

**PUEBLO CITY-COUNTY
LIBRARY**

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**FINANCIAL MANAGEMENT
POLICIES & PROCEDURES**

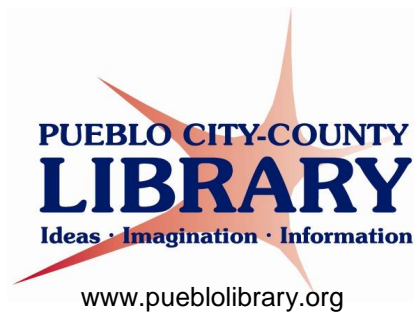


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FINANCIAL MANAGEMENT

04.01.01 Fund Balance

The fund balance is the amount of monetary funds, or net assets, available when calculated in accordance with generally accepted accounting principles (GAAP). At the end of every fiscal year, the net amount of revenues less expenditures is added to or subtracted from the beginning fund balance. The fund balance is the amount of cash and investments available to the District.

The fund balance can be segregated into amounts that are reserved for specific purposes, designated for anticipated events, or unassigned and available for general operating uses. It is the practice and intent of the Pueblo City-County Library District to ensure a minimum unassigned fund balance of slightly more than two months of regular general fund operating expenditures at the end of every fiscal year. This is equivalent to 20% of the annual general fund operating expenditures.

During the course of the fiscal year, the fund balance may be used to pay immediate operating costs; however, fund balances used for such purpose should be replenished as soon as possible.



FINANCIAL MANAGEMENT

04.01.02 Annual Budget

The annual budget is the financial plan for the operation of the library. It provides the framework for both expenditures and revenues for the year and translates into financial terms the priorities of the library. The annual budget will follow all statutory requirements as stipulated in the Colorado Local Government Budget Law, Section 29-1-101 et seq., C.R.S. It will be compiled to include recommended GAAP (Generally Accepted Accounting Principles) and GASB (Governmental Accounting Standards Board) standards for budget preparation and presentation.

The budget will be an integral part of the annual planning process and will be included in the annual plan. The annual plan and budget are approved by the Board of Trustees.

The budget shall be presented in a summary format which is intended to be understandable by a general audience. The budget format shall itemize expenditures of the library by fund. It shall describe the expenditure and show the amount budgeted for the current fiscal year and the amount budgeted for the ensuing fiscal year.

The development, presentation, and administration of the annual budget is the responsibility of the Executive Director who is assisted by the Chief Financial Officer.

The Board of Trustees may make budget transfers by resolution, following statutory guidelines, after proper notice of public hearing to amend the annual budget.

The fiscal year for PCCLD is January 1 through December 31.



FINANCIAL MANAGEMENT

04.01.01 Purchases

It is the policy of PCCLD to ensure a responsible method of procurement accountability, maintain budgetary control, and secure quality goods and services at the best possible cost.

Responsibilities and approvals for standard purchases are highlighted in the chart below. Purchases cannot be split in order to avoid the approval process.

Limits	Documentation required	Approval level
Up to \$4,999	Bids not required (competitive pricing maybe requested)	Department Supervisor
\$5,000 - \$9,999	Bids not required (competitive pricing maybe requested)	Department Supervisor & CFO or their designee
\$10,000 - \$24,999	Purchase order and invoice Minimum of 3 quotes/bids	Executive Director
\$25,000 and above	Purchase order Formal Request for Proposal	Board of Trustees
Travel out of Colorado	Travel Expense request	Department Supervisor and Associate or Executive Director
Travel out of Pueblo County, but within Colorado	Travel Expense request	Department Supervisor and Associate or Executive Director

Exceptions:

Cooperative Purchase Programs – PCCLD is eligible to purchase various commodities under the Colorado State Purchasing Program, US Communities, and other collaborative purchasing agreements which have already bid for the best prices. These can be used without acquiring bids. Any purchase through a cooperative purchase program must include the contract number and the contact for the awarding agency.

Sole Source Purchases – When only one vendor is capable of meeting all specifications and purchase requirements, purchases may be made on the basis of prices established by negotiations. All sole source purchases must be approved by the Executive Director and brought to the attention of the full Board of Trustees.

Selection by Vendor – Books and other library materials, supplies, and services may be bid by vendor rather than item by item. The Executive Director will approve vendor selection based on written proposals that include terms and discounts. This method may also be used to select professional/personal services for legal and consulting services, architectural, engineering, etc., negotiated on the basis of demonstrated competence and qualifications at fees not in excess of market rates.

Emergency Purchases – In the event of an unforeseen emergency which necessitates purchases be made immediately, portions of this policy can be foregone as long as the policy is adhered to as closely as conditions permit.

Code of Ethics

No employee of the district, or member of the employee's immediate family, or firm owned by same, will be allowed to sell to the district goods or services of any kind without the prior written consent of the Board of Trustees for expenditures of over \$500. It is the responsibility of the Executive Director to bring these matters to the attention of the full Board of Trustees. Goods or services costing \$500 or less can be approved by the Executive Director or designee.

No member of the Board of Trustees, or member of the Board of Trustees' immediate family, or firm owned by same, will be allowed to sell to the district goods or services of any kind, at any cost, without the prior written consent of the Board of Trustees. Members of the Board of Trustees will follow all rules of conduct as outlined in C.R.S. (Colorado Revised Statutes) Title 24; Article 18.

[Excerpt: Subsection C.R.S. 24-18-108.5: "Rules of conduct for members of boards and commissions.

(1) Proof beyond a reasonable doubt of commission of any act enumerated in this section is proof that the actor has breached his fiduciary duty. (2) A member of a board, commission, council or committee who receives no compensation other than a per diem allowance or necessary and reasonable expenses shall not perform an official act which may have a direct economic benefit on a business or other undertaking in which such member has a direct or substantial financial interest."]

No employee or trustee of the district shall accept a fee, gift, or other valuable item or service for personal use from any person or group of persons when such gift or other valuable item or service is given in the hope or expectation of receiving preferential treatment over others wishing to do business with PCCLD.



100 E. Abriendo Ave.
Pueblo, CO 81004-4290

BID RECORD SUMMARY

Department _____

Date _____

Name _____

Phone # _____

Full description of item: _____

Bid #1: Vendor _____ Contact name _____

Address _____ Phone # _____

Detail of bid

Total Cost \$ _____

Bid #2: Vendor _____ Contact name _____

Address _____ Phone # _____

Detail of bid

Total Cost \$ _____

Bid #3: Vendor _____ Contact name _____

Address _____ Phone # _____

Detail of bid

Total Cost \$ _____

Selected: Bid # _____. Reason for selection: _____

Approved by _____

O:\FINANCE\PURCHASING\BID RECORD SUMMARY



FINANCIAL MANAGEMENT

04.01.03.P1 Purchasing Procedure

Purchase Order / Requisition

Submission or requisitions through eRequester, the online purchasing system, is used for procurement of all purchases with the exception of collection materials and P-card purchases (defined below).

- Every department has at least one log-on to eRequester
- All requests automatically go through the Finance Office for processing and ordering.
- Approval processes are built into eRequester and follow the Purchasing Policy.
- All requests must be categorized with the proper request type, to follow the proper approval processes.
- All requests must include supporting documentation, i.e., bids or quotes. Independent contractor requests must include a contract and an itemized invoice, if available. Any new contractors/vendors must also include a W-9.

Procurement Cards (P-Cards)

Managers and designees may be issued P-cards depending upon the business needs of PCCLD.

P-cards are intended for reoccurring expenses, immediate and/or emergency purchases, under \$500 with the following exceptions:

- Travel and/or training expenses that may exceed the \$500 limit, e.g. air fare, hotels, etc.
- Budgeted items or emergency purchasing requirements of Facilities, Technical Services, and Information Technology that may exceed the \$500 limit.
- Regular purchasing requirements of Finance to fulfill procurement requests that may exceed the \$500 limit.

P-card holders are provided with the *Procurement Card Program User Guidelines*, prior to receiving a card.

P-card holders must sign and submit the *Procurement Card Participant Agreement*, agreeing to the compliance with all policies, procedures, and guidelines for the P-card program. These documents can be found on the PCCLD intranet Portal.

