



**MILWAUKEE**  
**PUBLIC LIBRARY**

*Paula A. Kiely*  
*Director*

October 2, 2014

To: Finance & Personnel Committee of the  
Milwaukee Public Library Board of Trustees:  
Chairman Sup. Theo Lipscomb, Denise Callaway, Milele Coggs, Joan Prince,  
Mark Sain *all trustees are welcome to attend*  
MPL: Joan Johnson, Bill Lenski, Taj Schoening

Fm: Paula A. Kiely, Library Director

Re: Finance & Personnel Committee Meeting  
Tuesday October 28, 2014, 4:00 p.m.-4:30 p.m.  
Central Library Meeting Room 1, 814 W. Wisconsin Avenue

**MEETING NOTICE AND AGENDA**

1. **Quarterly Review of Fund Investments.** The committee will review the JP Morgan Investment Management Solutions – Global Multi-Asset Group report on the performance of the MPL Trust Fund investments.
2. **Quarterly Report of the Internal Control of the MPL Trust and Gift Funds.** Library Business Operations Manager Taj Schoening will report on internal accounting management. Attachment A, page 2
3. **Audit Report Update.** The committee will review and discuss progress made on the recommendations of the Comptroller's office related to cash handling and accounts payable functions. Attachment B, page 5
4. **Overdue Fines and Fees Policy.** The Board will be asked to approve new policy language reflecting existing practices. Attachment C, page 7
5. **Future Management of the MPL Trust Fund.** The library committee may move and vote to convene in closed session to discuss the future management of the MPL Trust Fund. The Board may reconvene in open session at the conclusion of the closed session.

Pursuant to the provisions of Wis. Stat. § 19.85(1)(e): Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session.

*Persons engaged in lobbying as defined in s. 305-43-4 of the Milwaukee Code of Ordinances are required to register with the City Clerk's Office License Division. More information is available at [www.milwaukee.gov/lobby](http://www.milwaukee.gov/lobby) or by calling (414) 286-2238.*

*Please be advised that members of the Milwaukee Common Council who are also members of this body will be in attendance at this meeting. In addition, Common Council members who are not members of this body may attend this meeting to participate or to gather information. A quorum of the Common Council or any of its standing committees may be present, but no formal Common Council action will be taken at this meeting.*

*PLEASE NOTE: Upon reasonable notice, efforts will be made to accommodate the needs of individuals with disabilities. Make requests to the Library Director's Office at (414)286-3021, 286-2794 (FAX), 286-3062 (TDD), or Central Library, 814 W. Wisconsin Ave., Milwaukee, WI 53233 Attn: Accommodation Request.*

**MPL Finance & Personnel Comm-  
AGENDA 10/28/14**



# MEMORANDUM

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**Date:** October 16, 2014

**To:** Paula A. Kiely, Library Director

**From:** Taj Schoening, Library Business Operations Manager

**Re:** Internal Controls - Third Quarter 2014

I have confirmed that in the third quarter of 2014 Library staff followed Trust Fund internal control procedures. I am pleased to report that there were no issues with the operations of the Library Gift and Trust Fund during this period.

The Account Clerk received all checks and prepared cash receipts for each one. I reviewed and retained a copy of each cash receipt.

The Accounting Manager prepared checks and Fund Payment Requests for signature based on the Board's Check Signature Policy.

The Deputy Director received the July, August, and September monthly bank statements and reviewed canceled checks. I prepared the monthly bank reconciliations for this period and the Accounting Manager posted all transactions to QuickBooks.

**MPL Trust and Gift Funds**  
**Balance Sheet**  
 As of September 30, 2014

	Sep 30, 14
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Cert. of Deposit/Comm. Paper	457,000.00
Checking - US Bank	8,751.89
Common Stock	818.00
JPMorgan Investment Management	2,454,488.41
Total Checking/Savings	<u>2,921,058.30</u>
Total Current Assets	<u>2,921,058.30</u>
<b>TOTAL ASSETS</b>	<u><u>2,921,058.30</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
Equity	
Assigned - Gift	
Architectural Archives	7,638.25
AT&T/Microsoft	10,559.13
Bookfellows of Milwaukee	5,340.26
Children's Programming	-388.05
General Library Development	70,280.65
Great Lakes Marine	15,716.90
Interlibrary Loan	192.86
Little Memorial, Clara	1,159.41
Milwaukee Photo Collection	15,216.33
Railroad Drawings	8,033.01
Staff Training	-145.83
Young Adult Programming	-500.00
Total Assigned - Gift	<u>133,102.92</u>
Restricted - Trust/Gift	
Goldstein	3,395.15
Hunkel	61,826.53
Strehlow	118,046.65
Talking Book & Braille Library	288,441.39
Total Restricted - Trust/Gift	<u>471,709.72</u>
Unassigned - Trust Fund	2,283,141.64
Net Income	33,104.02
Total Equity	<u>2,921,058.30</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>2,921,058.30</u></u>

