may be taken without a meeting if a consent, in writing, setting forth the action so taken shall be signed by all of the Directors, or all Members of the Committee, as the case may be, and included in minutes or filed with the corporate records. Such consent shall have the same effect as a unanimous vote.

L. **Employees.** The Foundation may engage the services of individuals to promote the purpose of the Foundation as set out in the Articles of Incorporation and the Bylaws of the Foundation, and such employees shall serve at the pleasure of the Board of Directors on a contractual basis as negotiated by the Officers pursuant to the authorization of the Board of Directors.

ARTICLE II
Officers of the Board of Directors

A. **Classes.** The Officers of the Board of Directors shall be a Chairperson, a Vice-Chairperson, a Secretary, a Treasurer, who are to be elected in accordance with the provisions of this article. The same individual may simultaneously hold more than one (1) office in the Foundation.

B. **<u>Election and Term of Office</u>.** Each Officer shall hold office for a period of one year and until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided. After the initial election of Officers at the Foundation's organizational meeting, the Officers of the Foundation shall be elected every year by the Board of Directors at the annual meeting. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as shall be convenient. Vacancies may be filled, or new offices created and filled at any meeting of the Board of Directors.

C. **<u>Removal</u>.** Any Officer elected or appointed by the Board of Directors may be removed by the Board of Directors, with or without cause, whenever in its judgment the best interest of the Foundation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an Officer or agent shall not of itself create contract rights.

The Board of Directors, by a two-thirds (2/3) vote of the entire Board, may remove from office, without having to state or prove cause, any Director, Officer, Committee Member, or Agent elected or appointed by it and elect or appoint his or her successor.

D. **<u>Resignation</u>.** Unless otherwise provided by written contract, any Director, Officer, or Committee Member of the Foundation may resign at any time by giving notice to the Foundation, to the Board of Directors, to the President, or to the Secretary of the Foundation. Any such resignation shall take effect at the time specified therein, or, if the time is not specified, upon its acceptance by the Board.

D. **<u>Vacancies</u>.** A vacancy in any office because of death, resignation, removal, disqualification, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

E. **<u>Chairperson</u>.** The Chairperson of the Board shall preside at all meetings of the Directors and sign the records thereof. The Chairperson shall have general and active management of the business of the Board of Directors and shall see that all orders and resolutions of the Board are carried into effect; he shall be ex-officio, a Member of all standing Committees and shall perform all the duties incident to the office and such other and further duties as may from time to time be required of him by the Directors.

F. **<u>Vice-Chairperson</u>.** The Vice-Chairperson shall perform all the duties of the Chairperson in case of his absence or disability. In case the Chairperson and Vice-Chairperson are absent and unable to perform their duties as Directors, the Directors may appoint a Chairperson pro tempore.

G. **<u>Secretary</u>.** The Secretary shall (1) keep the minutes of the Board of Directors' meetings in one or more books provided for that purpose; (2) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (3) be custodian of the corporate records, and (4) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Chairperson or by the Board of Directors.

H. **<u>Treasurer</u>.** If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall (1) have charge and custody of and be responsible for all funds and securities of the Foundation; (2) receive and give receipts for moneys due and payable to the Foundation from any source whatsoever and deposit all such moneys in the name of the Foundation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these bylaws; and (3) in general, perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Chairperson or by the Board of Directors.

<u>ARTICLE III</u>
<u>Contracts, Loans, Checks, and Deposits</u>

A. **<u>Contracts</u>.** The Board of Directors may authorize any Officer or Officers, Agent or Agents, to enter any contract or execute and deliver any instruments in the name of and on behalf of the Foundation, and such authority may be general or confined to specific instances.

B. **<u>Loans</u>.** No loans shall be contracted on behalf of the Foundation, and no evidence of indebtedness shall be issued in its name unless authorized by a Resolution of the Board of Directors. Such authority may be general or confined to specific instances.

C. **<u>Checks, Drafts, Orders</u>.** All checks, drafts, or other orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the Foundation shall be signed by such Officer or Officers, Agent or Agents, of the Foundation and in such manner as shall from time to time be determined by Resolution of the Board of Directors.

D. **<u>Deposits</u>.** All funds of the Foundation not otherwise employed shall be deposited from time to time to the credit of the Foundation in such banks, trust companies, or other depositories as the Board of Directors may select.

E. **<u>Gifts</u>.** Any Director or Officer may accept on behalf of the Foundation any contribution, gift, bequest, or devise for the general purposes of or for any special purpose of the Foundation.

F. **<u>Charitable Contributions</u>.** No Officer shall make charitable contributions in the name of, from the funds of, or on behalf of the Foundation without prior authorization by the Board of Directors.

ARTICLE IV
Books and Records

The Foundation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board of Directors. All books and records of the Foundation may be inspected by any Director, or his Agent or attorney, for any proper purpose at any reasonable time.

ARTICLE V
Fiscal Year

The fiscal year of the Foundation shall begin on the first day of July and end on the 30^{th} day of June in each year.

ARTICLE VI
Waiver of Notice

Whenever any notice is required to be given under the provisions of these Bylaws, or under the provisions of the Articles of the Foundation, or under the provisions of the Foundation laws of the Commonwealth of Kentucky, waiver thereof in writing, signed by the person, or persons, entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE VII
Amendment of Bylaws

These Bylaws may be amended, altered, changed, added to, or repealed by the affirmative vote of a majority of the Board of Directors if notice of the proposed amendment, alteration, change, addition, or repeal be contained in the notice of the meeting to the Board of Directors.

ARTICLE VIII
Interpretation

These Bylaws are to be interpreted reasonably and are to be interpreted as to conform to the Commonwealth of Kentucky law. The fact that any Bylaw should be found to be invalid shall not affect any other Bylaw.