Bid Record Summary

For all purchases over \$10,000, bids must be obtained according to the requirements stipulated in the Purchase Policy. Bids are generally secured by the Purchasing Specialist.

- The Bid Record Summary is to be used for bids or quotes. It should also be used to summarize results of a formal Request for Proposal.
- The summary should be authorized/signed according to the guidelines in the Purchase Policy. The completed Bid Record Summary should accompany the Requisition in eRequester, which will then generate a Purchase Order for payment.



FINANCIAL MANAGEMENT

04.01.04 Expense Reimbursement

It is the policy of PCCLD to reimburse expenses incurred by employees while performing their assigned duties. Expenses that will be reimbursed include approved travel during business hours and approved travel out-of-town. Approved travel out of the county may include lodging and meals and incidental expenses.

The PCCLD Board has adopted an "Accountable Plan" for the reimbursement of approved business related travel in order to minimize and simplify record keeping for both the district and its employees. An accountable plan is defined in the Internal Revenue Code, and requires that certain conditions be met, including: (1) the expense must be business related; (2) the employee must substantiate the expense; and (3) the employee must return any amounts received in excess of substantiated amounts.

A significant benefit of using an accountable plan for expense reimbursement is the elimination of all reporting to the IRS. However, records must still be kept by the employee and submitted along with reimbursement requests to the Finance Department pursuant to the IRS guideline to substantiate the expense.

It is the Library's intent to follow IRS travel guidelines; however, the Library reserves the right to adjust or reduce reimbursement amounts based on funding availability.

APPROVED IN-DISTRICT TRAVEL

Business related approved travel is reimbursed on a per-mile rate established during the budget approval cycle. Mileage is reimbursed on a monthly basis upon submitting the Reimbursement Form. Mileage distances as calculated by the Google web-based mapping and direction program may be used as verification of distance.

Additional mileage claimed for reimbursement must be documented by the employee. Odometer readings are considered substantiation by the IRS. Approved in-district travel is reimbursed monthly upon submittal of the Reimbursement Form and approved by each employee's department supervisor. Documentation must include the business purpose of the travel.

Under no circumstance is travel from home to work a reimbursable expense.

APPROVED OUT-OF-DISTRICT TRAVEL

Mileage is reimbursed using a fixed mileage rate approved annually along with the operating budget. Arrangements for airfare required for meeting and conference attendance should be coordinated with the office of the Executive Director, Associate Director, or Chief Financial Officer.

APPROVED OUT-OF-DISTRICT EXPENSES - not overnight

Meals and incidental expenses for approved travel out-of-district but not overnight are reimbursable.

APPROVED OUT-OF-DISTRICT EXPENSES - overnight

Out-of-district expenses are reimbursed or prepaid using the per diem method in order to standardize record keeping by both employee and the District. The per diem rates used are prepared by the General Services Administration and are published in the Federal Travel Regulations and by the Internal Revenue Service.

Per diem reimbursement for overnight out-of-district approved travel includes two amounts: (1) an amount intended to cover accommodations; and (2) an amount to cover meals and incidental expenses (M&IE). Per diem allowances can cover hotel and meals and incidental expenses combined, or can cover meals and incidental expenses only.

The amount reimbursed for overnight out-of-district M&IE will follow IRS guidelines in calculating travel days (75% of standard per diem) and deductions for meals which are included in the registration fees. Incidental expenses include laundry, dry cleaning, and tips. Telephone calls, cab fares, parking, luggage handling fees, and tolls are not included in incidental expenses and must be accounted for separately.

PER DIEM METHOD FOR MEALS AND INCIDENTAL EXPENSES ONLY

It is the policy of PCCLD to reimburse business-related approved travel using a combination of methods: Hotel and related costs will be reimbursed based upon actual costs incurred and substantiated; meals and incidentals will be reimbursed or prepaid based on the per diem method.

Whether per diem is prepaid or reimbursed, an accounting of expenses incurred must be submitted. This can either be individual receipts, or a daily record of the meals/expenses including date, purpose, meal, and amount paid. (Example: Monday, August 10 – CAL Conference - Breakfast - \$7.50) Reimbursement will not exceed receipts or recorded amount. If per diem was prepaid, expenses must be submitted detailing charges and any excess returned to Finance. Per IRS regulation, any amounts not substantiated and not returned will be considered compensation and added to the employee's W-2.

No expenses exceeding the published per diem rate for M&IE will be reimbursed.

OTHER MISCELLANEOUS EXPENSES

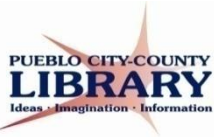
Petty cash is available at Rawlings and each branch to cover small expenses required in the conduct of daily business. Petty cash reimbursement procedures are addressed in a separate policy. Expenses that are not covered as travel or petty cash expenses are reimbursable on a case-by-case basis upon request to an employee's supervisor with proper documentation. Reimbursement in these cases is expected to be infrequent, and only upon approval prior to expenditure except in the case of emergency.

APPROVALS

Reimbursement claims for expenses require the following approvals:

In-district	Department supervisor
Out-of-district travel/expenses	Department supervisor and Associate or Executive Director
Other miscellaneous expenses	Department supervisor

See Also: [04.01.07](#) Petty Cash



TRAVEL REQUEST / EXPENSE REIMBURSEMENT

100 E. Abriendo Ave.
Pueblo, CO 81004-4290

NAME	DEPARTMENT
EVENT	LOCATION
TOTAL TRAINING HOURS	DATES

REQUEST				REPORT			
	Estimated Expense	Pay in advance*		Amt. paid in advance	Reimbursable Expenses	Rcpt ✓	TOTAL Include amts. pd. in advance
		Check	VISA				
Registration fees							
Transportation							
Luggage							
Air							
Ground							
Parking							
Mileage @ .58/mile <small>(see reverse side)</small>							
Lodging							
Per diem** / food ___ days @ \$___							
Other _____							
TOTAL							

*Provide Finance with any necessary paperwork and/or information where to send check.

**Per diem rates available at: http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA_BASIC&contentId=17943 –
Per diem claimed must be substantiated with list of days, meals and actual costs OR receipts.

APPROVALS			
	REQUEST		REPORT / EXPENSE REIMBURSEMENT
Supervisor		Date	
Director/Assoc.Dir. <small>(required for out of county travel)</small>		Date	
<input type="checkbox"/> Denied / Reason			<div style="display: flex; justify-content: space-between;"> ACCT # VENDOR # </div>

NAME	DEPARTMENT
-------------	-------------------

MILEAGE BY PERSONAL VEHICLE

Purpose	Date	From	To	Miles Driven
Total Miles				
x .58 01/01/2019				
Amount to reimburse				

APPROVAL – Mileage Only				
Supervisor		Date	ACCT #	VENDOR #
Director/Assoc.Dir. (required for out-of-county travel)		Date		
<input type="checkbox"/> Denied / Reason				



FINANCIAL MANAGEMENT

04.01.05 Management of Fixed Assets

Fixed Assets represent land, buildings, vehicles, materials, and equipment owned by the District and acquired by purchase or donation. Individual items costing more than \$5,000.00 are accounted for in the General Fixed Asset Group of Accounts in the financial records of the District. Materials such as books and audio-visual materials of lasting value will be recorded in aggregate at year-end for inclusion in the General Fixed Asset Group. In accordance with Section 29-1-506 of the Colorado Revised Statutes entitled, Local Government Accounting Law, an annual inventory of such assets is required each year.

29-1-506. Continuing inventory. (1) The governing body of each local government shall make or cause to be made an annual inventory of property, both real and personal, belonging to such political subdivision; except that an inventory shall be required only with respect to items of property having an original cost that equals or exceeds an amount established by the governing body of each local government, unless such items having a value of less than the amount established by such governing body are required to be inventoried by directive of the state auditor. In no event shall the amount established by the governing body of any local government pursuant to this subsection (1) exceed the amount specified in rules promulgated by the state controller pursuant to section 24-30-202, C.R.S., regarding inventory accounts for items of state property. (Currently \$5,000.00)

Inventory tags will be assigned and accounted for by the Finance Office upon the purchase of any asset costing more than \$5,000.00 which is expected to last more than one year. The tags will identify the location of each asset. Movement of a tagged fixed asset item must be reported to Finance immediately upon relocation. The Finance Office will maintain a Continuing Property Record of all fixed assets which will include description, location, cost, vendor, and property tag number. The listing of fixed assets will be reconciled annually to the general ledger, and any differences reconciled and adjusted.

