

**High Plains Library District
Finance Policies**

Asset Management Policy	2
Budget Policy	7
Debt Management Policy	9
Electronic Payments Policy	11
Investment Policy	12
Purchasing Policy	20
Reserve Policy	23

High Plains Library District Asset Management Policy

INTRODUCTION

The High Plains Library District (“the District”) was established in 1985 to improve library service to Weld County residents.

This Asset Management Policy addresses the need for High Plains Library District to effectively supervise, monitor, and evaluate the District’s capital assets and controlling non-capitalized inventory.

SCOPE

This policy encompasses all fixed assets owned by the High Plains Library District. Examples of fixed assets include buildings, building improvements, vehicles, furniture and fixtures, and equipment.

Information in this policy will be reviewed and updated by the Finance Manager at least bi-annually so that the maximum use and benefit may be derived in accordance with its intended purpose.

OBJECTIVES

The purpose of the Fixed Assets Policy is to present a uniform method of maintaining and updating the High Plains Library District’s fixed asset property records. Incorporated principles are in accordance with Generally Accepted Accounting Principles (GAAP).

It is important for High Plains Library District to keep track of fixed assets for many reasons. These reasons include the control purposes of preventing theft and conducting condition assessments. State law requires that we have a current listing of our fixed assets available for inspection at any time. GAAP requires that we appropriately account for acquisitions and dispositions of our fixed assets. Finally, by having a good information system established on our fixed assets, we have a management tool to assist in making better budgeting decisions.

Approvals

Purchases of fixed assets are approved during the preparation and approval of the annual budget. During the fiscal year Department Heads or Branch managers must approve the purchase of the fixed asset as approved in their respective budget.

Valuing Capital Assets

Property will be recorded at historical cost including ancillary costs necessary to place the assets in their intended location and condition of use. Ancillary costs include freight, site

preparation, appraisal fees, and legal claims directly attributable to the asset's acquisition. Donated capital assets are recorded at estimated fair value of the assets at the time of donation.

If historical cost is unavailable after search of applicable records, an estimate of the original cost using current replacement cost discounted by an appropriate price index is allowed.

The District's "opening day" collection of books and other materials is capitalized at estimated historical cost. As individual items are replaced or updated as necessary, the collection is considered inexhaustible and is not depreciated. Subsequent purchases of materials are not capitalized unless they significantly expand the opening day collection.

Dollar threshold

Fixed assets with an original cost of \$5,000 or more (including ancillary costs) and a useful life of one year or more will be capitalized.

For expenditures of more than \$5,000 related to repair, remodeling, or expansion of an existing capital asset, the District must determine if the expenditure increased the capacity, operating efficiency, or extended the useful life of the asset. Those expenditures should be capitalized. Documentation to support what constitutes an enhancement or useful life extension should be maintained.

Expenditures that only serve to restore a capital asset to working condition or do not enhance or extend the useful life should be recorded as repair and maintenance and not capitalized.

Management of Fixed Assets

The Finance Department in cooperation with the Information Technology and Innovation Department will maintain a Continuing Property Record of all fixed assets which will include description, location, acquisition date, cost, and vendor.

District assets that do not meet the criteria for capitalization will be controlled through an inventory system. This will include assets with a cost of greater than \$500. The record will include description, location, acquisition date, cost, and vendor.

Annual Physical Inventory Policy

An annual physical inventory will be taken by the Finance Manager with assistance from employees from each location and department. The inventory will be reconciled to the general ledger and any differences will be reconciled and adjusted.

Depreciation and Estimated Useful Life

Effective January 1, 2003, the District shall depreciate all of its fixed assets in accordance with GASB Statement #34.

Method: All fixed assets will be depreciated using the straight-line method of depreciation.

Estimated Useful Lives: The following chart depicts the estimated useful life for each major fixed asset classification:

<u>Asset</u>	<u>Life Years</u>
Buildings	25 to 50
Building Improvements	20 to 40
Furniture and Fixtures	10
Vehicles	7
Equipment	5 to 12

Depreciation of fixed assets will occur annually based on this schedule. A prorated amount of the annual depreciation will be taken for the years in which an asset is acquired and the final year of depreciation.