**MPLTrust and Gift Funds**  
**Revenues and Expenditures - Total All Funds**  
**January through September 2014**

	<u>Jan - Sep 14</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Facilities Rental	10,825.00
Gifts	46,802.26
<b>Investment Income</b>	
Gains and Losses	38,666.11
Interest and Dividends	33,598.17
<b>Total Investment Income</b>	72,264.28
Other Income	7,816.72
Sale of Materials	4,627.54
User Fees	190.00
<b>Total Income</b>	142,525.80
<b>Expense</b>	
Equipment Purchases	594.38
Events	10,049.00
Honorarium	9,551.00
Library Materials	893.86
Memberships	2,117.50
Mileage	2,831.54
Miscellaneous Expenses	1,811.71
Outside Services	34,444.80
Photo Reproductions	1,145.38
Professional Fees	14,304.85
Sales Tax	-96.29
Supplies	26,955.73
Training	4,818.32
<b>Total Expense</b>	109,421.78
<b>Net Ordinary Income</b>	33,104.02
<b>Other Income/Expense</b>	
Other Income	
Transfer In	1,994.80
<b>Total Other Income</b>	1,994.80
Other Expense	
Transfer Out	1,994.80
<b>Total Other Expense</b>	1,994.80
<b>Net Other Income</b>	0.00
<b>Net Income</b>	<u><u>33,104.02</u></u>

**Milwaukee Public Library**  
**Audit of Expenditure and Cash Controls**  
**4th Quarterly Update – October 2014**

The City Comptroller's Office conducted an audit of expenditures and cash controls of MPL. Following is the implementation status of their recommendations.

Expenditures Audit Report

The auditors reviewed MPL's policies, procedures and activities related to processing invoices. They made three recommendations which have all been implemented.

1. Improve consistency of invoice processing time.
2. Clarify procedures for invoice approval.
3. Ensure that control group registers are initialed after review of entries.

Cash Controls Audit Report

The Library's cash control policies, procedures and activities were audited. The auditors also looked at the MCFLS patron data software program. They made twelve recommendations for changes to cash controls. The Library has fully implemented six of these recommendations, partially implemented one, determined five could not be implemented at this time, due to limitations of *Millennium*, the software for the Milwaukee County Federated Library System catalog and circulation system.

Recommendations fully implemented

1. Provided training to ensure that all locations keep cash storage and access insecure area.
2. Developed a procedure for surprise cash counts at each location.
3. Formalized a procedure and changed documentation for determining reasons for cash overage and shortage in daily deposit reports.
4. Added requirement that the staff person doing reconciliations for FMIS with the cash received initials and dates the report.
5. Developed a formal policy that, with the exception of five specific situations, only branch managers and Central circ managers and supervisors will have the authority to waive fines/fees, and only after the patron has completed a fee dispute form which has been thoroughly reviewed and processed for a response. The procedure lists the five specific situations for frontline staff to use as a guideline for waiving fines.

6. Worked with MCFLS to add a drop down menu of reasons for waiving fees and fines to the patron record database.

Recommendations partially implemented

7. Reconciliation of branch cash deposits by location was implemented but partial day deposits will not be implemented.

Recommendations not implemented at this time

8. Reconciliation of cash drawer receipts against *Millennium* patron activity will not be implemented as the activity included in *Millennium* reports is not the same as the cash receipts activity.
9. Work with MCFLS to get a report from *Millennium* that would provide information to aid in performing the reconciliation recommended in number 8. The software company will not add this reporting feature unless most users ask for it. No one else has made this request so it will not be implemented.
10. Change MCFLS *Millennium* program so that staff cannot back date the return of library materials. This is a system-wide procedure that is necessary to adjust for timing and special circumstances of patron returns. Guidelines for staff are in place and will be codified.
11. Work with MCFLS to get a report from *Millennium* that would provide a report that lists the amount of fines and fees that have been waived, the reasons, the time period, the location, and the employee waiving them. This is not possible with the current software and there is no other community requesting the upgrade. A new policy will generate data that can be compiled into reports.
12. Preparing cash deposit prior to morning pick up by delivery service. The Public Services Manager undertook two pilots at two branch locations and prepared a report identifying options, such as adding staff hours, and related costs for addressing this recommendation. Staffing levels and the high cost associated with overtime make this unfeasible at this time.