Estimated useful lives of each asset for the purposes of depreciation are as follows: Buildings – 40 years; Furniture and Fixtures – 10 years; Vehicles – 4 years; Computer Equipment – 4 years; Other Equipment – 5 years; Materials – 5 years. Depreciation of fixed assets will occur annually based on this schedule, and adjustments will be made to the General Fixed Asset Group.

APPROVALS

Purchases of fixed assets must be approved according to the procurement policy of the District. The following table summarizes the approvals required for individual items. The following table summarizes the approvals required for individual items costing more than \$5,000.00 and expected to last more than one year.

CATEGORY OF PURCHASE	APPROVAL REQUIRED
Facilities related, including buildings and building components, equipment, and furniture	Facilities Superintendent
Copiers, computers, software, and audio-visual and communication equipment	Information Technology Manager
Office equipment not included above	Chief Financial Officer
Any of the above items costing over \$5,000	Executive Director



FINANCIAL MANAGEMENT

04.01.06 Disposal of Fixed Assets

A disposition of fixed assets represents the physical removal of an asset from custody or accountability. In accordance with Colorado State Statutes (CRS 24-90-109), any asset with a value of over \$5,000 can be disposed of in one of four different ways: donated, scrapped, sold, or traded. If the asset is conveyed to a state agency or political subdivision of the state, the determination can be made by the Executive Director or the Chief Financial Officer. The conveyance of an asset to any outside business or commercial entity must be approved by the Board of Trustees. Unless offered to the public at large, a fixed asset cannot be sold or donated to a private party or employee.

In January of every year, a disposal of property request form will be submitted to the Board of Trustees so that a broad determination can be made to donate or discard weeded collection materials, which are considered to be fixed assets in the aggregate, as well as to dispose of miscellaneous surplus furniture and equipment.

Computer equipment, when obsolete and not subject to donation or sale, will be sent to a computer recycling firm for disposal, according to legislation prohibiting the wholesale dumping of such equipment. Upon disposal of fixed assets, adjustments will be made to record the reduction of assets and accumulated depreciation in the financial records.



FINANCIAL MANAGEMENT

04.01.06.P1 Disposal of Fixed Assets Procedure

Disposal of property through donation:

Property of PCCLD can be donated based on the following parameters:

1. Asset must be determined to be of no further functional use to PCCLD.
2. Asset must have no re-sale value, or be determined that it cannot be sold for a profit to PCCLD.
3. Asset must first be offered to a state agency or political subdivision of this state. This would include City and County agencies, Special Districts, Public Schools, and other governmental agencies.
4. Asset can be offered to local non-profit agencies, through an advertisement in the classified section of the Pueblo Chieftain. All responses should be provided in writing. First respondent will be awarded the asset.
5. Asset cannot be offered as a donation to staff or private parties without offering it to the general public/taxpayers at large.



USE OF MATERIALS

04.01.07 Petty Cash

The purpose of petty cash is to provide money for making small purchases which are needed immediately. It may also be used to purchase small items from a business that does not maintain a charge account for the library. All purchases should be authorized by a department supervisor. Petty cash purchases/reimbursements may not **exceed the sum of \$20.00**. Receipts are required, along with a signed petty cash receipt form, to obtain reimbursement. Petty cash funds will be maintained at the Rawlings Public Library and the branch libraries. Department supervisors are responsible for the oversight of petty cash funds at their facilities, and must authorize the request for reimbursement of petty cash.

See Also: [04.01.03 Purchases](#)



FINANCIAL MANAGEMENT

04.01.08 Cash Management and Banking

It is the policy of PCCLD to ensure safe and secure handling of monies through an efficient cash management program. Funds will be held only by banks which insure funds through the Federal Deposit Insurance Corporation (FDIC) or are organized as a Government Investment Pool as defined in the Colorado State Statutes (C.R.S. 24-75-701).

The Executive Director and Chief Financial Officer are designated as authorized signers for bank accounts. One signature is required for check signing and related operational transactional responsibilities. Two signatures are required for the opening and closing of accounts. Facsimile signature for signing of checks is acceptable.

Electronic funds transfer, direct deposit, wire transfers and automated clearing house transactions will be used whenever feasible and available. These transactions can be initiated by one individual with an authorized password and/or PIN number to insure appropriate authorization.

All bank statements will be reconciled monthly by the Chief Financial Officer and approved by the Executive Director. All checks written that have not cleared the bank for six months after the date of issuance shall be investigated. Upon completion of the investigation, remaining outstanding checks shall be submitted through the Colorado Unclaimed Property Act.

Cash receipts will be accounted for using procedures and documentation developed by the Finance Office. It is the Library's policy insofar as possible to deposit all cash receipts daily after reconciliation. Transmittal of cash to the banking institution will be contracted to an armored car service.

The District accepts payments in cash, checks, electronic transfer and credit/debit cards. Individuals issuing checks which are returned for insufficient funds or any other reason may be submitted to collections and assessed a charge of \$20.

Cash and salary advances to employees and cashing of employee personal checks are not allowed.



FINANCIAL MANAGEMENT

04.01.09 Debt Management

The Debt Management Policy sets forth comprehensive guidelines for the financing of capital expenditures. It is the objective of the policy that (1) the District obtain financing only when necessary to fund capital projects, (2) the process for identifying the timing and amount of debt or other financing be as efficient as possible and (3) the most favorable interest and other costs be obtained.

Colorado Revised Statute 24-90-112.5, (Library Law) defines legal authority and regulations for issuance of bonds by a Library District, and those regulations will guide the issuance of debt.

The District will calculate debt service as a percent of annual revenue. The total of all debt service carried by the District is not to exceed 10% based on the most current ratio available of debt service over annual revenue at the issue date of the debt.



FINANCIAL MANAGEMENT

04.01.09.G1 Guidelines for Debt Management

A. Financing Team

The District may select specialists to assist in developing a bond issuance strategy, prepare bond documents and market bonds to investors. The key players in the District's financing transactions include its financial advisor and bond counsel, the underwriter (on a negotiated sale), District representatives (the Executive Director, the Chief Financial Officer and selected members of the Board of Trustees), and the District's attorney, among others. Other outside firms, such as those providing paying agent/registrars, trustee, credit enhancement, auditing, or printing services, are retained as required.

B. Rating and Sale Requirements

The District's minimum rating requirement for its direct, long-term, debt obligations is a rating of "A" or higher. If such a debt obligation cannot meet this requirement based on its underlying credit strength, then credit enhancement shall be sought to ensure that the minimum rating is achieved.

The District, as a matter of policy, shall seek to issue its debt obligations in a competitive sale unless it is determined by the Financing Team that such a sale method will not produce the best results for the District.

C. Rebate Reporting and Covenant Compliance

The Chief Financial Officer shall establish a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the federal tax code.

D. Ongoing Disclosure

The Chief Financial Officer shall be responsible for providing ongoing disclosure information to established national information repositories and for maintaining compliance with disclosure standards promulgated by state and national regulatory bodies.

E. Terms and Uses of Debt Financing

Borrowings by the District mature over a term that does not exceed the economic life of the improvements that they finance. The District does not finance improvements with a probable useful life less than four years.

The District's 10-year Financial Projection plan, evaluated in concert with the 20-Year Library Replacement Plan, is used as a guideline and basis for determination of financing needs.



FINANCIAL MANAGEMENT

04.01.10 Investments

It is the policy of PCCLD that whenever there is a cash balance in any fund eligible for investment, those monies shall be invested temporarily by the library's Chief Financial Officer to the best advantage of the library in such securities and/or depositories as are permitted by law, as defined in C.R.S. 24-75-601.