ADOPTED by the Board of Directors this _____ day of ________________ ______, 2022.

CONFLICT OF INTEREST POLICY

ARTICLE ONE
PURPOSE

The purpose of this conflict of interest policy is to protect the interest of this tax-exempt organization, BOONE COUNTY PUBLIC LIBRARY FOUNDATION (the "Foundation"), when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Foundation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

ARTICLE TWO
DEFINITIONS

A. Interested Person.

Any Director, Officer, or Member of a Committee with governing Board-delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

B. Financial Interest.

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

1. an ownership or investment interest in any entity with which the Foundation has a transaction or arrangement;

2. a compensation arrangement with the Foundation or with any entity or individual with which the Foundation has a transaction or arrangement; or

3. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article Three, paragraph B, a person who has a financial interest may have a conflict of interest only if the appropriate governing Board or Committee decides that a conflict of interest exists.

ARTICLE THREE
PROCEDURES

A. Duty to Disclose.

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Directors and Members of Committees with governing Board-delegated powers considering the proposed transaction or arrangement.

B. Determining Whether a Conflict of Interest Exists.

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he or she shall leave the governing Board or Committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or Committee Members shall decide if a conflict of interest exists.

C. Procedures for Addressing the Conflict of Interest.

1. An interested person may make a presentation at the governing Board or Committee meeting, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

2. The Chairperson of the governing Board or Committee shall, if appropriate, appoint a disinterested person or Committee to investigate alternatives to the proposed transaction or arrangement.

3. After exercising due diligence, the governing Board or Committee shall determine whether the Foundation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing Board or Committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Foundation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

D. Violations of the Conflicts of Interest Policy.

1. If the governing Board or Committee has reasonable cause to believe a Member has failed to disclose actual or possible conflicts of interest, it shall inform the Member of the basis for such belief and afford the Member an opportunity to explain the alleged failure to disclose.

2. If, after hearing the Member's response and after making further investigation as warranted by the circumstances, the governing Board or Committee determines the Member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE FOUR
RECORDS OF PROCEEDINGS

The minutes of the governing Board and all Committees with Board-delegated powers shall contain:

A. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing Board's or Committee's decision as to whether a conflict of interest in fact existed.

B. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

ARTICLE FIVE
COMPENSATION

A. A voting Member of the governing Board who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that Member's compensation.

B. A voting Member of any Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that Member's compensation.

C. No voting Member of the governing Board or any Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE SIX
ANNUAL STATEMENTS

Each Director, Officer, and Member of a Committee with governing Board-delegated powers shall annually sign a statement which affirms such person:

(a) has received a copy of this Conflict of Interest Policy,

(b) has read and understands the Policy;

(c) has agreed to comply with the Policy; and

(d) understands the Foundation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

ARTICLE SEVEN
PERIODIC REVIEWS

To ensure the Foundation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

A. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

B. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Foundation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

ARTICLE EIGHT
USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Article Seven, the Foundation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing Board of its responsibility for ensuring periodic reviews are conducted

Document Retention and Destruction Policy

Created 6/2023
Approved 07/2023

Records Management is the process of managing records, in any format or media type, from creation through to disposal in line with legal and business requirements. Effective Records Management allows for fast, reliable and secure access to records ensuring the timely destruction of redundant records as well as the secure identification and archiving of records considered worthy of permanent preservation. The Boone County Public Library Foundation recognizes that the efficient management of records throughout their lifecycle is necessary to support its core functions, to comply with its legal and regulatory obligations, and to contribute to the effective overall management of the institution. This policy sets out principles for ensuring that the Foundation implements effective records management and provides guidance on the retention and disposal of records. It covers all types of records created or used by staff, whatever format they are held in.

Scope

This policy applies to all records created, received, maintained and held, in all formats by staff, volunteers, interns, members of the Board of the Foundation, and vendors in the course of carrying out their functions. This policy accounts for legislative, regulatory, and best-practice requirements. Records are defined as documents, regardless of format, which facilitate the operations and business of the Foundation and which are thereafter retained for a set period to provide evidence of its activities and transactions. A small percentage of the Foundation's records will be selected for permanent preservation as part of the archive for historical purposes.

Disposal

When a record reaches the end of its retention period a decision must be taken on its disposal, with the three possible outcomes:

- Reappraisal
- Permanent preservation / Send to Foundation archives
- Destruction 9.1 Reappraisal

Before action is taken to permanently preserve or destroy a record at the end of its retention period, a reappraisal of any need to retain it for present functions should be undertaken, but it should only be necessary to attribute a revised retention period on rare occasions. In some circumstances it may be necessary to retain a record for longer than its defined retention period. A new operational function requiring its retention may have arisen, or it may be required for investigation or litigation purposes, or because it is needed to respond to an access request received under data protection or freedom of information legislation. If a record needs to be retained for longer, then a new retention timescale should be assigned to it. It is recommended that this date should not be too far in the future, enabling regular review of the decision while taking circumstances into account. A period of one year is recommended.

Records of Disposal

A record should be kept of what has been disposed of, why it was disposed of and who authorized it, covering both destruction and transfer to archive. This will ensure there is a transparent audit trail detailing evidence of records that have been destroyed in line with the Foundation’s stated procedures.

FRAUD POLICY

Created 08/2022
Adopted 08/2022

In accordance with best business practices and accepted accounting standards, the Board will:

- develop and maintain effective controls to prevent fraud;
- ensure that if fraud occurs a vigorous and prompt investigation takes place;
- take appropriate disciplinary and legal action in all cases, where justified;
- review systems and procedures to prevent similar frauds;
- investigate whether there has been a failure in supervision and take appropriate action where supervisory failures occurred
- record and report all discovered cases of fraud.