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 (C.R.S. 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 Finance Manager. 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.

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.



Disposal of Property Request

2650 W. 29th Street
Greeley, CO 80631

CRS 24-90-109 (1) The Board of Trustees shall: (i) Sell, assign, transfer, or convey any property of the library, whether real or personal, which may not be needed within the foreseeable future for any purpose authorized by law, upon such terms and conditions as it may approve, and lease any such property, pending sale thereof, under an agreement of lease, with or without an option to purchase the same. The board, prior to the conveyance of such property, shall make a finding that the property may not be needed within the foreseeable future for library purposes, but no such finding shall be necessary if the property is sold or conveyed to a state agency or political subdivision of this state.

No.	Item	Reason	Method of Disposal

Date Approved:

Submitted by

REVIEWED AND APPROVED BY DATE

Approved by the Board of Trustees June 21, 2021.

High Plains Library District Budget Policy

INTRODUCTION

The High Plains Library District (“the District”) was established in 1985 to improve library service to Weld County residents.

This Budget Policy addresses the need for High Plains Library District to adopt an annual budget and comply with Colorado budget law.

SCOPE

The Budget Policy establishes guidance for preparation of the annual budget for the High Plains Library District (HPLD).

PROCEDURES

The development, presentation, and administration of the annual budget is the responsibility of the Executive Director who is assisted by the Finance Manager.

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

The annual budget is the financial plan for the operation of the District. It provides the framework for both expenditures and revenues for the next two years and translates into financial terms the priorities of the District. Although a two-year budget is prepared, the Board of Trustees adopts an annual appropriation of funds as required by the District’s Bylaws and state law. 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 Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) standards for budget preparation and presentation.

The annual budget sets forth the operating goals and objectives and capital projects for the upcoming year. The budgeting process is initiated by the Board of Trustees and management by providing the objectives for the coming year along with expectations of business conditions and special circumstances that are expected to occur during the year. Additional general guidelines used to formulate this document include the Mission Statement, Strategic Plan, Capital Improvement Program forecast for the next five years, and financial projections of revenues and expenditures for the next ten years.

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 District by fund. It shall describe the expenditure and show the amount budgeted for the current fiscal year; the amount budgeted for the ensuing fiscal year, and the planned budget for the following year.

This policy defines a balanced budget as annual budgeted expenditures not exceeding annual budgeted revenues plus reserves. Adopting a balanced budget is required under state statute and this policy. There are three primary expenditure sections of the General Fund budget – operating expenditures, distribution to member libraries, and capital outlay. A Debt Service Fund budget is also adopted when necessary and the Debt Service Fund budget typically includes transfers from the General Fund. Recognizing the need to maintain financial strength, adopting budgets for more than two consecutive years where budgeted operating expenditures plus budgeted distribution to member libraries exceed budgeted revenues is prohibited. Adopting budgets that use reserves for capital outlay and debt service is permitted as long as the High Plains Library District remains in compliance with the Reserve Policy.

REVIEWED AND APPROVED BY DATE

Approved by the Board of Trustees August 16, 2021.

High Plains Library District Debt Management Policy

INTRODUCTION

The High Plains Library District (“the District”) was established in 1985 to improve library service to Weld County residents.

This Debt Management Policy sets forth comprehensive guidelines for the financing of capital expenditures. It is the objective of the policy that the District obtain financing only when necessary, the process for determining the timing and amount of debt or other financing be efficient as possible, and the most favorable interest and other costs be obtained.

SCOPE

Debt Limitations

Colorado Revised Statute 22-42-104 limits the District’s debt to 1.5% of the total assessed value of the District. This limit will be used as the total amount of indebtedness that the District may issue, including certificates of participation, general obligation bonds, revenue bonds, and other obligations permitted to be issued or incurred under Colorado law.