The Chief Financial Officer is designated as investment officer for the library and is responsible for all investment decisions and investment activities. Two signatures will be required to establish and/or close accounts: the investment officer and the Executive Director.

The investment officer will be guided by the "Prudent Investor Rule" which states that investments shall be made with judgment and care under circumstances then prevailing, not for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived. The guiding principles for investments are safety, liquidity and yield, in that order.

The investment officer, acting within the guidelines of library policy and state law and exercising due diligence, shall not be held personally responsible for specific investment transactions. The investment officer will be held responsible for maintaining a balanced investment portfolio, insuring sufficient liquidity of investments so that library operations can be maintained consistently.

All deposit-type securities (e.g., certificates of deposit) shall be collateralized as required by Public Deposit Protection Act for any amount exceeding FDIC or FSLIC coverage. Money market instruments such as SEC registered money market mutual funds qualified under C.R.S. 24-75-601 and state pools under C.R.S. 24-75-701 shall be collateralized as required by law.

Short-term investment maturities for all funds shall be scheduled to coincide with projected cash flow needs, taking into account large routine expenditures (payroll, bond payments) as well as considering sizeable blocks of anticipated revenue (property taxes, state and federal transfer payments).

No long-term investments shall exceed 5 years without approval by the PCCLD Board of Trustees.

See Also: [04.01.08](#) *Cash Management and Banking*

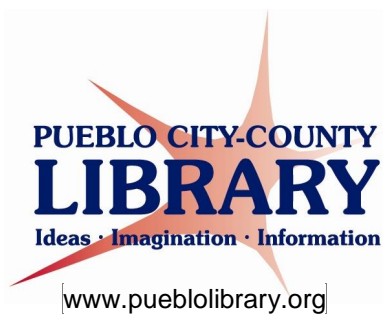


FINANCIAL MANAGEMENT

04.01.11 Post-Issuance Compliance

It is the policy of Pueblo City-County Library District, Pueblo County, Colorado (the “Library District”) to comply with federal tax law applicable to outstanding Tax-Advantaged Obligations, which may be in the form of bonds, notes, lease certificates of participation, installment purchase agreements or other agreements or instruments, issued or incurred by the Library District (the “Tax-Advantaged Obligations”) in order that interest paid on or in respect of such Tax-Advantaged Obligations either (a) remains exempt from federal income tax or (b), in connection with taxable Tax-Advantaged Obligations, the District continues to qualify for related refundable credit or other payments from the federal government.

The Chief Financial Officer of the Library District, or a library employee assigned by the Executive Director, will be designated as the Library District’s compliance officer (the “Compliance Officer”). Except as otherwise described herein, the Compliance Officer will have primary responsibility for the compliance by the Library District with federal tax law in connection with the Tax-Advantaged Obligations. The Compliance Officer may delegate duties herein as deemed necessary.



FINANCIAL MANAGEMENT

04.01.11.P1 Post-Issuance Compliance Procedures

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Section 1 – Purposes

Federal tax law requires compliance with numerous rules and regulations, including but not limited to filing requirements, yield restriction limitations, arbitrage rebate requirements, use of proceeds and financed project limitations, remedial action requirements and recordkeeping requirements. These Compliance Procedures are intended to serve as a guide for the Library District to facilitate compliance with federal tax law applicable to its Tax-Advantaged Obligations.

In the event these Compliance Procedures conflict, in whole or in part, with the federal tax agreement or federal tax certificate executed by the Library District in connection with the issuance or incurrence of its Tax-Advantaged Obligations (a “Tax Certificate”), the terms of the applicable Tax Certificate will control.

In addition as set forth in full in Section 10 of these Compliance Procedures, the Library District intends to comply with its obligations under its contractual Undertakings entered into by the Library District in connection with the issuance or incurrence of Tax-Advantaged Obligations.

Section 2 – Compliance Officer Duties

The Compliance Officer will at all times be aware of the obligations of the Library District set forth in these Compliance Procedures, including the ongoing recordkeeping and compliance responsibilities associated with its Tax-Advantaged Obligations. The Compliance Officer will at all times be familiar with these Compliance Procedures and will be authorized to consult with third-party professionals (e.g., legal counsel, bond counsel and arbitrage calculating agents), as necessary, to ensure compliance with these Compliance Procedures. In addition, the Compliance Officer will be familiar with the following publication of the Internal Revenue Service (“IRS”): IRS Publication 4079 “Tax-Exempt Governmental Bond Compliance Guide.” The Compliance Officer will also be familiar with the website of the IRS at www.irs.gov/Tax-Exempt-Bonds and aware that such website contains information, forms and publications pertaining to Tax-Advantaged Obligations.

Section 3 – Closing of Tax-Advantaged Obligations

A. Tax Certificates

The Tax Certificate (which is generally prepared by bond counsel and signed by an officer, official or other representative of the Library District) will serve as the operative document for purposes of establishing reasonable expectations of the Library District as of the date of the issuance or execution and delivery of the Tax-Advantaged Obligations. Each Tax Certificate will provide a summary of the federal tax rules applicable to the particular Tax-Advantaged Obligations being issued or incurred. Prior to each issuance or incurrence, the Compliance Officer or designee will review each Tax Certificate to confirm that the expectations set forth in the Tax Certificate are reasonable and accurate and to become familiar with the requirements set forth therein.

B. IRS Forms 8038-G, 8038-GC – Tax-Advantaged Obligations

Bond Counsel, with assistance from the Compliance Officer and other professionals associated with the financing, will prepare an IRS Form 8038-G, Information Return for Tax-Exempt Governmental Obligations or IRS Form 8038-GC, Information Return for Small Tax-Exempt Governmental Bond Governmental Entity, Loans, and Installment Sales (collectively, “8038 Form”) as applicable, in connection with the particular Tax-Advantaged Obligations issued or incurred by the Library District. The Compliance Officer or designee will review such 8038 Form prior to closing. An 8038 Form will be filed with the IRS no later than the 15th day after the second (2nd) calendar month after the close of the calendar quarter in which the particular Tax-Advantaged Obligations are issued or incurred. All 8038 Forms will be filed by bond counsel, on behalf of the Library District, with the IRS.

C. Late Filing of Information Returns

If the Compliance Officer determines an 8038 Form was not timely filed, the Compliance Officer will coordinate with bond counsel to file the relevant 8038 Form. The Compliance Officer will be familiar with the late filing procedures applicable to 8038 Forms as currently outlined in Revenue Procedure 2002-48, 2002-37 I.R.B. 531. These procedures generally require that the Library District: (1) attach a letter to the 8038 Form briefly explaining when the return was required to be filed, why the return was not timely filed, and whether or not the Tax-Advantaged Obligations are under examination; (2) enter on top of the return "Request for Relief under section 3 of Revenue Procedure 2002-48;" and (3) file the letter and the return with the IRS at the applicable IRS address.

D. Certification Regarding Expectations for Use and Investment of Proceeds

The Treasury Regulations generally require the Library District to make a certification regarding its expectations for the particular Tax-Advantaged Obligations. Section 1.148-2(b)(2)(i) requires an officer of the Library District to certify that the expectations of the Library District are reasonable as of the date that the particular Tax-Advantaged Obligations are delivered. For the particular Tax-Advantaged Obligations, the Compliance Officer will review the Tax Certificate to make sure that the certification requirements described herein are satisfied.

E. Qualified Hedge

If the Library District enters into a qualified hedge (*i.e.* swap transaction) pursuant to Section 1.148-4(h) of the Treasury Regulations in connection with the particular Tax-Advantaged Obligations, the Compliance Officer will immediately inform counsel to the Library District to ensure compliance with the Treasury Regulations required for integration of the qualified hedge (to the extent integration is desired by the Library District).

