

Barrington Library Purchasing & Fiscal Management Policy

I. Purpose

The purpose of this policy is to safeguard the Library and its employees while providing consistent internal controls for purchasing, surplus property disposition, budget fund transfer and handling of library receipts. The Library is committed to providing transparent and straightforward financial practices to strengthen operating efficiency and fiscal responsibility. This policy is designed to:

- Encourage maximum competition through fair and equal opportunity to those qualified and interested bidders
- Provide a uniform procedure for the procurement of material, equipment, supplies, and services
- Ensure that the taxpayers are getting the “best overall value” for their dollars
- Provide accounting of purchases to enable better financial management within the budget

All purchases are approved for final payment by the Library Trustees, and then passed through the accounts payable process, the manifest being signed by the Board of Selectmen.

II. Application and Authority

As a department which requests and expends funds raised through taxation, the library chooses to follow this policy which allows for the fact that the Library Trustees, under RSA 202-A: 11, have sole authority to expend all monies raised and appropriated by the Town for the purpose of the library.

III. Guidelines

A. Purchasing Procedure

All purchases require prior authorization by the Library Director or his/her designee. Purchase orders, when required, shall be issued prior to purchase. Factors to consider when determining “best overall value” are: Price, Quality, Warranty, Service, Availability, Past Performance of company with the library, and References. Spending approval guidelines are as follows for all but exempted items:

- \$0-2,500 (Goods & Services) may be approved by the Library Director with no PO required.
- All purchases \$2,501-\$4,999 (goods & Services) may be approved by the Library Director but will require a purchase order
- \$5,000-\$10,000 (goods and services) must be approved by the Library Board of Trustees with a documented attempt to have at least 3 quotes. PO required, except for repeating services.
- Purchases above \$10,000, in addition to a purchase order, will require a formal bidding process. Sealed bids to be opened by the Library Board of Trustees.
- Non-repeating services or purchases above \$15,000 require the preparation of written specifications, an RFQ/RFP with final award by the Library Board of Trustees. Sealed RFQ/P to be opened by the Library Board of Trustees.
- Repeating services above \$15,000 (utilities, etc) may have an RFQ if requested by the Library Board of Trustees and no PO is required.
- The purchasing policy may be waived by the Chair of the Board of Library Trustees in the event of an emergency where public safety may be at risk, or at any other time when deemed to be in the best interest of the library to maintain operation.

Exemptions to Bidding procedure: The Library Director or Library Board of Trustees may approve a purchase without bid under the following circumstances:

- Items acquired using a State of NH or NH State Library bid purchase price
- Emergency repairs and or/acquisitions where delay would have an immediate adverse impact on public safety
- Utilities (telephone, propane, heating fuel, cable TV, electricity, etc.)
- Bulk goods of a recurring nature or items acquired under a centralized purchasing program for the Town.

- Only one known source of purchase, and there is no comparable substitute product or service. Written documentation of the sole source may be required.
- Expenditures made in accordance with the terms and conditions of a grant or contractual agreement that has been approved by the Library Board; such as the RFQ process, change orders, fee increases, etc.
- Parts and/or supplies that are purchased in order to maintain or repair equipment. This includes specific type or brand of supply necessary for the acceptable operation of a machine or device, or as required by warranty or contract on the machine; written documentation supporting the purchase of brand specific parts may be required.
- A item of service that is required on an emergency basis
- An item previously awarded within the past 12 months (may be extended to 24 months by the Library Director for items under \$15,000 and by the Library Trustees for items over \$15,000).

Competitive Bidding: (Other than Exemptions)

All purchases of items in excess of \$10,000 dollars shall be made by competitive sealed bidding and contracts shall be awarded to the lowest RESPONSIBLE bidder. Competitive sealed bidding procedures shall at a minimum incorporate the following:

- Formal bid specifications which shall, at minimum, include the general terms and conditions of the proposed purchase, requirements of bidder, form of contract and the forms of submission of bids
- Product or service specification
- Adequate public notice, of a minimum of 7 calendar days prior to the date set for the opening of the bids; notice shall include the Town and/or Library website, and any other location that can be reasonably expected to improve response including electronic or print media.
- Sealed bids shall be opened publically at the time and place designated in the invitation for bids which does not to be a Library Board meeting.
- The award of bids shall be by the Library Trustees at a properly convened meeting.

