

1/29/21

Mich_lib responses to staff bonus's and donating discard library materials:

Donating discarded library items:

As for donating used library books, we do it all the time. We don't have a policy that covers it yet, but the draft I just sent to our policy committee reads like this:

6003.2 Surplus Items

Upon determination by the Library Director that stocks of supplies, materials, or equipment is no longer used or has become obsolete or worn out, the Library Director shall have the authority to dispose of, sell, or trade items with individual depreciated value of less than \$1,000 without approval of the Library Board.

I borrowed the language from our cooperative's policy manual. Books fall under "materials", and I think donating them would fall under "dispose of", though maybe I should add "donate" to the list. Hmm.

- We have been donating discarded materials for years. We have donated children's books to local school libraries, adult books to various shelters and the local Jail. If you do end up donating and you are considering donating to a jail/prison be sure to contact them first as they can be specific as to what they accept (our local jail only accepted paperback books). We typically donate once a year but it all depends on if we have an overabundance of discarded materials because we are a small library and have VERY limited storage space.

WITHDRAWAL OPTIONS FOR DISCARDED ITEMS

All materials selected for withdrawal from the Library's collection must be marked as withdrawn. Once such items have been identified the Librarian and Staff may choose among the following options for disposal of the withdrawn materials

1. Items may be sold in the Library Club book sale.
2. Withdrawn materials that will not be sold in the Library Club sale should be removed from the collection through one of the following methods:
 - A. Donation to a tax exempt or government funded organization. This category might include hospitals, jails, nursing homes or other organization which are willing to accept and collect the materials.
 - B. Donated to an organization for resale or recycle purposes
 - C. Discarded as rubbish.

We have never had a policy on discards & have given items to VA & senior centers, schools, etc.

Staff bonuses:

I spoke with the Library Board about doing bonuses--mostly because the Board wasn't considering doing raises for 2021 until March, when they'll know whether there will be enough millage taxes collected to justify giving us raises.

In 2014, the Library Board did do a straight bonus for all Library employees. And, yes, bonuses are allowed, as long as it's clearly stated in the minutes as only a one-time budgeted item (hence it has its own account line item on our Chart of Accounts for Audit purposes) and the Board passes a Resolution/Motion to the effect of: "Reason for one-time bonus payment, where will the money come from, and how much in total". In 2014, the

bonuses came after 4 years of flat income for employees. So, when the library was able to sell off our old building--we moved to a new building in 2012-2013--the board had money set aside from the sale of that building to go towards bonuses. Plus, the amount of bonuses were based on employee category/responsibility, hours worked, and seniority.

For 2020, the Board looked at how much would be left over in fund equity and "cash on hand" by the end of December (since our Fiscal Year is from January to December.) The Board wanted bonuses to be COVID-19 related, so we decided to call it "COVID-19 Payments for 2020". Then they asked me to come up with a formula for how much to give to each employee. That became the base of the Board's Resolution passed during their December Annual Meeting.

We have two types of bonuses, an annual Christmas Bonus and a longevity bonus. The Christmas Bonus is voted on each year by the Board and for accounting purposes it is treated as and paid from the payroll account. If the board authorizes a \$100.00 bonus the check would be for slightly more so that after payroll taxes the bonus would be \$100.00. For the longevity bonus it is at each 5 year anniversary and it is \$10.00 for each year. So at 5 years it is \$50.00 and at 10 years it is \$100.00. Again the check would be for slightly more so that staff receive the actual amount of the bonus. A past auditor said that we need to make sure we pay the payroll taxes and it would be treated as a payroll check.

Here is what our Library does in regards to bonuses and donations:

- We do give staff bonuses and have been doing so for many years. We typically set aside an amount in our "employee relations" budget and as long as the budget allows for it around the end of the year, we give out small bonuses.
- Recently I had a board member present this as an idea too, even though we don't really have the budget to support it... but that's another issue all together. My Development Director (she oversees our fundraising and 501(c)3 fund) went through the roof about this proposal. It's really not good practice to raise funds for the library and then give staff 'bonuses.'
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- So, I'd say it really depends on your funding situation, but I think you might want to tread carefully. Libraries who 'have so much money, they're giving out bonuses' may come across poorly in this hard economic time.
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- If it's hazard pay, call it such. People will totally understand that right now!

We receive bonuses. They have taxes taken out and are listed on our pay stubs as bonuses. They are included in the budget. The auditors have never questioned it.

We don't call them "bonuses" which can make Auditors squirm. We call them "One Time Salary Adjustments" and that satisfies. I have a long term staff member who can't get raises anymore because she is at the top of her scale. But it would be unfair to never do anything for her, so she gets a "one time salary adjustment" each year.

The board votes on Christmas bonuses for staff every November. There is always a bonus & the only thing that might change is the amount.

As far as the question about bonuses, if I'm not mistaken, the term bonus shouldn't be used. Our library does give a little bit of something to the staff at the end of the year, but it's called a stipend for legal purposes.

Provides "Longevity" pay for our full time staff. We get this annual payment towards the end of December. It is calculated based on years of full time employment. We do not call it an annual bonus, but I don't know if that is for legal reasons, or what.