Section 4 – Use of Proceeds of Tax-Advantaged Obligations

A. Private Business Use

The Library District will not knowingly take or permit to be taken any action that would cause any of its outstanding Tax-Advantaged Obligations to become taxable "private activity bonds," as described below. Generally, an issue of Tax-Advantaged Obligations will be considered a taxable "private activity bond" if more than a certain amount (10% for governmental bonds) of the proceeds are used directly or indirectly in any trade or business carried on by a private business user and more than a certain amount (10% for governmental bonds) of the principal and interest payments on the Tax-Advantaged Obligations (the "Payment Requirements") are directly or indirectly (1) secured by any interest in property used or to be used in any trade or business carried on by a private business user, or (2) derived from payments made in respect of property used or to be used in any trade or business carried on by a private business user.

The Compliance Officer will annually review the "use" of its facilities financed with outstanding Tax-Advantaged Obligations for compliance with the applicable use restrictions imposed on such facilities, as set forth in the Tax Certificate. Prior to entering into certain arrangements that could give rise to an impermissible amount of private business use, the Compliance Officer will consult with counsel to the Library District before entering into such arrangements that include, but are not limited to, management contracts, operating agreements, licenses, leases, subleases, naming rights agreements, research agreements, cellular tower or solar panel placement agreements, clinical trial agreements and joint venture or partnership arrangements.

impermissible amount of private business use, the Compliance Officer will consult with counsel to the Library District to determine whether such arrangement impacts the tax-exempt or tax-advantaged status of the Tax-Advantaged Obligations.

A. Private Loans

The Tax-Advantaged Obligations will be considered taxable “private loan bonds” if more than 5% of the proceeds of the Tax-Advantaged Obligations are used, directly or indirectly, to make or finance loans to private persons. The Library District will not take or permit to be taken any action that would cause any of its Tax-Advantaged Obligations to be considered taxable “private loan bonds.” The Library District will not loan the proceeds of its Tax-Advantaged Obligations to any third party without first consulting with the counsel to the Library District.

B. Sale of Tax-Advantaged Obligations-Financed Property

Prior to selling or otherwise disposing of any facilities financed with outstanding Tax-Advantaged Obligations, the Compliance Officer will consult with counsel to the Library District to determine what impact, if any, such sale or other disposition would have on the tax-exempt or tax-advantaged status of the outstanding Tax-Advantaged Obligations.

Remedial Actions

The Compliance Officer will be aware of the remedial action rules contained in Section 1.141-12 of the Treasury Regulations providing, in certain circumstances, a mechanism to voluntarily remediate violations of the private business tests or private loan financing test. Although the Library District intends that none of its Tax-Advantaged Obligations will require the application of the remedial action rules, prior to taking any action that would cause its outstanding Tax-Advantaged Obligations to, absent a remedial action, violate the private business use tests or private loan financing test, the Compliance Officer will consult with counsel to the Library District regarding the applicability of the remedial action rules to such action and the ability to remediate the impacted Tax-Advantaged Obligations.

Section 5 – Arbitrage Limitations Imposed on Issuance or Incurrence of Tax-Advantaged Obligations

A. Hiring an Arbitrage Calculating Agent

With regard to the particular outstanding Tax-Advantaged Obligations, the Compliance Officer, on behalf of the Library District, will retain an arbitrage calculating agent to (1) determine whether the Tax-Advantaged Obligations in question qualify for an exception to the arbitrage rebate rules and (2) perform calculations to ascertain whether an arbitrage rebate payment or yield reduction payment is owed to the IRS, unless, in the judgment of the Compliance Officer and in compliance with these Compliance Procedures and the Tax Certificate, there is no reasonable prospect of any arbitrage rebate or yield reduction payment liability. The Compliance Officer will coordinate the timely hiring of an arbitrage calculating agent as required by these Compliance Procedures.

C. Payment of Arbitrage Rebate and Yield Reduction Liability

The arbitrage calculating agent retained by the Library District will determine whether an arbitrage rebate payment or yield reduction payment is owed to the IRS. If payment is owed to the IRS, the Library District will instruct the arbitrage calculating agent to prepare IRS Form 8038-T, Arbitrage Rebate Yield Reduction and Penalty Payment in Lieu of Arbitrage Rebate (“Form 8038-T”). The Compliance Officer or arbitrage calculating agent will obtain the signature of the appropriate representative of the Library District and remit the Form 8038-T, with the required payment, to the IRS on behalf of the Library District.

The Compliance Officer will consult with the arbitrage calculating agent of the Library District within 30 days of the date the particular Tax-Advantaged Obligations are delivered as to the required "installment computation dates" for purposes of calculating arbitrage rebate and yield reduction liability. As background, for these purposes, within 60 days after each installment computation date, the Library District must cause to be paid to the IRS at least 90% of the amount of arbitrage rebate and yield reduction payment liability owed. In addition, within 60 days after the final installment computation date, the Library District must cause to be paid to the IRS 100% of the amount of arbitrage rebate and yield reduction payment liability owed. Each completed Form 8038-T, together with full payment in the amount equal to the arbitrage rebate or yield reduction payment liability calculated by the arbitrage calculating agent, must be filed with the IRS at the applicable address, which is currently Internal Revenue Service Center, Ogden, UT 84201.

D. Yield Restriction Limitations

For the particular Tax-Advantaged Obligations, the Library District will comply with the applicable yield restriction investment limitations and temporary periods with regard to its outstanding Tax-Advantaged Obligations, as described in the related Tax Certificate. The Compliance Officer will monitor the compliance of the Library District with these applicable yield restriction limitations.

E. Timely Expenditure of Proceeds of the Tax-Advantaged Obligations

The IRS generally requires that the Library District reasonably expect to spend 85% of the proceeds of the particular Tax-Advantaged Obligations within three years of the date of issuance or incurrence of the Tax-Advantaged Obligations (the "Closing Date"). Accordingly, it is the policy of the Library District to issue Tax-Advantaged Obligations for projects that it reasonably expects will be substantially completed within three years, unless otherwise approved by its counsel. Upon receipt of proceeds from Tax-Advantaged Obligations, the Compliance Officer will monitor the expenditure of such proceeds on a regular basis to be determined by the Compliance Officer, but in no event less than each quarter of each calendar year. During its routine review, if the Compliance Officer determines that a portion of such proceeds will not be fully expended within three years of the Closing Date of the Tax-Advantaged Obligations, the Compliance Officer will determine how quickly such amounts can be spent, and if needed, contact counsel to the Library District to determine whether remedial action as described above (or some other form of action) will be needed.

F. Advance Refunding Procedures

- (1) It is the policy of the Library District to retain a third-party verification agent for each of its advance refunding Tax-Advantaged Obligations issues. The verification agent will verify the arbitrage yield on the Tax-Advantaged Obligations, the arbitrage yield on the investments acquired as part of the refunding escrow established using gross proceeds of the Tax-Advantaged Obligations issuance and the sufficiency of the refunding escrow.
- (2) The Library District will deposit the Tax-Advantaged Obligations proceeds (and any other amounts) to be used to advance refund prior Tax-Advantaged Obligations of the Library District into one or more separate escrow trust accounts established with the trustee or escrow agent selected for the refunding transaction. Working with the bond counsel, and in accordance with the documentation prepared for the refunding transaction, the primary responsibility for initiating actions required to be taken with respect to the refunding escrow (including the reinvestment of amounts within the escrow and disbursing funds from the escrow) will be imposed on the trustee or escrow agent. In the event of an omission on the part of the trustee or escrow agent, an error in the documentation or procedures establishing

the refunding escrow or if an investment to be acquired as part of the refunding escrow is not available for purchase, the Compliance Officer will timely consult with bond counsel, as applicable, to determine the impact, if any, on the tax-exempt or tax-advantaged status of the Tax-Advantaged Obligations.

- (3) When funding deposits to advance refunding escrows using proceeds of Tax-Advantaged Obligations, it is the policy of the Library District to acquire United States Treasury Securities – State and Local Government Series (SLGS) or securities purchased on the open market in accordance with the terms of the documents entered into or adopted (such as an authorizing resolution).
- (4) In the event the Library District chooses to fund an advance refunding escrow using securities purchased on the open market, the Library District will retain a third-party investment bidding agent to solicit bids from providers of qualifying securities in accordance with the limitations described in the “3-bid” safe harbors set forth in Treasury Regulations Section 1.148-5(d)(6).