Emergency Purchasing Process:

Emergency procurements may be made when a threat to public health, welfare, or safety exists providing that such emergency procurement shall be made with such competition as is practicable under the circumstances.

In case of emergency requiring immediate purchase of materials, supplies, equipment or services, the Library Board of Trustees hereby authorizes the Library Director to approve such purchase if the situation permits. The Library Board shall be notified as soon as possible as to the emergency and the associated purchase. As a courtesy, the Library Director will also notify the Town Administrator. A written determination for the basis for the emergency and for the selection of the particular contractor or vendor shall accompany the purchase order and voucher. As soon as is practicable, standard purchasing procedures will be reinstated.

Major Construction Projects

In the case of contracts for the construction, reconstruction, alteration, repair or refurbishing of real property a determination of responsibility of interested of interested contractors may precede the issuance of invitations to bid.

Invitations to bid may be issued only to firms which have, in the Library's sole determination, been pre-qualified.

Prequalification of firms shall be based on:

- The ability, capacity and skill of the bidder to perform the contract or service
- How promptly can the service be provided- can it be done within the specified timeframe
- The character, integrity, reputation, judgment, experience and efficiency of the bidder
- The sufficiency of financial resources of the bidder
- The ability of the bidder to perform warranty or future maintenance
- Others as required

Cancellation/Rejection of Bids

An invitation to bid, request for proposal, or other solicitation may be cancelled, or any or all bids or proposals may be rejected, in whole or part, as may be specified in the solicitation when it in the best interest of the library. The Library reserves the right to waive informalities and what it determines to be minor errors in the bidding process. The reasons shall be made part of the formal bid file.

Professional Services

The procurement of certain services where technical expertise or knowledge of a specialized field are critical to the performance of that service including but not limited to attorneys, engineers, planning consultants, architects, accountants, and other similar professionals, shall not require bidding but may be subject to a Request for Qualification or Request for Proposal. A prequalification process may be followed if so desired.

Conflict of Interest/Ethics in Purchasing

- It shall be unethical for any Library employee, or Trustees, involved in making procurement decisions to have personal investments in any business entity that will create a substantial conflict between their private interests and their public duties.
- It shall be unethical for any person to offer, give, or agree to give any Library employee or Trustee, or for any Library employee or Trustee to solicit, demand, accept, or agree to accept from any vendor or business, a gift or gratuity in any amount in connection with any decision, approval, disapproval, or recommendation concerning solicitation.
- Inexpensive advertising items, bearing the name of a vendor, such as pens, pencils, paper, weights, cups. Candy, etc. are not considered of value gifts in relation to this policy.
- Failure to comply with provisions of this policy will result in disciplinary action by the Library Board of Trustees.
- Grant all competitive suppliers equal consideration insofar as state or federal statute and institutional policy permit.

Local Advantage

The Library will make every effort to purchase from businesses located within the local area if purchase fits into the category of "best overall value". The Library employees have a responsibility to the taxpayers to ensure that bids are awarded to vendors offering their products or services at the "best overall value" to the Library.

Artificial Division

Purchases shall not be artificially divided so as to create lower purchase amounts and therefore avoid some requirements of this policy. Whether or not a proposed purchase constitutes artificial division will be determined by the Library Board of Trustees.

Exceptions

Exceptions to the policy will be determined on a case-by-case basis by the Library Director under \$10,000 and by the Library Board over \$10,000

Invoicing

Invoices are to be handled by the Library Director, who should promptly fill out the appropriate information and review the invoice for accuracy. Invoices will be stamped with the appropriate budget code, date, signature, and description of the item purchased and sent promptly to the Finance Department for payment. Invoices for which a purchase order has been done, shall prominently note the purchase order number and additional details such as whether this completes the purchase order.

Purchase Orders

It is the responsibility of the Library Director to fill out the purchase order form and submit the Trustee approved expense to the Town Administrator or his/her designee, along with a description of, and reason for, the purchase. This applies to all items that meet the thresholds whether being purchased by grant, operating budget, warrant article, capital reserve or other funds. Items and services purchased in an emergency are not exempt from the PO system; however the PO may be done at the earliest reasonable convenience to the Library Director. Any item for which a contractual obligation exists at the end of the year and which has not yet been received shall have a purchase order for encumbrance purposes regardless of the amount.