Scope

This policy applies to any fraud or suspected fraud involving employees, board members, vendors, consultants, contractors, funding sources and/or any other parties with a business relationship with Boone County Public Library Foundation. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship with the Foundation.

Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Occupational fraud and abuses fall into four main categories:

- theft, the misappropriation or misuse of assets for personal benefit;
- bribery and corruption;
- false accounting and/or making fraudulent statements with a view to personal gain or gain for another: for example, falsely claiming overtime, travel and subsistence, sick leave or special leave (with or without pay);
- externally perpetrated fraud against an organization.

Responsibility

Library management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Each member of management will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Reporting

Any fraud that is detected or suspected shall be reported immediately to the Executive Director or to the Chair of the Foundation Board. If the Board Chair is involved in fraud or related misconduct, that shall be reported to the Executive Director. If the Executive Director is involved in fraud or related misconduct, that shall be reported to the Board Chair.

The reporting individual shall be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with *anyone* unless specifically asked to do so by the Executive Director, Board Chair, or legal counsel.

The employee or other complainant may remain anonymous.

Confidentiality and Retaliation Protections
The Board Chair and Executive Director will treat all information received confidentially. Neither the existence nor the results of investigations or other follow up activity will be disclosed or discussed with anyone other than those who have a legitimate need to know.

Employees or other persons who lawfully report suspected fraud or other activity to the Executive Director, the Board, or any federal or state authority or agency shall not suffer discharge, demotion, suspension, threats or harassment or be discriminated against in any other way because of such employee's lawful actions in providing information or assistance to an investigation into fraudulent or other activity.

Investigation
Library management, in consultation with legal counsel, has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. The investigation may utilize whatever internal and/or external resources considered necessary. All investigations shall be conducted in accordance with applicable laws, and library policies and procedures.

Members of the investigation team will have:
- Free and unrestricted access to all Foundation records and premises, whether owned or rented; and
- The authority to examine, copy, and/or remove all or any portion of the contents of files whether physical or digital, desks, cabinets and other storage facilities on the premises or stored off-site without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigations.

Care shall be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

If an investigation substantiates that fraudulent activities have occurred, the Director, Board President or legal counsel will issue reports to appropriate designated personnel and the Board of Trustees.

All inquiries from any individual who is believed to be involved in fraud or related misconduct, his or her representative, or his or her attorney, and all inquiries from the media shall be directed to the Executive Director, the Board Chair, or legal counsel as appropriate.

Corrective Actions

Appropriate and timely action will be taken against those proven to have committed a fraudulent act. These remedial actions may include, but are not limited to:

- Disciplinary action (up to and including termination of employment),
- Restitution for all losses, including investigation and legal expenses,
- Forwarding information to the appropriate authorities for criminal prosecution, and institution of civil action to recover losses.

Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel, as will final decisions on disposition of the case. Decisions regarding demotion, suspension or termination will also be made in conjunction with legal counsel.

Fundraising Policy

Created 6/2023
Approved 07/2023

The purpose of this policy is to assure that all fundraising efforts to build component funds at the Boone County Public Library Foundation are conducted in compliance with IRS, Kentucky regulations and Foundation policies. Before ANY fundraising activity is begun, Boone County Public Library Foundation approval must be obtained.

A. DIRECT SOLICITATION (MAILING, BROCHURES, WEBSITES, ETC.)
This may be through various forms of marketing in the name of the Fund or the Community Foundation through websites, brochures, direct solicitation letters and events. Subject to IRS guidelines, Donors may be eligible to receive a tax deduction for their gift. The Foundation will send the acknowledgement. The Foundation must approve, in advance of printing or production, all materials (including letterhead, brochures, solicitation letters, website content, and radio and television announcements) related to solicitations. All such materials must meet the following requirements:

- All materials and logos must state what the fund will be used for;
- If donors will be allowed to use credit cards for payment, the following statement must be included on the solicitation form - Your credit card purchase will be listed on your statement as a charge by The Boone County Public Library Foundation. The form must include the name, card number, expiration date and CCV code. The Foundation cannot process credit card contributions without complete information.
- Email and web communication may be used to direct donors to our website to make secure online donations.

B. FUNDRAISING EVENTS (INCLUDING GOLF TOURNAMENTS, RACES, DINNERS, ETC.)
The Foundation must approve, in advance of printing or production, all materials (including letterhead, brochures, invitations, solicitation letters, registration forms, website content and radio and television announcements) related to fundraising events.

Event materials (for example, invitations and registration forms) must include a statement as to the tax deductibility of participation in the event. If goods and services are provided in exchange for a donation, certain “quid pro quo” disclosures are required on solicitation materials including a good faith estimate of the value of the goods or services provided.

The Foundation is responsible for the outlay of any expenses associated with putting on the event, as well as obtaining any necessary insurance, permits, licenses, approvals, etc. The Foundation is responsible for any losses incurred by fundraising efforts or events.

C. GRANT APPLICATIONS TO OTHER FOUNDATIONS AND FUNDING SOURCES
These are considered fundraising activities and are submitted under the auspices of the Foundation. They must be reviewed, approved, and accompanied by a cover letter signed by Foundation Chair. The Foundation requires at least two weeks lead-time to review and approve grant applications.

D. GAMING & RAFFLES (INCLUDES BINGO, LOTRERIES, WAGERING AND OTHER GAMES OF CHANCE)
Due to the level of regulation imposed by the IRS and Kentucky, the Foundation is prohibited from conducting raffles or any other fundraising activity in which gaming activities are involved.

Gift Policy

Created 09/2022
Adopted 11/2022

The Gift Policy defines the broad parameters of gift acceptance. The goal is to encourage financial support for the Boone County Public Library Foundation (BCPLF) without encumbering the organization with gifts which either generate more cost than benefit or which may be restricted in a manner that is not in keeping with the mission of the Foundation.