Section 6 – Accounting for Proceeds of Tax-Advantaged Obligations

G. General

Except as otherwise described below and in the Tax Certificate entered into by the Library District in connection with its Tax-Advantaged Obligations, it is the policy of the Library District to apply a direct tracing method of accounting for and allocating its Tax-Advantaged Obligations proceeds. However, the Library District reserves the right to utilize any other reasonable accounting and allocation method allowable under the law.

H. Investment of Proceeds

Proceeds of each issue or incurrence of Tax-Advantaged Obligations are to be held in separate funds or accounts, and will be invested in accordance with the permitted investments as determined by the relevant documents entered into or adopted (such as an authorizing resolution) and as set forth in each related Tax Certificate. The Compliance Officer has primary responsibility for ensuring that the proceeds of the outstanding Tax-Advantaged Obligations are, and will remain, invested in accordance with the requirements set forth in the related Tax Certificate.

I. Expenditure of Proceeds on Capital Projects

The Library District will maintain an active ledger, updated with each payment of an expenditure from proceeds of each series of its outstanding Tax-Advantaged Obligations that sets forth:

- (1) The name and Closing Date of the Tax-Advantaged Obligations to which the proceeds relate;
- (2) The projects financed with the proceeds of the Tax-Advantaged Obligations;
- (3) The authorized amount of proceeds to be used to finance each project;
- (4) The amount of proceeds of the Tax-Advantaged Obligations used to date to finance each project;
- (5) The amount of unspent proceeds of the Tax-Advantaged Obligations to be used to finance each project; and
- (6) The date on which the proceeds of the Tax-Advantaged Obligations related to each project were fully expended.

Section 7 – Recordkeeping

A. Means of Maintaining Records

The Library District may maintain all records required to be held as described in this Section 7 in paper or electronic (e.g., CD, disks, tapes) forms or both. It is the policy of the Library District to maintain as much of its records electronically as feasible. The Compliance Officer will be responsible for verifying the continued compliance of the Library District with the recordkeeping requirements set forth in this Section 7 with regard to the Tax-Advantaged Obligations.

B. Retention Period

The Library District will maintain, or cause to be maintained, all records relating to the tax-exempt or tax-advantaged status of its Tax-Advantaged Obligations and the representations, certifications and covenants set forth in its respective Tax Certificates until the date that is four years after the last outstanding obligation of the series to which such records and Tax Certificate relate has been retired.

The Library District will maintain all of the records described in this Section 7 with respect to the refunded Tax-Advantaged Obligations as well (whether taxable or tax-exempt) until the date that is four years after the refunding Tax-Advantaged Obligations, the proceeds of which were used to refund the refunded Tax-Advantaged Obligations, have been retired. For example, if the Library District issues or incurs Tax-Advantaged Obligations in 2013 (2013 Obligations) to refund Tax-Advantaged Obligations issued in 2009 (2009 Obligations), the Library District will maintain the records described herein with respect to the 2009 Obligations until the date that is four years after the date on which the last outstanding 2013 Obligation was retired. If the 2009 Obligations refunded prior Tax-Advantaged Obligations, the Library District will also maintain records related to such prior Tax-Advantaged Obligations for the same period of time.

C. Required Records

The Library District will maintain detailed records with respect to the following:

- (1) Transcript of Proceedings for the Tax-Advantaged Obligations.
- (2) Documentation evidencing the expenditure of proceeds of the Tax-Advantaged Obligations.
- (3) Documentation evidencing any private business use of facilities financed with proceeds of the Tax-Advantaged Obligations.
- (4) Documentation evidencing all sources of payment or security for the Tax-Advantaged Obligations.
- (5) Documentation pertaining to any investment of proceeds of the Tax-Advantaged Obligations, including documentation pertaining to broker's fees paid (if at all) or other administrative costs with respect to such investments.
- (6) Records of arbitrage rebate payment and yield reduction payment calculations performed by the arbitrage calculating agent (irrespective of whether any amount was determined to be owed to the IRS), as well as records related to any arbitrage rebate payments or yield reduction payments made to the IRS, including the calculations performed by the arbitrage calculating agent substantiating such payments, together with Form 8038-T, that accompanied all such payments.
- (7) Documentation authorizing the reimbursement of expenditures using proceeds of the Tax-Advantaged Obligations.

- (8) Appraisals, demand surveys and feasibility studies related to projects financed or refinanced with the Tax-Advantaged Obligations.
- (9) Documentation relating to any third-party funding for projects to which proceeds of the Tax-Advantaged Obligations will be applied (including government grants).
- (10) Records of any IRS audits or compliance checks, or any other IRS inquiry related to the Tax-Advantaged Obligations.

Section 8 – Voluntary Closing Agreement Program

The Compliance Officer will be aware of the Tax-Exempt Bond Voluntary Closing Agreement Program of the IRS (“VCAP”) and its ability, pursuant to IRS Notice 2008-31, 2008-11 I.R.B. 592 (or a successor notice as the case may be), to request a voluntary closing agreement with the IRS to resolve compliance violations on the part of the Library District with the federal tax rules applicable to its outstanding Tax-Advantaged Obligations. A copy of IRS Notice 2008-31 is available on the website of the IRS at www.irs.gov.

Section 9 – Continuing Education

The Compliance Officer will consult with counsel to the Library District regarding the federal tax rules applicable to the outstanding Tax-Advantaged Obligations of the Library District and any changes to the federal tax law. The Library District will update these procedures as needed to reflect any such changes. The Library District will encourage its Compliance Officer to attend continuing education events and conferences, as needed, pertaining to Tax-Advantaged Obligations.

Section 10 – Securities Law Disclosure Procedures

A. Purpose

In connection with the issuance of Tax-Advantaged Obligations and other municipal securities, the Library District is required to prepare and disseminate certain disclosure information in order to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, including a requirement for continuing disclosure of annual financial information and notices of the occurrence of certain events set forth in Rule 15c2-12.

Such reporting and disclosure practices require close coordination on the part of the Library District in order to assure compliance with contractual Undertakings, promote uniformity in disclosures and reduce liability on the part of the Library District to owners of securities.

These Compliance Procedures are intended to centralize the information dissemination process, to establish appropriate controls on Disclosure Statements made by the Library District, and to enable the Library District to comply with Undertakings entered into pursuant to Rule 15c2-12, in order to assure the Library District’s access to the capital markets as a source of funds for necessary and useful public undertakings of the Library District. These Compliance Procedures are not intended in any way to limit any person’s access to public records or information, nor to infringe upon the normal political process, in particular the right of any elected official of the Library District to review, discuss, release, comment upon or criticize any information.

B. Definitions

As used in these Compliance Procedures, the terms, “annual financial information” “issuer,” “municipal securities,” “obligated person,” and “official statement” shall have the meanings ascribed thereto under Rule 15c2-12, and the following terms shall have the following meanings:

“1934 Act” means the Securities Exchange Act of 1934, as the same may be amended, modified and integrated at the time in question, together with any similar federal statute applicable to brokers, dealers or municipal securities dealers purchasing selling or trading in securities issued by the Library District.

“SEC” means the United States Securities and Exchange Commission and any successor federal agency having jurisdiction over the purchase, sale and offering by broker-dealers of securities such as those issued by the Library District.

“Rule 15c2-12” means the Rule of that designation promulgated by the SEC under the 1934 Act, as the same may be amended, modified and interpreted at the time in question, together with any similar rule or regulation promulgated by a federal agency and applicable to the Library District and its securities.

“Undertaking” means a contract designed to comply with the continuing disclosure requirements of Rule 15c2-12, entered into by the Library District and obligating the Library District to provide annual financial information and notices of the occurrence of certain events set forth in Rule 15c2-12.

“Disclosure Statement” means any written or oral communication relating generally to the creditworthiness of the Library District or specifically to the financial viability of particular projects being financed with municipal securities whose payment is supported by the Library District. Such term includes annual financial information, information concerning the occurrence of events, and notices, conferences, reports, speeches and published material of any other sort made in a manner and under circumstances where it is reasonable to expect that such statement may reach and be relied upon by investors in the securities issued by the Library District. Such term does not include any statement made or information provided by an elected official of the Library District unless such statement has been coordinated with and approved by the Compliance Officer for release to the public.