Additional guidance for issuing bonds for libraries is defined in Colorado Revised Statute 24-90-112.5. That portion of library law addresses the process with the county commissioners and the election process for bonds. The District will comply with that statute when issuing bonds.

The District will also calculate the annual debt service requirements as a percentage of annual budgeted revenue for the year of the debt issuance, which will not exceed 10%.

GUIDELINES

Debt issuance team

For purposes of this policy, the debt issuance team is defined to include the Finance Committee of the High Plains Library District, the Weld Library Finance Corporation, the District’s attorney, bond counsel, the underwriter, and the financial institution trustee for the debt proceeds. Other professionals or outside firms such as those providing paying agent / registrar, credit enhancement, auditing, or printing services may be retained as required.

Rating and sale requirements

The District’s minimum rating requirement to issue direct, long-term, debt obligations is a rating of “A” or higher. If the debt obligation is not able to meet this requirement, credit enhancement should be sought to achieve the minimum rating.

The District shall seek to issue its debt obligations in a competitive sale unless the debt issuance team determines that a competitive sale will not produce the best results for the District.

Rebate reporting and covenant compliance

The Finance Manager with the assistance of the debt issuance team shall establish a method of record keeping and reporting to meet the arbitrage rebate compliance requirements of the federal tax code.

Ongoing disclosure

The Finance Manager with the assistance of the debt issuance team 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 bodies.

Terms and uses of debt financing

Borrowings of the District are to mature over a term that does not exceed the expected economic life of the asset that is being financed. The District will not finance an asset with an expected economic life of less than 4 years.

The District's 10-year financial projection and 5-year capital improvement plan will be used as a guideline and basis for determining financing needs.

REVIEWED AND APPROVED BY DATE

Approved by the Board of Trustees June 21, 2021.

High Plains Library District Electronic Payments Policy

INTRODUCTION

The High Plains Library District (“the District”) was established in 1985 to improve library service to Weld County residents.

This Electronic Payments Policy addresses the need for High Plains Library District to maintain appropriate internal controls over cash disbursements.

SCOPE

This policy applies to Wires and ACH payments made by High Plains Library District (HPLD).

PROCEDURES

The Finance Department routinely processes electronic payments for various operating expenditures including medical insurance, retirement plan contributions, some library collection materials, and utilities. Those types of payments are generally processed and initiated by log in access to the vendors’ websites. Approval and authorization of those types of payments may be documented by approval noted on the supporting invoice or the Executive Director review of a report of those payments or Executive Director review of the bank reconciliation.

Electronic payments are also processed from the ColoTrust Plus+ account. Those are generally property tax distributions to member libraries, investment purchases, or long-term debt payments. Approval and authorization of ColoTrust activity may be documented by the calculation for the member distribution, the trading ticket for the investment purchase, and the invoice or debt service schedule for long-term debt payments.

For other one-time or infrequent Wire and ACH transactions:

Amount of Wire or ACH	Authorization required
Up to \$5,000	Can be initiated and authorized by one employee
\$5,000 to \$50,000	Can be initiated by one employee and authorized by another
Over \$50,000	Can be initiated by one employee, must be authorized by and verified by the Executive Director and Finance Manager

When the Finance Department receives a request to make a payment by wire or ACH, the Finance Department will verify the request verbally with the requestor before processing the request. The accuracy of a payment request will be verified with a vendor representative directly independent of e-mail.

When the Finance Department receives a request to change payment information for a vendor, the accuracy and validity of the information will be confirmed with a vendor representative directly independent of e-mail.

REVIEWED AND APPROVED BY DATE

Approved by the Board of Trustees August 16, 2021.

High Plains Library District Investment Policy

INTRODUCTION

The High Plains Library District (“the District”) was established in 1985 to improve library service to Weld County residents.

This Investment Policy addresses the methods, procedures and practices which must be exercised to ensure effective and judicious fiscal and investment management of the District’s funds. It replaces any previous investment policy or investment procedures of the District.

SCOPE

This Investment Policy shall apply to all funds accounted for in the District’s Comprehensive Annual Financial Report.