The Board of the Boone County Public Library Foundation solicits current and deferred gifts from individuals, corporations, and foundations to secure the future growth and mission of the Boone County Public Library. This policy governs the acceptance of gifts by the BCPLF and provides guidance to prospective donors and their advisors when making such gifts. The provisions of this policy shall apply to all gifts received by the Foundation.

The Boone County Public Library Foundation works with donors to accept and administer gifts to support its mission and strategic direction. The timely acknowledgement of each gift is of highest priority to the BCPLF, as is the stewardship of each gift in accordance with the donor's wishes. Gifts are used for the highest and greatest need if they are donated without specific restriction or are administered in following with a gift's designated purpose. Any gift restrictions must support the BCPLF's mission and strategic direction.

The BCPLF may designate a portion of some gifts to enhance its continued capacity to attract support for the Boone County Public Library system. These funds also help further BCPLF advocacy and marketing efforts to increase visibility and public awareness for Library programs, services, and philanthropic needs.

Stewardship of gifts includes oversight provided by the BCPLF Board. Stewardship responsibilities include financial and programmatic reporting, the gift processing and acknowledgment procedures as outlined in the Gift Acceptance Policy, generally accepted accounting principles (GAAP), and financial audit.

As a means to recognize the generosity of donors and to inspire participation by others, BCPLF strives to provide appropriate public recognition of gifts. This may include the naming of programs, endowments and/or other entities. The BCPLF adopts the Naming Rights Policy of the Boone County Public Library (see addendum).

Conflict of Interest

Prospective donors should seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. The Foundation cannot provide individuals with legal advice.

Confidentiality

The Boone County Public Library Foundation will maintain the highest confidentiality standards for all donor files and records. These files and records may be used only by the Foundation, and its employees and agents, and will not be shared with any third party. Unless given specific permission by the donor to publicize the details of a gift, the donor's files and records will be held in strict confidence. Specific details of a donor's giving history will not be shared, except for public recognition purposes, or as may otherwise be required by law.

Donor confidentiality is an important aspect of the BCPLF's stewardship responsibilities and BCPLF respects all requests for donor anonymity.

Gift Acceptance Policy

Gift Acknowledgement: The Foundation follows the most current IRS guidelines and safe harbor rules when acknowledging and recognizing individual donors, community partners, and sponsorships. The Foundation strives to issue timely acknowledgement to the donor.

Gifts of Securities: Gifts of securities to the BCPLF may be completed in certificate form. It is the policy of the BCPLF to liquidate all gifted securities as soon as possible unless a decision otherwise is approved by its Board. Gifts of non-publicly traded securities will not be accepted. The Foundation will not accept gifts of futures, contracts, or derivatives in the absence of the ability to immediately liquidate such gifts.

Cash/Checks: Cash is acceptable in any form. Checks shall be made payable to Boone County Public Library Foundation.

Gifts to Endow Special Programs: The Board of the Foundation will consult with the Library Director and the Library Board of Trustees and make all final decisions on any gift to endow special programs

Only specific special programs will qualify for support through endowment gifts.

The endowment gift must be large enough that the income from the endowment can support the entire dollar cost of the special program and still have enough left over to reinvest so that the endowment can grow and be large enough to support the program and any inflation that has occurred.

Gifts to endow special programs will only be accepted with the provision that they may be converted to the general endowment fund of the Foundation in the event that the special program no longer exists, as determined by The Board of the Foundation consulting with the Library Director and the Library Board of Trustees.

Building project capital campaigns may incorporate an endowment component if deemed appropriate by both the Library and the Foundation Board.

Pledges: A pledge agreement shall be binding to the donor's personal representatives, trustees, heirs, beneficiaries and/or assigns. In the event of the donor's passing prior to the full payment of the pledge, the entire remaining unpaid balance shall be due within a reasonable time after the donor's passing. In this circumstance, fulfillment of the pledge is in addition to any charitable donations that are provided for in the donor's estate plan for the benefit of the BCPLF.

Gifts In Kind: Gifts of materials or products may be accepted when the gift can be used to support the Foundation's mission. This is determined on a case-by-case basis. The donor must place the value on all in-kind gifts for the donor's own tax purposes.

Planned Gifts/Charitable Bequests/Outright Gifts of Personal Property and Real Property: The Foundation actively solicits and accepts bequests and other types of planned gifts. Generally, gifts of artwork and other tangible personal property will not be encouraged, however, if such gifts are accepted, the following conditions will apply. It will consider gifts of personal property. All gifts of tangible personal property, securities, real estate or other items shall be examined in light of the following criteria:

- Does the gift fulfill the mission of the Library?
- Is the property marketable?
- Are there any restrictions, reservations, or limitations associated with the property?
- Are there any carrying costs for the property?
- Are there costs to transfer tangible property to cash?
- Will the property generate any undesirable tax consequences for the Foundation?

The BCPLF is not generally in the practice of being a "net-holder" of real estate and will attempt an immediate sale of any donated property, provided market conditions are favorable (property will not be sold at "fire sale" levels). Outright gifts of real estate and/or interests in entities holding real estate will be valued at fair market value through a qualified appraisal at the time of transfer to the Boone County Public Library Foundation.

The Foundation will not accept property to be given for a specific use or with restrictions other than to sell. Further, the Foundation will not accept less than an unencumbered one hundred percent (100%) ownership of the gift property (undivided interest) unless there is a commitment from the Donor and all other owners to cooperate in the sale of the nongifted interest in such property on terms acceptable to the Foundation.

When appropriate, the BCPLF will seek the advice of legal and financial advisors in matters relating to the acceptance of gifts.

Gifts of real estate may require a title search and an environmental audit.