C. Statement of Procedure

In order to assure compliance by the Library District with the disclosure requirements of Rule 15c2-12, it is the procedure of the Library District that:

- (1) No official statement relating to any municipal securities as to which the Library District is the issuer or an obligated person for purposes of Rule 15c2-12 shall be issued or released to the public until and unless approved by the Compliance Officer.
- (2) No Disclosure Statement concerning municipal securities as to which the Library District is the issuer or an obligated person for purposes of Rule 15c2-12 shall be issued or released to the public by any employee, agent or official of the Library District in a way reasonably expected to be received and relied upon by investors in such securities until and unless such Statement and the release thereof shall be approved by the Compliance Officer.
- (3) No Undertaking relating to municipal securities as to which the Library District is the issuer or an obligated person for purposes of Rule 15c2-12 shall be binding upon the Library District without the approval of the Compliance Officer.
- (4) Unless required by law to do otherwise, prior to releasing to the public any Disclosure Statement intended to be made public, all non-elected employees, agents and officials of the Library District shall report to and file with the Compliance Officer any such Disclosure Statement, together with such additional information requested by the Compliance Officer, and each such employee, agent and official of the Library District shall consult with the Compliance Officer concerning such proposed Disclosure Statement.

- (5) No Disclosure Statement, official statement or Undertaking in respect of any municipal securities as to which the Library District is the issuer or an obligated person for purposes of Rule 15c2-12 that is issued or released to the public by any employee, agent or official of the Library District without the approval of the Compliance Officer required by these Compliance Procedures shall be deemed to be a statement or undertaking by or on behalf of the Library District.

Section 11 – Miscellaneous

The Library District reserves the right to amend or withdraw these Compliance Procedures at any time and from time to time to reflect changes in federal tax laws, securities laws or other applicable laws concerning its outstanding Tax-Advantaged Obligations. The Compliance Officer will consult with counsel to the Library District as it deems necessary to ensure the applicable federal tax law or securities law requirements are satisfied. These Compliance Procedures do not, and are not intended to, limit the actions of the Library District solely to those federal tax or securities law matters listed above, but are intended to provide the Library District with broad discretion and general guidelines in addressing any and all federal tax matters or securities law that may affect its outstanding Tax-Advantaged Obligations.

Section 12 – Consultation with Counsel

Should the Library District, including the Compliance Officer, have further questions regarding these Compliance Procedures or any other questions concerning the Tax-Advantaged Obligations of the Library District, please contact Georgeann Becker, Peck, Shaffer & Williams LLP at 303-831-6960 or Rene Moore, Peck, Shaffer & Williams LLP at 303-831-6969.



FINANCIAL MANAGEMENT

04.01.15 Procurement and Credit Card Use

PCCLD procurement cards will be provided to the Executive Director and Chief Financial Officer for use in purchasing small items (less than \$5,000) and for travel-related expenses. The Executive Director or CFO will authorize issuance of procurement cards to other staff members, and determine credit limits on those cards based on the needs of the Library District.

Procurement cards may only be used for official library business. Procurement cards are not to be used for personal use. Procurement cards must be surrendered upon termination of employment or at the request of the Executive Director or CFO. Loss of a procurement card must be reported immediately to the credit card bank and to the Finance Office.

All procurement card holders are responsible for reconciling the monthly procurement card statement and submitting the statement, a summary sheet of expenses, and receipts for every purchase to the Finance Office. Any late charges or finance charges which accrue on a card holder's account, due to the card holder's failure to submit the documentation to the Finance Office in a timely manner, will be the sole responsibility of the card holder. All procurement card statements must be approved by the Executive Director or his designee; the procurement card statement for the Executive Director must be approved by the President of the Board of Trustees.

Use of the PCCLD procurement card entitles the purchaser to seek tax-exemption on normally taxable purchases, when accompanied by a tax exempt form. Card holder may be responsible for sales tax charges on the billing statement.

Use of personal credit cards is discouraged. However, if no alternative is available, reimbursement will be processed for authorized purchases made on a personal credit card with proper documentation. Sales taxes paid may not be reimbursed, but will be evaluated based on circumstances, such as taxes paid for travel expense. When using personal credit cards, any benefits or risks to the employee must not result in any additional cost to the library.



FINANCIAL MANAGEMENT

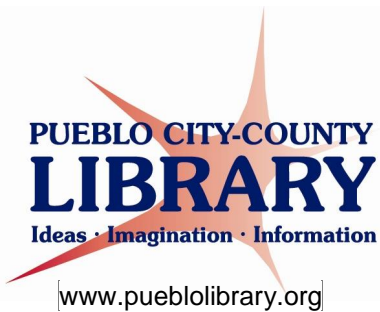
04.01.18 Audits

As required by the Colorado Revised Statutes, Local Government Audit Law, 29-1-601 through 29-1-608, and Library Law, 24-90-109, the Board of Trustees of the Pueblo City-County Library District shall ensure that an annual audit of the financial affairs and transactions of all funds and activities of the District be conducted for each fiscal year, and that the results of the audit be distributed as described in these statutes.

Audit shall be completed and the audit report submitted by the auditor to the Pueblo City-County Library District Board of Trustees no later than the June board meeting.

An ad-hoc audit committee of the board, comprised of three members of the Board of Trustees, working with the Chief Financial Officer (CFO), will initiate a formal Request for Proposal (RFP) process every five years, at a minimum, to acquire the services of an auditor. The committee will evaluate submitted proposals, conduct interviews if necessary, and select a certified public accountant or partnership of certified public accountants based upon the lowest and best bid.

The Board of Trustees shall annually approve the selection of a certified public accountant or partnership of certified public accounts, based on the recommendation of the Audit Committee.



FINANCIAL MANAGEMENT

04.01.19 Resolution Adopting the Colorado Statewide Records Retention Schedule for the Pueblo City-County Library District

WHEREAS, The Pueblo City-County Library District Board of Trustees recognizes a need for a comprehensive records retention schedule for the District's non-permanent records and the retention of those records that have long-term administrative, fiscal and historical value; and

WHEREAS, The Colorado State Archives has developed a state-wide record retention schedule in cooperation with the Colorado Attorney General's Office and the State Auditor's Office for agencies to use and follow;

NOW, THEREFORE, BE IT RESOLVED That the Pueblo City-County Library District Board of Trustees hereby adopts the 2010 Statewide Retention Schedule and all subsequent revisions, and authorizes the Chief Financial Officer to submit the request form to be used as legal authority for the destruction and preservation of District records to the Colorado State Archives on behalf of the District.

Passed and Adopted by the Board of Trustees of the Pueblo City-County Library District this 22nd day of July 2010.



FINANCIAL MANAGEMENT

04.01.19.S1 Records Retention Schedule

Record Title	Minimum Retention Period with Reservations	Action Authorized
Finance:	Permanent	Permanent Retention
1. Annual Reports		1969 – Current
2. Audit Reports	Permanent	Permanent Retention
		1969- Current
3. Budgets	Permanent	Permanent Retention
		1969- Current
4. Charts of Accounts (current)	Permanent	Permanent Retention
		1969- Current
5. Depreciation Schedules	Permanent	Permanent Retention
		1969- Current
6. General Ledger	Permanent	Permanent Retention
		1969- Current
7. Grants Expenditure Reports	Permanent	Permanent Retention
A. Federal Grants		1969- Current
B. State Grants		
8. Property Records, Including Costs, Depreciation Reserves, Year –End Trial Balances, Depreciation Schedules, Blueprints and Plans	Permanent	Permanent Retention
		1969- Current
9. Voucher Register	Permanent	Permanent Retention
		1969– Current
General:	Permanent	Permanent Retention
10. Contracts and Agreements		1969– Current
11. Correspondence & General Documentation Administrative, policy, legal, fiscal historical or research of enduring value.	Permanent	Permanent Retention
		1969– Current
Permanent Records Control Schedule Authorization Note: No record shall be destroyed under this schedule authority so long as it pertains to any pending legal case, claim, action or audit.		State Auditor By _____ Endorsed: _____ Date _____ Agency Audited To: _____ _____ Date