All cash shall be pooled for investment purposes unless required to be held separately by law, regulation, or other binding agreement. The investment income derived from the pooled investment account shall be allocated to the contributing funds based upon the proportion of the respective average daily balances relative to the total pooled balance in the investment portfolio.

INVESTMENT OBJECTIVES

The District’s funds shall be invested in accordance with all applicable District policies, Colorado statutes, and Federal regulations, and in a manner designed to accomplish the following objectives, which are listed in priority order:

- Preservation of capital and protection of investment principal.
- Maintenance of sufficient liquidity to meet anticipated cash flows.
- Attainment of a market value rate of return.
- Diversification to avoid incurring unreasonable market risks.
- Transparency of the District’s investments.
- Staying in compliance with the investment policy and plan.

DELEGATION OF AUTHORITY

The Trustees have delegated to the District’s Executive Director authority for managing the District’s investment program and for implementing this Investment Policy. The Executive Director has delegated to the Finance Manager authority for the day-to-day operation of the District’s investment program. The Finance Manager shall establish written procedures and internal controls for the operation of the District’s investment program, designed to prevent loss of public funds due to fraud, error, misrepresentation and imprudent actions. No person may engage in an investment transaction except as provided under the terms of this Investment Policy.

The District may engage the support services of outside investment advisors in regard to its investment program, so long as it can be demonstrated that these services produce a net financial advantage or necessary financial protection of the District’s financial resources.

PRUDENCE

The standard of prudence, as defined by the Colorado Revised Statutes, to be used for managing the District's assets is the "prudent investor" standard applicable to a fiduciary, which states that a prudent investor "shall exercise the judgment and care, under circumstances then prevailing, which men of prudence, discretion, and intelligence exercise in the management of the property of another, not in regard to speculation but in regard to the permanent disposition of funds, considering the probable income as well as the probable safety of capital." (Colorado Revised Statutes 15-1-304, Standard for Investments.)

The District's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The District recognizes that no investment is totally riskless and that the investment activities of the District are a matter of public record. Accordingly, the District recognizes that occasional measured losses may occur in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best long-term interest of the District.

The Finance Manager and other authorized persons acting in accordance with this policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion to the Trustees and appropriate action is taken to control adverse developments.

ETHICS AND CONFLICTS OF INTEREST

The High Plains Library District Board of Trustees and employees who are involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the District's investment program or which could impair or create the appearance of an impairment of their ability to make impartial investment decisions. The Board of Trustees and employees shall disclose to the Finance Manager any material financial interest they have in financial institutions that conduct business with the District, and they shall subordinate their personal investment transactions to those of the District.

AUTHORIZED SECURITIES AND TRANSACTIONS

All investments will be made in accordance with the Colorado Revised Statutes (C.R.S.) as follows: C.R.S. 11-10.5-101, et seq. Public Deposit Protection Act; C.R.S. 11-47-101, et seq. Savings and Loan Association Public Deposit Protection Act; C.R.S. 24-75-601, et. seq. Funds - Legal Investments; C.R.S. 24-75-603, et seq. Depositories; and C.R.S. 24-75-701 and 702, Investment Funds - Local Government Pooling. Any revisions or extensions of these sections of the statutes will be assumed to be part of this Investment Policy immediately upon being enacted.

This Investment Policy further restricts the investment of District funds to the following types of securities and transactions:

1. U.S. Treasury Obligations: Treasury bills, Treasury notes, Treasury bonds and Treasury STRIPS with maturities not exceeding five years from the date of trade settlement.
2. Federal Instrumentality Securities: Debentures, discount notes, global securities, callable securities, step-up securities and stripped principal or coupons with maturities not exceeding

five years from the date of trade settlement issued by the following only: Federal National Mortgage Association (FNMA), Federal Farm Credit Banks (FFCB), Federal Home Loan Banks (FHLB) and Federal Home Loan Mortgage Corporation (FHLMC).