Securing Appraisals and Legal Fees for Gifts Costs associated with appraisals, title searches, audits and the like will be borne by the donor.

Valuation of Gifts: The Foundation will acknowledge and record a gift received by the Foundation at its market valuation for gift purposes on the date of the gift.

The Board of the Foundation will consult with the Library Executive Director and the Library Board of Trustees and make all final decisions on the acceptance of tangible property.

<u>Life Insurance and Retirement Plans</u>: Only insurance policies which are either paid-up, or where there is a commitment by the donor to be responsible for the payment of continuing premiums, and which the BCPLF is named as both the beneficiary and irrevocable owner, will be accepted. Such designations shall not be recorded as gifts to the Foundation until the gift is received.

Retirement Plan Beneficiary Designations—Donors and supporters of the Boone County Public Library Foundation will be encouraged to name it as a beneficiary of their retirement plans. Such designations will not be recorded as gifts to the Foundation until such time as the gift is received.

Restricted Gifts

The Foundation may accept or reject any offered gift at its discretion. The Board of the Foundation will consult with the Library Director and the Library Board of Trustees and make all final decisions on the acceptance of a restricted gift. Acceptance of any gift requires the Foundation to fulfill the donor's prior-stated wishes for the gift's purpose. In instances where the use specified by the donor is unclear, the Foundation will make every reasonable attempt to determine the restriction. Any gift restrictions must support the BCPLF's mission and strategic direction. Unless otherwise specified, the Foundation will designate a portion of all restricted gifts for the administration and stewardship of the gift. These funds will enhance the Foundation's continued capacity to reach out to individuals, foundations and corporations which, in turn, will result in even greater support for the Boone County Public Library system. In addition, these funds will be used to further the Foundation's advocacy efforts which help to garner support for Library needs as well as the Foundation's marketing activities, which increase visibility of the Library and raise public awareness about Library programs, services, and philanthropic needs.

Capital or Major Multi-Year Gift Pledges
Major and/or capital gift commitments should typically not extend beyond five years. Longer periods may be considered on a case by case basis. Major and/or capital gifts require a signed gift agreement which shall be produced by the Foundation.

Changes to Gift Acceptance Policy
This policy has been reviewed and accepted by the Board of the Foundation. The Board of the Foundation must approve any changes to, or deviations from, this policy.

INVESTMENT(S)

Created 08/2022
Adopted 09/2022

I. Governing Authority

The investment program shall be operated in conformance with federal, state, and other legal requirements.

This policy follows KRS 273.600 to 273.645, Standard of Conduct in Managing and Investing Institutional Funds.

II. Scope

This policy applies to the investment of all funds.

Pooling of Funds

The Boone County Public Library Foundation will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

III. General Objectives

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

Safety

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

a. <u>Credit Risk</u>

The Boone County Public Library Foundation will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:

- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the Boone County Public Library Foundation will do business in accordance with Section V;
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

b. <u>Interest Rate Risk</u>

The Boone County Public Library Foundation will minimize interest risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity;

- Investing operating funds primarily in shorter-term securities, money-market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy (see section VIII).

Liquidity
The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). Alternatively, a portion of the portfolio may be placed in money market accounts, money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.

Yield
The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

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

Local Considerations
Where possible, funds may be invested for the betterment of the local economy or that of local entities within the State.

IV. Standards of Care

Prudence
The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

The “prudent person” standard states 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.”

Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal in financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Boone County Public Library District.

Delegation of Authority
Authority to manage the investment program is granted by the Board to a designated official hereinafter referred to as investment officer. Responsibility for the operation of the investment program is hereby delegated to the investment officer, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy.

Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the investment officer. The investment officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials, if any.

V. Authorized Financial Institutions, Depositories, and Broker/Dealers

Authorized Financial Institutions, Depositories, and Broker/Dealers
A list will be maintained of financial institutions and depositories authorized to provide investment services. In addition, a list will be maintained of approved security broker/dealers selected by creditworthiness (e.g., a minimum capital requirement of $10,000,000 and at least five years of operation). These may include “primary” dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- Proof of national Association of Securities Dealers (NASD) certification (not applicable to Certificate of Deposit counterparties)
- Proof of state registration
- Certification of having read and understood and agreeing to comply with the Boone County Public Library District’s investment policy

- Evidence of adequate insurance and or collateralization coverage.
- Collateral security agreement with all institutions holding BCPL funds in excess of FDIC limits.

An annual review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted by the investment officer.

VI. Safekeeping and Custody

Delivery vs. Payment

All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

Safekeeping

Securities will be held by a [centralized] independent third-party custodian selected by the entity as evidenced by safekeeping receipts in the Boone County Public Library District’s name. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

Internal Controls

The investment officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Boone County Public Library Foundation are protected from loss, theft or misuse. Details of the internal controls system shall be documented in an investment procedures manual and shall be reviewed and updated annually. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls structure shall address the following points:

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

Accordingly, the investment officer shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures or alternatively, compliance should be assured through the Boone County Public Library Foundation annual independent audit.

