



# Loutit District Library

Expanding Horizons, Enriching Minds

## Policy Committee Meeting

### Minutes

January 14, 2020

Committee members present: Lannon (Chair), Belter, Boyer (left at 5:05), Derdowski, De Young (via phone) and Martin

Committee members absent: Menerick

Chair Lannon called the meeting to order at 4:33pm in the Administrative Conference Room.

1. Public comment -- None.
2. Approval of Minutes from meeting of February 19, 2019.

**Motion by Belter, second by Boyer, to approve the February 19, 2019, committee meeting minutes as presented. Motion carried.**

3. Policies Discussed
  - A. Personnel Policy – de minimis gifts

The library's lawyer suggested adding a De Minimis policy to outline the types of gifts that could be given with a not to exceed value. The library's auditor counseled not allowing these types of gifts at all.

Under IRS rules, gifts to staff of cash or gift cards are not allowed as they must be claimed as income and taxed accordingly. Personnel Committee members were thinking of small gifts, e.g., candy, flowers, luncheons, food for meetings, etc. After discussion Policy Committee members recommended that a new section, 11.17, be added to the Personnel Manual under Employee Benefits. It is anticipated that the Personnel Manual will be reviewed and edited later in 2020

#### 11.16 De minimis benefits

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In general, a de minimis benefit is one for which, considering its value and the frequency with which it is provided, is so small as to make accounting for it unreasonable or impractical. De minimis benefits are excluded under Internal Revenue Code section 132(a)(4) and include items which are not specifically excluded under other sections of the Code. These include such items as:

- Controlled, occasional employee use of photocopier
- Occasional snacks, coffee, doughnuts, etc.
- Holiday gifts
- Occasional meal money or transportation expense for working overtime
- Flowers, fruit, books, etc., provided under special circumstances

### **Cash Benefits**

Cash is generally intended as a wage, and usually provides no administrative burden to account for. Cash therefore cannot be a de minimis fringe benefit.

### **Gift certificates**

Cash or cash equivalent items provided by the employer are never excludable from income.

## **B. Personnel Policy – Paid Time Off (PTO) Proposal**

Derdowski presented an overview of current PTO practice. Parts of the current procedures are time consuming to administer. In the Personnel Policy employees are granted PTO for:

- 1) Vacation Leave
- 2) Bonus Vacation Leave
- 3) Sick Leave
- 4) Personal Days

It is proposed that as of January 1, 2020, Personal Days and Bonus Vacation Leave be treated as a PTO Bank for each employee. Each employee would be front loaded (vs accrued) five (5) days of PTO on 1/1/20 to be used for any personal matter.

New employees who start work between July 1 and December 31 receive two (2) days of PTO upon their date of hire to be used for any personal matter.

Hours awarded would be pro-rated for employees who normally work more than twenty (20) hours but less than forty (40) hours per week.

The current maximum amount of carryover and payout for policies affected by a PTO Bank proposal is:

- Maximum accumulation of Bonus Vacation days shall not exceed forty (40) hours for full-time employees, pro-rated for employees who normally work more than twenty (20) but less than forty (40) hours per week.
- Under the current policy, no unused Bonus Vacation days are paid upon termination.
- Under the current policy, Personal days may not be carried over to the following year.
- Under the current policy, employees are not paid for any unused Personal Days at the time of termination.

C. Automated Clearing House (ACH) and Electronic Transactions Policy

Due to the increase in ACH and electronic pay transactions, the library's auditor, Doug Vredevelde, suggested we adopt an ACH policy. A Board Resolution and Policy were presented for review and both were recommended for adoption as submitted.

D. Fund Balance Policy

Committee discussed adoption of a Fund Balance policy to ensure library finances are safeguarded. This new policy was recommended to be forwarded to the Finance Committee for discussion and for adoption by the Board. It was agreed that the library's General Fund fund balance should not be allowed to go below 25% of annual GF expenditures.

E. Non-Resident Library Card Policy

The Lakeland Library Cooperative (LLC) recently updated its Non-Resident Library Card Policy. Edits were suggested by staff to the library's current policy to coincide with the revised LLC policy.

F. Credit Card Issuance and Use Policy

A minor change to item 4 of the current policy was recommended by staff and concurred with by the Committee.

**Motion by Belter, second by De Young, to forward the appropriate policies to the Finance Committee for their review and to recommend Board approval of the policy revisions at the February 3, 2020, Board meeting. Motion carried.**

Meeting adjourned at 5:35 pm

Respectfully submitted,  
John Martin, Library Director