If a Federal Instrumentality Security carries a rating lower than the highest category by any Nationally Recognized Statistical Rating Organization (NRSRO), the security is eligible for purchase subject to the following limitations: the final maturity (from the date of trade settlement) may not exceed the statutory limit stated in C.R.S. 24-75-601 and the security must be rated at least AA- or the equivalent by at least two NRSROs, and not less by any. Subordinated debt shall not be purchased. For securities authorized in this paragraph, the District shall limit the combined total of investments to no more than 90 percent of the total portfolio and 30 percent per issuer.

3. Commercial Paper with an original maturity of 270 days or less that is rated by at least two NRSROs and shall be rated at least A1, P-1 or the equivalent at the time of purchase by all organizations that rate the commercial paper. If the commercial paper issuer has senior debt outstanding, it must be rated, at the time of purchase at least A+, A1 or the equivalent by each NRSRO that rates the issuer. The aggregate investment in commercial paper shall not exceed 20% of the District's total portfolio.
4. Eligible Bankers Acceptances with maturities not exceeding 90 days, issued by FDIC insured state or national banks with combined capital and surplus of at least \$250 million. Banker's Acceptances shall be rated by at least two NRSROs and shall be rated at least A-1, P-1 or the equivalent by all NRSROs that rate them at the time of purchase. If the issuing bank has senior long-term debt outstanding, it must be rated, at the time of purchase AA, Aa or the equivalent by each NRSRO that rates the bank. The aggregate investment in bankers acceptances shall not exceed 20% of the District's total portfolio.
5. Repurchase Agreements with a termination date of 180 days or less collateralized by U.S. Treasury obligations or Federal Instrumentality securities listed in 1. and 2. above with a final maturity not exceeding ten years. The purchased securities shall have a minimum market value including accrued interest of 102 percent of the dollar value of the transaction. Collateral shall be held by the District's third-party custodian bank, and the market value of the collateral securities shall be marked-to-the market daily.

Repurchase Agreements shall be entered into only with broker/dealers recognized as a primary dealer by the Federal Reserve Bank of New York, or with firms that have a primary dealer within their holding company structure. Approved Repurchase Agreement counterparties shall have a short-term credit rating of at least A-1 or the equivalent and a long-term credit rating of at least A or the equivalent by a NRSRO. Repurchase agreement counterparties shall execute a District approved Master Repurchase Agreement with the District. The Finance Manager shall maintain a copy of the District's approved Master Repurchase Agreement along with a list of broker/dealers who have executed same.

6. Local Government Investment Pools authorized under C.R.S. 24-75-702 that: 1) are "no-load" (no commission or fee shall be charged on purchases or sales of shares); 2) limit assets of the fund to those authorized by State Statute; 3) have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and 4) have a rating of AAA or the equivalent by one or more NRSROs.

7. Non-negotiable Certificates of Deposit with a maturity not exceeding five years from the date of trade settlement in any state bank, national bank, or state or federal savings bank located in Colorado that is a member of the Federal Deposit Insurance Corporation and is a state approved depository per C.R.S. 24-75-603. Certificates of deposit that exceed FDIC insurance limits shall be collateralized as required by the Public Deposit Protection Act or the Savings and Loan Association Public Deposit Protection Act. In addition, banks issuing certificates of deposit shall meet the credit criteria set forth in the section of this Investment Policy, "Selection Of Banks."
8. Money Market Mutual Funds registered under the Investment Company Act of 1940 that: 1) are "no-load" (no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value of \$1.00 per share; 3) limit assets of the fund to those securities authorized in this Investment Policy; 4) have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and 5) have a rating of AAA or the equivalent by one or more NRSROs.
9. Corporate or Bank Security issued by domestic corporations or banks with a final maturity not exceeding three years from the date of trade settlement. Securities shall be rated by at least two NRSROs and shall be rated at least AA-, Aa3 or the equivalent by all NRSROs that rate them at the time of purchase. These rating requirements first apply to the security being purchased and second, if the security itself is unrated, to the issuer, provided the security contains no provisions subordinating it from being a senior debt obligation of the issuer.
10. Municipal Bonds of state or local governments. Such obligations of Colorado (or any political subdivision, institution, department, agency, instrumentality, or authority of the state) shall be rated at least A- or the equivalent at the time of purchase by at least two NRSROs. Such obligations of any other governmental entity shall be rated at least AA- or the equivalent at the time of purchase by at least two NRSROs.