VII. Suitable and Authorized Investments

Investment Types

Consistent with KRS 273.600 to 273.645 on Kentucky Uniform Prudent Management of Institutional Funds Act, the following investments will be permitted by this policy and are those defined by state and local law where applicable:

a. Obligations of the United States and of its agencies and instrumentalities, including obligations subject to repurchase agreements, if delivery of these obligations subject to repurchase agreements is taken either directly or through an authorized custodian. These investments may be accomplished through repurchase agreements reached with sources including, but not limited to, national or state banks chartered in Kentucky;

b. Obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or a United States government agency, including but not limited to:
   - United Sates Treasury;
   - Export-Import Bank of the United Sates;
   - Farmers Home Administration;
   - Government National Mortgage Corporation; and
   - Merchant Marine bonds;

c. Obligations of any corporation of the United States government, including but not limited to:
   - Federal Home Loan Mortgage Corporation;
   - Federal Farm Credit Banks;
   - Bank for Cooperatives;
   - Federal Intermediate Credit Banks;
   - Federal Land Banks;
   - Federal Home Loan Banks;
   - Federal National Mortgage Association; and
   - Tennessee Valley Authority;

d. Certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation or similar entity or which are collateralized, to the extent uninsured, by any obligations, including surety bonds, permitted by KRS 41.240(4);

e. Uncollateralized certificates of deposit issued by any bank or savings and loan institution rated in one (1) of the three (3) highest categories by a nationally recognized rating agency;

f. Bankers' acceptances for banks rated in one (1) of the three (3) highest categories by a nationally recognized rating agency;

g. Commercial paper rated in the highest category by a nationally recognized rating agency.

h. The management company of the investment company shall have been in operation for at least five (5) years; and Bonds or certificates of indebtedness of this state and of its agencies and instrumentalities;

i. Securities issued by a state or local government, or any instrumentality of agency thereof, in the United States, and rated in one (1) of the three (3) highest categories by a nationally recognized rating agency, and

j. Shares of mutual funds, each of which shall have the following characteristics:
   - The mutual fund shall be an open-end diversified investment company registered under the Federal Investment Company Act of 1940, as amended;
   - The management company of the investment company shall have been in operation for at least five (5) years; and
   - All of the securities in the mutual fund shall be eligible investments pursuant to this section.

Limitations
The investment authority provided by subsection (1) of this section shall be subject to the following limitations:

a. The amount of money invested at any time in one (1) or more of the categories of investments authorized by subsections (1)(e), (f), (g), and (i) of this section shall not exceed twenty percent (20%) of the total amount of money invested; and
b. Any investment authorized by subsection (1) on a margin basis or through the use of any similar leveraging technique shall not be purchased.

Collateralization
Full collateralization will be required on all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit.

Repurchase Agreements
Repurchase agreements shall be consistent with nonprofit accounting standards.

VIII. Investment Parameters

Diversification
The investment shall be diversified by:

- limiting investments to avoid overconcentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
- limiting investment in securities that have higher credit risks,
- investing in securities with varying maturities, and
- continuously investing a portion of the portfolio in readily available funds such as money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

Maximum Maturities
To the extent possible, the Boone County Public Library Foundation shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Boone County Public Library Foundation will not directly invest in securities maturing more than five (5) years from the date of purchase or in accordance with state and local statutes and ordinances.

Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of funds. The intent to invest in securities with longer maturities shall be disclosed in writing to the Foundation Board.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

IX. Reporting

Methods
The investment officer shall prepare/have prepared an investment report at least quarterly including a management summary that provides an analysis of the status of the current investment portfolio and the individual transactions executed over the last month. This management summary will be prepared in manner which will allow the Boone County Public Library Foundation to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will include the following:

- Listing of individual securities held at the end of the reporting period.
- Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one-year duration that are not intended to be held until maturity. (1)
- Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks. (1)
- Listing of investment by maturity date.
- Percentage of the total portfolio which each type of investment represents. (1)

Performance Standards
The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis. The benchmarks shall be reflective of the actual securities being purchased and risks undertaken, and the benchmarks shall have a similar weighted average maturity as the portfolio.

Marketing to Market

The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed.

X. Policy Considerations

Exemption

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

Amendments

This policy shall be reviewed on an annual basis. Any changes must be approved by the investment officer and any other appropriate authority, as well as the individuals charged with maintaining internal controls.

XI. Approval of Investment Policy

The investment policy shall be formally approved and adopted by the governing body of the Boone County Public Foundation and reviewed annually.

Footnotes

(1) Not applicable to funds held by banks.

BOONE COUNTY PUBLIC LIBRARY FOUNDATION, INC.
MEMORANDUM OF UNDERSTANDING

The following will constitute an operating agreement between the Boone County Public Library Foundation, Inc. (“Foundation”), and the Boone County Public Library (“Library”). It will stand until and unless modified by mutual agreement of the Foundation Board and the Library Board. The Boone County Public Library Foundation, Inc., is a 501(c)(3) nonprofit charitable organization that enhances and supports the Boone County Public Library resources, collections, programs, and services beyond the means of public funding. The Foundation builds relationships with Library supporters to ensure private funding, endowments, grants, and greater awareness to promote in all community members, literacy and a thirst for knowledge. The Foundation is a legally distinct entity and is not part of the Library.

The Library agrees to include the Foundation in the long-term planning process to ensure that the Foundation is aware of the goals and directions of the Library.

The Library agrees to share with the Foundation the Library’s strategic initiatives at the beginning of each fiscal year and discuss with the Foundation how their resources and support might help forward these initiatives.

The Library agrees to supply the Foundation with a “wish list” each year that indicated the anticipated needs for Foundation support.

The Library agrees to provide the Foundation with staff support to assist them with development of the newsletter, mass mailings, meeting coordination, and Foundation promotional materials.

The Library agrees to provide public space for the Foundation promotional materials.

The Foundation agrees to allow room on the agenda for a library report.

The Foundation agrees that any and all monies raised will be spent exclusively for library resources, programs, collections, services and other Library defined needs unless otherwise agreed to by both the Foundation and the Library in writing.

The Foundation agrees to work with the Library administration to identify grants, act as the grant application agency, and serve as the fiscal agent for grant monies.

The Foundation agrees that the Library administration shall approve or decline in accepting any and all gifts made to the Library prior to final acceptance by the Foundation.

The Foundation agrees to engage in advocacy efforts on behalf of the Library under the guidance of the Library administration and the Library's Board of Trustees.

Boone County Public Library.