B. Surplus Property Disposition

Surplus Library property is defined as property belonging to the Library, which is obsolete, damaged, unusable or in excess of need, including equipment (regardless of cost and estimated life), vehicles, supplies, and

furniture, etc. This does not include real property. All sales are final, sold as is, with no warranty, and no further support provided by library staff for the removal or set up of sold items. **Excluded from this definition, according to the NH Attorney General, are any items purchased with funds donated to the library, or purchased for the library without taxpayer money. Funds from sale of these items will be kept in library accounts rather than being turned over to the Town General Fund. If an items was originally purchased with a combination of Town funds and donated funds, the resulting sale funds with be apportioned percentage wise between the Town and the Library.**

Property defined as surplus property will be disposed according to the following procedures:

- The disposition preference of surplus Town property shall be determined by using the following priority list for recipients:
 1. Other Departments;
 2. School district;
 3. Other municipalities
 4. Other interested parties
- Upon determining an item as surplus by the Library Director and Library Board of Trustees, the surplus item will be removed from use (inventory) and the disposal process initiated. The Library Director will work in concert with the Library Board of Trustees in determining the disposition of the items declared surplus.
- The following thresholds should be used when determining the appropriate procedure for the disposal of all surplus property.
 1. Surplus items with an estimated current market value of \$0-99 (i.e. obsolete, damaged, etc.) do not have to be advertised if the property is to be scrapped. The Library Director is directly responsible for making sure the items are properly scrapped.
 2. Surplus items with an estimated current market value of \$100+ will be advertised for sale or posted by the Library Director for a period of 1 to 3 days as deemed appropriate. The Library will assume the cost of any such posting through their operating budget. At the close of the advertising period, the Library Director will review bids and sell the items to the highest bidder. If there is no bidder for the items, the Library Director will notify the Library Board of Trustees who will then determine proper disposition of the items.

When the surplus item(s) were originally purchased with tax-payer funds, proceeds from the sale will be returned to the General Fund. When the item was originally purchased with private library funds from donations, bequests, or interest from library investments, the proceeds shall be returned to the accounts held by the Library Board of Trustees.

The Library Director is responsible for the transfer of surplus items to the recipient/buyer in a timely manner at the buyer's expense. The Library Director is also responsible for removing the item from inventory and informing the Financial Department of the items status immediately.

The Library Board of Trustees must approve all sales or transfers to any employee, or their immediate family members. The sale price of all items sold to employees or their immediate family members should approximate current market value.

The Library Board of Trustees and the Library Director retain the right to refuse any and all bids and to consider factors deemed significant along with bid price in determining the recipient of property.

C. Deposit Policy

All receipts that the Library Trustees are entitled to and responsible for, including those generated from functions, programs, fund raisers, general revenue or any other manner in which receipts are acquired, must be deposited on a weekly basis whether cash, check, or other form. Receipts less than \$500.00, and those receipts awaiting deposit, must be secured in the lock box in the Library Director's Office at the close of business each day. **Under no circumstances shall any individual remove receipts from the library lock box except for the purpose of depositing the receipts as described above. No funds may be taken home.**

Rules for town departments, such as the library, are set under RSA 41:9, especially section VIII. Whenever a department has in excess of \$500, whether cash, check or other form, all that is on hand in excess of \$100 must be deposited on a daily basis. The \$100 allowance is for money for making change. If receipts are received on a holiday or generated on a weekend, deposits must be made on the next available business day. When receipts are less than \$500, a deposit may be deferred until the receipts total more than \$500, but in no instance may more than one workweek lapse before a deposit is made.

D. Budget Line Transfers

Funds within the Library Budget may be transferred from one budget line to another by the Library Director upon request and approval of the Library Board of Trustees.

E. Penalty

The Library Trustees will respond to any violation of this policy in accordance with its accepted disciplinary policies set forth in the personnel policy manual with library amendments.

Approved by the Board of Trustees, August 2013.