It is the intent of the District that the foregoing list of authorized securities be strictly interpreted. Any deviation from this list must be pre-approved by the Trustees.

INVESTMENT DIVERSIFICATION

It is the intent of the District to diversify the investments within the portfolio to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. The asset allocation in the portfolio should be flexible depending upon the outlook for the economy, the securities markets and the District's anticipated cash flow needs. While the asset allocation in the portfolio is flexible, the District shall have restrictions on both portfolio and issuer concentration limits. In the event the District would like to invest outside of these parameters, board approval is required. The table below illustrates restrictions:

Security Type	Maximum portfolio %	Maximum Issuer %	Maturity Restrictions	Rating Restrictions
U.S. Treasuries	100%	100%	5 years	N/A
Federal Agencies and Instrumentalities	90%	30%	5 years	AA- by 2 NRSROs
Non-Negotiable CD	5%	2%	5 years	FDIC Insured or PDPA
Corporate and Bank Securities	35%	5%	3 years	AA- or Aa3 by 2 NRSROs
Municipal Bonds	25%	5%	5 years	AA- or A--by 2 NRSROs
Commercial Paper	20%	5%	270 days	A-1 by 2 NRSROs
Banker Acceptances	20%	5%	180 days	A-1 by 2 NRSROs
Repurchase Agreements	50%	10%	180 days	Collateral required
Local Government Investment Pools	100%	100%	N/A	AAAm by 1 NRSRO
Money Market Funds	100%	75%	N/A	AAAm by 1 NRSRO

INVESTMENT MATURITY AND LIQUIDITY

The portfolio shall remain sufficiently liquid to meet all cash requirements that may be reasonably anticipated. To the extent possible, investments shall be matched with anticipated cash flows and known future liabilities. Investments shall be limited to maturities not exceeding five years from the date of trade settlement.

COMPETITIVE TRANSACTIONS

Each investment transaction shall be competitively transacted with authorized broker/dealers. At least three broker/dealers shall be contacted for each transaction and their bid and offering prices shall be recorded.

If the District is offered a security for which there is no other readily available competitive offering, quotations for comparable or alternative securities will be documented.

Transactions that are executed through an external investment advisor are presumed to meet these requirements. The external investment advisor will maintain the competitive pricing documentation for the transactions they execute for the District.

SELECTION OF BROKER/DEALERS

The Finance Manager shall maintain a list of broker/dealers approved for investment purposes, and it shall be the policy of the District to purchase securities only from those authorized firms.

To be eligible, a firm must meet at least one of the following criteria:

1. Be recognized as a primary dealer by the Federal Reserve Bank of New York or have a primary dealer within its holding company structure,
2. Report voluntarily to the Federal Reserve Bank of New York,
3. Qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule).

Broker/dealers will be selected by the Finance Manager on the basis of their expertise in public cash management and their ability to provide service to the District's account. Each authorized broker/dealer shall be required to submit and annually update a District approved Broker/Dealer Information Request Form that includes the firm's most recent financial statements.

Transactions that are executed through an external investment advisor are presumed to meet these requirements, The external investment advisor will maintain the documentation on the selection of broker/dealers that are used to execute transactions for the District.

In the event that an external investment advisor is not used in the process of recommending a particular transaction in the District's portfolio, authorized broker/dealers shall attest in writing that they have received and reviewed a copy of this Investment Policy.

The District may purchase commercial paper from direct issuers even though they are not on the approved broker/dealer list as long as they meet the criteria outlined in item 3 of the Authorized Securities and Transactions section of this Investment Policy.