Adopted this _____ day of ____________________, 2022.

Partnership/Sponsorship Policy

Created 4/2023
Approved 04/2023

1. **Purpose**

The purpose of this policy is to define under what circumstances the Boone County Public Library Foundation will enter into partnerships or sponsorships and to provide guidance in the development of those relationships as a means of pooling resources between partners or sponsors that will enhance or improve Library services, programs, collections and/or facilities.

2. **Scope**

The following provisions apply to all Boone County Public Library Foundation partnerships and sponsorships with institutions, organizations, businesses and/or individuals.

3. **Definitions**

   A. Partner: An institution, organization, business or individual that collaborates with the Foundation to provide programs and/or services to the public in ways that are mutually beneficial to and in support of the missions of both the Foundation and the partner and without the exchange of money.

   B. Partnership: Institutions, organizations, businesses or individuals, working together in an effort to accomplish a common goal with a shared sense of purpose and responsibility for the outcome.

   C. Sponsor: An institution, organization, business or individual who financially contributes to the Foundation in support of a collection, service or program.

   D. Sponsorship: A mutually beneficial exchange, whereby the sponsor receives a benefit or reciprocal value in return for providing cash or in-kind gift to the Foundation. Sponsorships do not imply Foundation endorsement of the sponsor's product or service.

4. **Provisions**

   A. Institutions, organizations, businesses or individuals compatible with the policies, vision, mission and goals of the Boone County Public Library Foundation will be considered by the Foundation Board for potential partnership or sponsorship.

   B. The Boone County Public Library Foundation will only enter into partnerships and sponsorships it determines to be in the best interest of the Foundation.

   C. Partnerships and sponsorships will be subject to the approval of the Foundation Board. Partnerships and Sponsorships with a cash contribution in excess of $1,100 require Foundation Board approval.

   D. The Boone County Public Library Foundation, its partners and sponsors will agree to act in ways that are mutually beneficial as described in writing outlining roles and responsibilities of each party. Monetary sponsorships in excess of $1,000 require written agreements.

E. While it is important to remain aware of any tax provision relating to contributions, the Foundation must not represent itself as representing the donor in any transaction. The donor is responsible for his/her own determination of a gift valuation or deductibility.

Privacy Policy

Created 12/2022
Adopted 02/2023

This policy outlines the privacy practices of Boone County Public Library Foundation (BCPLF). Please read this privacy policy carefully.

Information Collection, Use, and Sharing

BCPLF collects information from you when you make a donation. You may be asked to enter your name, street address, phone numbers, email address, or credit card information. BCPLF also collects anonymized data about how digital services are used with Google Analytics, log analyzers, and network access software.

BCPLF uses the information we collect in one of the following ways:

- To process transactions: Your information, whether public or private, will not be sold, exchanged, transferred, or given to any other company for any reason, without your consent, other than for the express purpose of delivering the service or purchase product requested.
- To send periodic emails: The email address you provide will be used to send you information and updates pertaining to the BCPLF. Email messages include a link allowing you to unsubscribe to future emails.

Records

BCPLF will neither share nor discuss your information with any other individual except as required by law.

Third-Party Online Providers and Privacy Policies

Boone County Public Library Foundation reserves the right to add, delete, or link to third-party sites and vendors at any time. BCPLF is not responsible for the privacy practices of other sites and vendors, which may be different from the privacy practices described in the Foundation's Privacy Policy. We encourage you to become familiar with the privacy practices of other sites you visit.

Children's Online Privacy Act Compliance (COPPA)

BCPLF is in compliance with the requirements of COPPA. BCPLF does not collect any information from anyone under 13 years of age. The website, products, and services are directed to people who are at least 13 years old or older.

Consent

By using our site, you consent to our Privacy Policy.

You Control Your Information

You may do any of the following in person, by email (foundation@bcpl.org), or by phone (859-342-2665)

1. See what data we have about you, if any.
2. Correct any data we have about you.
3. Have or delete any data we have about you.
4. Express concerns you have about our use of your data.

Revisions

BCPLF reserves the right to change this Privacy Policy at any time, and all updates will be posted to this page

WHISTLEBLOWER POLICY

Created 06/2022
Adopted 06/2022

Preamble

The BOONE COUNTY PUBLIC LIBRARY FOUNDATION ("Foundation") adopts this Whistleblower Policy ("Policy") requiring Directors, Officers, and Employees to observe high standards of business and professional ethics in the conduct of their duties and responsibilities. As Directors, Officers, and Employees of the Foundation, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable state and federal laws.

Reporting Responsibility

It is the responsibility of all Directors, Officers, and Employees to comply with the Policy and to report violations or suspected violations thereof, including violations of applicable state laws and federal laws, in accordance with this Policy.

No Retaliation

No Directors, Officers, or Employees who in good faith reports a violation shall suffer harassment, retaliation, or adverse employment consequences. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. The Foundation will not retaliate against a Director, Officer, or Employee who refuses to participate in an activity, that would result in a violation of the Policy or applicable state or federal law. Anyone who believes he/she is being retaliated against must contact the Director/Chair. The protection afforded to a whistleblower does not include protection for any personal wrongdoing or an investigation pertaining thereto.

Reporting Violations

In most cases, an Employee's Supervisor is the best person to address an area of concern. However, if you are not comfortable speaking with your Supervisor or you are not satisfied with your Supervisor's response, you are encouraged to speak with anyone in management including the Director/Chair, or the Board of Directors of the Foundation. Employees are also permitted to contact the appropriate law enforcement or governmental agency. Supervisors and members of management are required to report concerns received to the Director/Chair of the Foundation who shall in return report the matter to the Board of Directors. All reports will be promptly investigated, and appropriate corrective action will be taken if warranted by the investigation.