MILWAUKEE  
PUBLIC LIBRARY

*Central Library*

October 15, 2014

To: Paula Kiely, Library Director  
Fm: Joan Johnson, Deputy Director  
**RE: Draft Policy – Overdue Fines and Fees**

The proposed *Overdue Fines and Fees Policy* constitutes new policy language reflecting existing practices. Much of the information is already shared with the public via the MPL's web page in various locations. This will put all of the related information together in one place.

The online version of the policy will contain embedded links for patrons' easy access to the fee schedule and new dispute form. The latter is in response to the Comptroller's office recommendations related to cash handling and the waiving of fines by staff.

This new form will be used by frontline staff when responding to a patron disputing fines. With few exceptions, the authority to waive fines is being shifted to Branch Managers and supervisory clerical staff and their managers in the Central Circulation department. The exceptions are clearly outlined in a new set of guidelines for all other circulation and librarian staff to follow. The guidelines will be codified as a companion procedure to the fines and fee policy upon its passage.

## Overdue Fines and Fees

### Introduction

It is the responsibility of the library staff to serve as good stewards of the materials entrusted to the library's care and to attempt to keep those materials available for use by all patrons. To help ensure that materials are available for all, Milwaukee Public Library (MPL) has outlined reasonable expectations for cardholders and consequences for when they are not met. The Library Board of Trustees authorizes the Library Director to develop service procedures to ensure the fair and consistent application of this policy.

### Cardholder Responsibilities

To maintain borrowing privileges and be in good standing with MPL, cardholders are expected to:

1. Provide MPL with accurate information when completing a library card application.
2. Promptly report changes of address and other contact information.
3. Safeguard their library card and not share their personal identification number (PIN).
4. Promptly report a lost or stolen card.
5. Accept financial responsibility for all items checked out on the library card, including items checked out on the card before the date it is reported lost or stolen.
6. Accept financial responsibility for all charges incurred by minor card holders, after signing an application as parent or guardian.
7. Handle library materials with care and return them when due.
8. Promptly pay all charges for overdue, damaged, or lost materials.
9. As parents or guardians, help children learn how to properly use library materials.

### Fines and Fees

#### Overdue charges:

MPL charges overdue fines to cardholders over the age of 14 who return material after the due date and grace period. MPL-owned print materials checked out on children's library cards do not incur overdue fines. However, overdue videos, DVDs, and puppets owned by MPL, and all materials owned by other Milwaukee County Federated Library System member libraries that are checked out on children's cards do incur fines.

#### Replacement fees:

MPL charges cardholders, or the parent or guardian of a minor, the cost of replacing an item that is lost, stolen, damaged, or overdue longer than one year. MPL will not accept substitute copies of any item as payment.

Overdue Fines and Fees  
Continued

Restriction of Privileges

MPL will restrict the library privileges of cardholders who owe fees greater than the “fee threshold” of \$5.00 as established by the Milwaukee County Federated Library System, of which MPL is a part.

Fee Schedule

A schedule of overdue fines, maximum charges, fee thresholds, and grace periods is available at each location and on the library’s web page [incorporate link]. The fee schedule is subject to change at the discretion of MPL. It is important to note that MPL’s charges and fees differ from those of the other member libraries from the Milwaukee County Federated Library System. A complete fee schedule showing all member libraries’ fees is provided here [incorporate link].

Refunds

A refund of the replacement cost (minus the \$5 processing fee) may be requested if a paid item is returned within 90 days of payment, has not been damaged, and is returned along with the payment receipt. The collection agency fee (if applicable) is not refundable.

Disputes

With few exceptions, fines and fees will not be waived, however, library cardholders may dispute fees or charges incurred on an account by completing the *Fee Dispute Form*. [Append form ] MPL will not waive any fines or fees associated with materials owned by other MCFLS member libraries. A library manager or supervisor will review the charges and respond within one week.

Collection Agency

MPL uses a third-party collection agency to collect fees and materials from cardholders who do not return borrowed items or promptly pay money owed.