SELECTION OF BANKS

The Finance Manager shall maintain a list of banks approved to provide depository and other banking services for the District. To be eligible, a bank must be a member of the Federal Deposit Insurance Corporation and shall qualify as a depository of public funds in Colorado as defined in C.R.S. 24-75-603.

The District shall utilize Highline Banking to perform credit analysis on banks seeking authorization. The analysis shall include a composite rating, and individual ratings of liquidity, asset quality, profitability and capital adequacy. To be eligible to provide depository and other banking services, a bank shall have an average Highline Banking rating of 30 or better on a scale of zero to 99 with 99 being the highest quality for the four most recent reporting quarters, or in the judgment of the Finance Manager offer adequate safety to the District.

SAFEKEEPING AND CUSTODY

The Finance Manager shall approve one or more banks to provide safekeeping and custodial services for the District. A District approved safekeeping agreement shall be executed with each custodian bank. To be eligible, a financial institution shall qualify as a depository of public funds in Colorado as defined in C.R.S. 24-75-603 and shall have an average Highline Data Peer Group

Rating of 30 or better on a scale of zero to 99, with 99 being the highest quality, for the four most recent reporting quarters before the time of selection, or in the judgment of the Finance Manager offer adequate safety to the District.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. Ownership of all securities shall be perfected in the name of the District. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities purchased by the District will be delivered by either book entry or physical delivery and will be held in third-party safekeeping by the District approved custodian bank, its correspondent bank or the Depository Trust Company (DTC).

All Fed wireable book entry securities shall be evidenced by a safekeeping receipt or a customer confirmation issued to the District by the custodian bank stating that the securities are held in the Federal Reserve system in a Customer Account for the custodian bank which will name the District as "customer."

All DTC eligible securities shall be held in the custodian bank's Depository Trust Company (DTC) participant account and the custodian bank shall issue a safekeeping receipt evidencing that the securities are held for the District as "customer."

All non-book entry (physical delivery) securities shall be held by the custodian bank's correspondent bank and the custodian bank shall issue a safekeeping receipt to the District evidencing that the securities are held by the correspondent bank for the District.

The District's custodian will be required to furnish the District monthly reports of holdings of custodied securities as well as a report of monthly safekeeping activity.

PERFORMANCE BENCHMARKS

The District's investment portfolio shall be designed to attain a market value rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. The performance of the portfolio shall be compared to the average yield on the U.S. Treasury security which most closely corresponds to the portfolio's weighted average effective maturity. When comparing the performance of the District's portfolio, all fees involved with managing the portfolio shall be included in the computation of the portfolio's rate of return net of fees.

The Finance Manager shall present to the Trustees at least annually, a review of the portfolio's adherence to appropriate risk levels and a comparison between the portfolio's total return and the established investment objectives and goals.

REPORTING

At least semi-annually, the Finance Manager shall submit to the Trustees an investment report listing the investments held by the District, security type or description, each transaction along with transaction details, the current market valuation of the investments and performance results. The report shall include a summary of investment earnings during the period.

POLICY REVISIONS

This Investment Policy shall be reviewed annually by the Finance Manager and may be amended by the Trustees as conditions warrant.

REVIEWED AND APPROVED BY DATE

Approved by the Board of Trustees April 19, 2021.

High Plains Library District Purchasing Policy

INTRODUCTION

The High Plains Library District (“the District”) was established in 1985 to improve library service to Weld County residents.

This Purchasing Policy addresses the need for High Plains Library District to ensure the effective use of taxpayer funds through proper authorization of expenditures, regular review and monitoring of expenditures, and the application of competitive bidding procedures.

SCOPE

The Board of Trustees authorizes expenditures through adoption and appropriation of the annual budget. Spending is monitored by the Board of Trustees, Executive Director, Finance Manager, library managers, and department managers through monthly review of revenues and expenditures comparing actual to budget.

PROCEDURES

Procedures for competitive bidding are developed and implemented by management to ensure the selection of the best vendors, products, and services for the library district.