SA194A

Division of State Archives and Public Records

Record Title	Minimum Retention Period with Reservations	Action Authorized
NOTE: Documentation containing one or more of these values shall be retained permanently in original and/or digital form all evidence of organization and function and information pertaining to people, property, corporate bodies, problems, solutions, conditions, etc.		
12. Board of Trustees Minutes and Supporting Documentation A. Minutes or recordings of Executive Sessions of the Board of Trustees	Permanent 90 Days in custody of attorney	Permanent Retention 1967- Current Destroy Subject to Reservation Indicated
13. Polices (current)	Permanent	Permanent Retention 1969- Current
Human Resources: 14. Personnel Files of Active Employees	Permanent	Permanent Retention 1969 – Current
Permanent Records Control Schedule Authorization Note: No record shall be destroyed under this schedule authority so long as it pertains to any pending legal case, claim, action or audit.		State Auditor By _____ Endorsed: _____ Date _____ Agency Audited To: _____ <hr/> Date _____

SA194A

Division of State Archives and Public Records

Record Title	Minimum Retention Period with Reservations	Action Authorized
Finance: 1. Accounts Payable Ledgers & Schedules	7 Years	Destroy Subject to Reservation Indicated
2. Accounts Receivable Ledgers & Schedules	7 Years	Destroy Subject to Reservation Indicated
3. Bank Records A. Cancelled Checks B. Check Stubs C. Deposit Slips D. Statements E. Reconciliations F. Certificates of Deposit	6 Years + Current	Destroy Subject to Reservation Indicated
4. Budget Working Papers	2 Years + Current	Destroy Subject to Reservation Indicated
5. Accounts Payable Detail Data A. Cancelled Checks for Purchases & Services B. Purchase Orders C. Purchase Requisitions D. Invoices E. Billings	6 Years + Current	Destroy Subject to Reservation Indicated
6. Employers Quarterly Federal Tax Return (941)	6 Years + Current	Destroy Subject to Reservation Indicated
7. Employee Wage & Tax Statements (W-2)	6 Years + Current	Destroy Subject to Reservation Indicated
8. Employee Wage & Tax Statements (State Income Tax Form 109.2)	6 Years + Current	Destroy Subject to Reservation Indicated
9. Incident Reports	3 Years	Destroy Subject to Reservation Indicated
Non-Permanent Records Control Schedule Authorization Note: No record shall be destroyed under this schedule authority so long as it pertains to any pending legal case, claim, action or audit.		State Auditor By _____ Endorsed: _____ Date _____ Agency Audited To: _____ _____ Date

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Record Title	Minimum Retention Period with Reservations	Action Authorized
10. Insurance Policies A. Public Official Liability B. Blanket Policies C. Line Item Policies	Duration of the Policy as determined by any terms limiting action thereunder + 6 Years after cause accrues	Destroy Subject to Reservation Indicated
11. Monthly Financial Reports	Until audited so long as voucher register is maintained permanently	Destroy Subject to Reservation Indicated
Human Resources: 12. Applications for Employment & Supporting Documentation (For Persons Not Hired)	2 Years + Current	Destroy Subject to Reservation Indicated 1/ This retention period is in conformance with the Code of Federal Regulations, Title 29, Section 1602.31, revised July 1, 1976
13. Attendance Records	6 Years	Destroy Subject to Reservation Indicated
14. Employee Leave Records	6 Years + Current	Destroy Subject to Reservation Indicated
15. Employee Withholding Allowance Certificate (W-4)	As long as employed or 1 Year whichever is longer PROVIDED record has been audited	Destroy Subject to Reservation Indicated
16. Payroll Deduction Authorizations	So long as authorization is in effect or 1 Year + Current, whichever is longer	Destroy Subject to Reservation Indicated
17. Payroll Register	7 Years + Current	Destroy Subject to Reservation Indicated
18. Personnel Files of Employees no longer employed	7 Years + Current	Destroy Subject to Reservation Indicated
Non-Permanent Records Control Schedule Authorization Note: No record shall be destroyed under this schedule authority so long as it pertains to any pending legal case, claim, action or audit.		State Auditor By _____ Endorsed: _____ Date _____ Agency Audited To: _____ Date _____

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Record Title	Minimum Retention Period with Reservations	Action Authorized
19. Workers Compensation Records (Duplicate Copy) A. Case File B. Report of Accident	6 Years + Current	Destroy Subject to Reservation Indicated
Interlibrary Loan: 20. Interlibrary Loan Transactions A. ALA/OCLC B. General Correspondence C. Periodical Requests	3 Months 3 Months 2 Years	Destroy Subject to Reservation Indicated
Patron Services: 21. Patron Database – General A. Inactive B. Debt C. On-Line Catalog	3 Years Delete record of debt (*) After 6 Years Updated Continually	Destroy Subject to Reservation Indicated *(fines, fees, materials) Permanent
Information Technology: 22. Electronic Communication A. E-Mail	90 Days	Destroy Subject to Reservation Indicated
<p align="center">Non-Permanent Records Control Schedule Authorization</p> <p>Note: No record shall be destroyed under this schedule authority so long as it pertains to any pending legal case, claim, action or audit.</p>		<p>State Auditor By _____ Endorsed: _____ Date Agency Audited To: _____</p> <p align="center">Date</p>

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FINANCIAL MANAGEMENT

04.01.20 Disaster Recovery

It is the policy of Pueblo City-County Library District to develop, test and maintain a disaster recovery plan formulated to continue basic business operations during and immediately after disruptive events. Recognizing that disruptions to business operations may come from a variety of causes such as natural or manmade disasters, terrorism, and technology failures, it is incumbent upon the District to recognize and plan for the expedient recovery of all operational systems in order to minimize the impact of any type of disaster.

A comprehensive disaster recovery plan will identify a Crisis Management Team, activation procedures, staff roles and skills, resources, collaboration with other community agencies, and the ongoing maintenance responsibilities of the plan. Training of staff is essential and ongoing to maintain emergency preparedness knowledge of practices and procedures for evacuation and recovery.

Pueblo City-County Library District is committed to the implementation of a disaster recovery plan which will address the needs of its employees, its patrons, and the community it serves in the event of a disaster.



FINANCIAL MANAGEMENT

04.01.20.P1 Disaster Recovery Plan Procedures

A. Crisis Management Team

1. Chief Financial Officer
2. Director of Community Relations
3. Director of Information Technology
4. Director of Public Services
5. Facilities Superintendent
6. Director of Human Resources
7. Director of Technical Services and Collection Development

B. Establish regular preventative measures to maintain integrity of systems

1. Regularly store back-up tapes of computer data off-site. (Currently taken to safe deposit box every Friday.)
2. Establish evacuation plans and implement regular evacuation drills. Hold staff accountable for compliance.
3. Maintain Safety Manual for every facility to identify key personnel and emergency procedures to follow.
4. Hold regular meetings of the Crisis Management Team to update process and review policy.

C. Train personnel

1. Knowledge of building (fire exits, extinguishers, stairs, emergency supplies, etc.)
2. Knowledge of first aid (CPR, EMT, first aid)
3. Knowledge of THE PLAN

D. Recovery procedures

1. Document process for off-site computer restoration (failure of network system)
2. Document process for off-site financial system restoration
3. Document process for off-site circulation computer system restoration
4. Document process for recovery of facilities
5. Document process for recovery of materials, e.g., books, AV materials, etc.

E. Communications procedures

1. Develop plan for communication with employees
2. Implement plan for external communications – news media, general public, etc.

F. Compile workplace disaster supplies kit

1. Needs analysis of emergency supplies
2. Purchase of necessary supplies
3. Regular evaluation for replacement/addition of supplies

G. Formulate a list of post-disaster vendors to aid in recovery

1. Contractors
2. Utilities
3. IT Service
4. Insurance adjusters
5. Transport – people, assets
6. Fire cleanup service
7. Alarm services
8. Equipment repair
9. Security service
10. Restoration services – for books, materials and assets
11. Replacement services – for books, materials and assets