Investigation and Resolution of Reporting

The Foundation's Board of Directors, or a designated Committee of the Board, is responsible for investigating and resolving all reported complaints and allegations concerning violations of Policy or applicable laws and regulations.

Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation of the Policy or applicable state or federal law, must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been maliciously or knowingly false, will be viewed as a serious disciplinary offense.

Confidentiality

Violations or suspected violations may be submitted on a confidential basis by the Complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible. However, identity may have to be disclosed to conduct a thorough investigation, to comply with law, or to provide an accused with their legal right of defense.

Addendum

Naming Rights Policy

Adopted by BCPL 01/2022

Adopted by BCPL Foundation Adopted 11/2022

Purpose

The Boone County Public Library Board of Trustees (the Board) considers the naming of a collection, facility, or portion of a facility in honor or memory of a living or deceased individual, corporation, foundation, or organization to be one of the highest distinctions it can bestow.

Boone County Public Library (Library) seeks to recognize persons who have supported the Library through substantial financial contributions and/or have contributed significantly to the social, academic, scholarly, research or political life of the community by naming facilities in their honor.

The Board has the sole right to name or rename collections, portions of a facility, or facilities. The Library's Director may recommend naming opportunities to the Board for consideration. The Board recognizes that naming a collection, facility, or portion of a facility is a decision of immense importance; therefore, making these decisions is undertaken with an appreciation for that significance.

While the Board is grateful for and encourages donations from all individuals, businesses and organizations, the Board has the right to decline any gift to the Library and/or reject naming proposals.

Guidelines for Naming Sponsorship

A. Meeting rooms, reading areas, study rooms, special use areas, equipment, green spaces, walkways, other interior and exterior spaces, and facilities or a portion of a facility may be named or renamed by the Board to recognize a donor. Appropriate contributions for such naming opportunities will be at the discretion of the Board and will be determined by square footage cost, actual cost of equipment, on-going operating cost, etc., depending on the specific area or item.
B. Endowment proposals such as those for a collection or program may also include naming rights. Collections or programs may be named or renamed by the Board to recognize a donor. Appropriate contributions for such naming opportunities will be at the discretion of the Board and will be determined by cost of materials, staff, on-going operating costs, etc. depending on the specific program or collection.
C. The Board may name or rename library buildings. The Board will review, consider and approve or decline a proposal that a library building bear a designated name only when a prospective donor wishes to make a substantial gift to the Library.

D. For contributions toward an existing building, a substantial gift is defined as at least 25 percent of the current assessed value of the facility or a number agreed upon by the Board.

E. For contributions toward new construction or significant renovation of an existing building, a substantial gift is defined as at least 25 percent of the total project cost or a number agreed upon by the Board.

F. Sponsorship and Naming Levels for Specific Areas:

A. Study Room	$15,000
B. Conference Room	$20,000
C. Computer Area	$75,000
D. Young Teen Area	$75,000
E. Teen Area	$100,000
F. Large Meeting Room	$200,000
G. Makerspace	$200,000
H. Children's Area	$400,000

I. Other areas will be determined by the Board according to the amount of donation.

G. The name of the neighborhood in which the library building resides will be included in a facility's name unless otherwise agreed upon by the Board. In these instances, the geographical name should come first. The geographical name should give those residing in the surrounding communities and service area of the library a clear indication of the general area where the library is located. Collections, programs, services, interior and exterior spaces or other defined areas within library buildings may be named in honor of those who have made a significant gift or given extraordinary service to the Library.

H. The Board reserves the right to terminate or alter a naming designation under unusual or extraordinary circumstances.

I. If an individual or organization, after which a collection, program, portion of a facility, or facility has been named, comes into disrepute at the Library or in the community at large, the Library Director may recommend to the Board that the use of the name be discontinued.

J. If a distinctively named library facility is relocated, substantially remodeled, or converted to use other than its original use, the facility may be renamed to reflect the association of new donors or community interests related to the changing facility. In such instances, the original name shall be honored in an appropriate manner.

K. Naming rights will not extend beyond the normal life of the collection, program, portion of a facility, or facility. Generally, naming rights for benefactors would be granted when there is a minimum commitment of five years. Naming rights will normally remain in place for a period of no longer than twenty (20) years, although a plaque will remain in the location in perpetuity, acknowledging the name and the donation. In the event the collection, program, portion of a facility, or facility is significantly altered in a timeframe less than 50% of the agreed upon time when the gift was made, the Board will roll the name forward in a similar capacity.

Guidelines for Nonmonetary Contributions

Naming a collection, program, portion of a facility, or facility to honor individuals who have contributed significantly to the social, academic, scholarly, research or political life of the community rather than a donor is permitted. Generally the Library does not allow the naming of a collection, program, or portion of a facility after a living person. Those honored with such a naming might be:

A. Persons not directly connected with the Library who have contributed significantly to the social, academic, scholarly, research, or political life of the community;
B. Persons who have contributed significantly, in one way or another, to the growth and development of the Library;
C. An illustrious former employee, board member; or
D. An outstanding states-person, educator or scholar who may or may not be connected to the Library or the County of Boone.

Request Procedure

The Board shall charge the Library Director to review and make recommendations to the Board for naming opportunities. The guidelines for naming rights are as follows:

A. All requests for naming shall be submitted to the Board in writing. The request shall contain justification compliant with the criteria and objectives outlined in this policy. The Board will review and research each submitted naming nomination on its individual merits.
B. Any request to rename, add, or remove a name should include documentation pertaining to the original approval and subsequent name change proposal.
C. No publicity shall be given the recommendation for naming until it is approved by the Board.

Dedication Ceremony and Plaque

A plaque will be installed at or near the named area. The Board reserves the right to choose the wording, size, location and style of the plaque. An appropriate dedication ceremony may be planned and conducted.