Competitive bidding guidelines:

Limit / Circumstance	Additional Approval	Price Solicitation
Over \$50,000 total order or contract	Board of Trustees	Formal request for proposal; 3 vendors minimum
\$20,000 to \$50,000	Executive Director	Telephone / Written bids; 3 vendors minimum
Up to \$20,000	None	Requisition only

High Plains Library District retains the right to reject any and all bids or proposals that are submitted. High Plains Library District is under no obligation to accept any bid or proposal that is submitted.

If High Plains Library District is unable to obtain 3 telephone or written bids for an applicable purchase, the reasons and circumstances for not being able to obtain at least 3 bids should be well documented on a bid summary sheet. The Executive Director must approve the reasons and circumstances for not obtaining at least 3 bids. That should be an infrequent occurrence.

If fewer than three vendors respond to a request for proposal, High Plains Library District may accept a proposal that was submitted, reject any proposals that were submitted and reissue the request for proposal or elect to not proceed with the purchase.

When Competitive Bidding is Not Required:

The following may be purchased without giving opportunity for competitive bidding:

1. When the purchase is made using the Colorado State Purchasing Program, US Communities/OMNIA Partners, or other collaborative purchasing agreements which have already been bid for the best prices. Vendors who agree to meet or beat state contract pricing may be used if it is determined to be beneficial to HPLD for consistency, efficiency, or better service for the district.
2. Purchases not expected to exceed \$20,000.
3. Library collection materials – books, periodicals, audio visual materials, etc.- which are purchased at the best discount available consistent with service, delivery date, and other pertinent terms.
4. Supplies, materials, or equipment that can only be furnished by a single dealer or have a uniform price wherever purchased.
5. Supplies, materials, or equipment purchased from another government entity at a price deemed below that obtainable from private dealers.
6. Services (natural gas, electricity, phone, etc.) purchased from a public utility at a price or rate determined by a State commission or other governmental authority.
7. Where proposed goods or services vary to the extent that sealed bids are not practical, detailed proposals may be accepted in lieu of bids. Detailed proposals may be used to select professional/personal services for legal, auditing, consulting services, architectural, engineering, etc., negotiated based on demonstrated competence and qualifications at fees not in excess of market rates.

Vendor Selection - The price solicitation process will identify the lowest cost vendor. The vendor selection process considers quality of the product and / or service and vendor relations. Accordingly, such considerations may necessitate the selection of a vendor other than the lowest cost alternative.

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.

Emergency Purchases - In the event of an unforeseen emergency which necessitates purchases be made immediately, portions of this policy can be foregone providing 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 \$500.00. 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 \$500.00 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 High Plains Library District.

REVIEWED AND APPROVED BY DATE

Approved by the Board of Trustees June 21, 2021.

High Plains Library District Reserve Policy

INTRODUCTION

The High Plains Library District (“the District”) was established in 1985 to improve library service to Weld County residents.

This Reserve Policy addresses the need for High Plains Library District to maintain financial strength and ensure financial sustainability of the library district. This policy is intended to ensure that High Plains Library District will be able to meet emergency obligations, unforeseen circumstances, and minimize the impact of interruptions of cash flow.

SCOPE

The High Plains Library District (HPLD) shall maintain unrestricted net assets in its General Fund equal to fifty percent of the previous year’s actual General Fund operating expenditures.

PROCEDURES

The High Plains Library District will also maintain an emergency reserve in the amount of at least three percent of fiscal year spending in accordance with the provisions of Article X, Section 20 of the Colorado constitution (TABOR Amendment).

In the event that unrestricted net assets falls below six months of regular general fund operating expenditures, the Executive Director with the assistance of the Finance Manager will develop a plan to restore the unrestricted net assets to the intended level within two years. This plan will be presented to and monitored by the Finance Committee. The plan and the progress will be reported to the Board of Trustees.

Replenishment of unrestricted net assets may be accomplished through the control of expenditures, unexpected revenue sources, year-end budget surpluses, or increased property tax revenues.

REVIEWED AND APPROVED BY DATE

Approved by the Board of Trustees April 19, 2021.