Cardholder accounts are turned over to a collection agency approximately 60 days after an item’s due date. **In order to recover the cost of referral, a \$15 processing fee is added to the cardholder’s account. This fee cannot be waived.**

When library items are returned after referral to the collection agency, overdue fines, processing fees, and the collection agency referral fee must be paid in order to fully clear the account and avoid being credit reported.

**Collection agency accounts that remain unresolved will be credit reported approximately 120 days after being referred, which is about six months after the item became overdue.**

[Revised 7-25-14]

# DRAFT Fee Dispute Form



Name: \_\_\_\_\_  
Parent Name (if necessary for a Child's card): \_\_\_\_\_  
Library Card Number: \_\_\_\_\_  
Current Address: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
E-Mail Address: \_\_\_\_\_  
Best time to contact: \_\_\_\_\_

### Charges being disputed

Fines (list amount):	Materials (attach printout from patron record):
_____	_____
_____	_____
_____	_____
_____	_____

### Reason for contesting fine

Returned on time	<input type="checkbox"/>	Date of claim returned:
Stolen card	<input type="checkbox"/>	Date reported:
Hospitalization or medical situation	<input type="checkbox"/>	If yes, attach hospital or doctor statement
Material stolen from home or car	<input type="checkbox"/>	If yes, attach police report
Fire or water damage to living unit	<input type="checkbox"/>	If yes, attach insurance, fire department, or landlord documentation
Other	<input type="checkbox"/>	If yes, please provide a short explanation:

I believe that the above facts stated in this form are true:

Patron Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Library staff comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Decision: \_\_\_\_\_

Amount Waived: \_\_\_\_\_ Amount Due: \_\_\_\_\_  
Suggested Payment Plan?  Yes  No Terms: \_\_\_\_\_

Staff Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Phone No.: \_\_\_\_\_  
Location/Dept.: \_\_\_\_\_

## **Loan Periods**

- ALL BOOKS - hardcover, paperback, children's, adult, young adult - 3 WEEKS
- MAGAZINES - 1 WEEK.
- ALL DVDs and VHS MEDIA including ADULT FEATURE FILM DVDs – 1 WEEK
- ADULT MUSIC CDs – 1 WEEK
- ALL CHILDREN'S CDs - 3 WEEKS
- AUDIO BOOK CDs – 3 WEEKS

## **Overdue Charges for Each Day Past the Due Date**

- ALL BOOKS - hardcover, paperback, \*children's, adult, young adult - \$0.15/day
- MAGAZINES - \$0.15/day
- ADULT FEATURE FILM DVDs - \$1.00/day
- OTHER DVDs and VHS MEDIA - \$0.15/day
- ALL CDs - \$0.15/day
- \*CHILDREN'S BOOKS CHECKED OUT ON A MILWAUKEE CHILD'S CARD – no overdue charges

## **Renewals**

- ADULT FEATURE FILM DVDs - no renewals
- ADULT BOOK CLUB KITS – no renewals
- ALL OTHER ITEMS – may be renewed twice, provided no other cardholder has already requested the item.

## **Grace Periods**

- ADULT FEATURE FILM DVDs - 1 day grace
- ALL OTHER MPL OWNED ITEMS – 3 days grace
- After the grace period, fines are retroactively assessed for all days past due. (For example, an item that accrues \$0.15/day fines, returned 4 days after the due date would be assessed \$0.60.)
- Sundays and holidays count as grace days provided the item is returned before the next regular business day.

## **If Library Items Are Not Returned**

- The cardholder is billed for the replacement cost of an item approximately 28 days after the item was due.
- Cardholders who return undamaged billed items, within one year of the billing date, will have the bill reduced to the \$5 per item maximum overdue fine.

- If the cardholder finds an item after paying for it, the cost of the item, minus a \$5 service charge, will be refunded within 90 days of the date paid, provided the item has not been damaged.
- Accounts with fines and/or billed items totaling more than \$25.00 will be sent to the Milwaukee Public Library's contracted collection agency, Unique Management. **An additional \$15 fee will be added to the account to offset the cost.** This fee must be paid, in addition to all other charges, in order to clear the account.
- Collection agency accounts that remain unresolved will be credit reported approximately 120 days after being referred, which is about six months after the item became overdue.

These loan policies and overdue charges apply only to Milwaukee Public Library owned items. Fines and policies for items owned by suburban libraries may differ. Please contact the owning library for details.