

POLICIES OF THE OURAY LIBRARY FOUNDATION

Adopted on November 20, 2024

Mission Statement

The Ouray Library Foundation will engage in activities to support the Ouray Library District. The organization will actively seek, receive, and manage donations, gifts, endowments, and bequests from individuals businesses and other philanthropic sources. These contributions will be directed toward enhancing the financial stability and sustainability of the library, ensuring that it continues to serve the community for generations to come. The Ouray Library Foundation will conduct fundraising initiatives aimed at generating additional resources to support library programs, infrastructure improvements, technological advances, and special projects that benefit the library and its patrons. The Ouray Library Foundation is committed to defending and upholding the principles of intellectual freedom as articulated in the American Library Association's Bill of Rights.

1. Compensation Policy

This policy ensures that compensation provided to officers, directors, and employees (if any) is reasonable and does not exceed fair market value, in compliance with IRS regulations regarding excess benefit transactions.

Purpose

To establish guidelines for determining the compensation of officers, directors, and employees in a manner that ensures the Foundation complies with IRS regulations governing reasonable compensation.

Policy

1. **Applicability:** This policy applies to all officers, directors, key employees, and any contractors employed by the Foundation.
2. **Process:** Compensation will be reviewed and approved by the Board or a designated Compensation Committee. The review shall include comparison data for similar roles in comparable organizations to ensure compensation is reasonable.
3. **Documentation:** The Board will document how compensation decisions are made, including:
 - Data and sources used for compensation comparisons.
 - The terms of any compensation package offered.
 - Minutes of the Board or committee meetings at which compensation is discussed and approved.
4. **Conflict of Interest:** Any Director or officer with a personal interest in the compensation arrangement must recuse themselves from the discussion and vote.
5. **Annual Review:** Compensation will be reviewed annually to ensure it remains consistent with the Foundation's objectives and tax-exempt status.

2. Conflict of Interest Policy

This policy ensures that all board members, officers, and key employees avoid conflicts between personal interests and the interests of the Foundation, in compliance with IRS requirements for 501(c)(3) organizations.

Purpose

To protect the Foundation's interests when it is considering entering into a transaction or arrangement that could benefit the private interests of any officer, director, or key employee of the Foundation.

Policy

1. **Disclosure of Conflicts:** All officers, directors, and key employees must disclose any financial interest they or a close family member may have in any transaction involving the Foundation.
2. **Review:** Any potential conflicts must be reviewed by the Board or a designated committee to determine whether the arrangement is fair and in the best interest of the Foundation.
3. **Recusal:** Any individual with a conflict of interest must recuse themselves from discussions and voting on matters related to the conflict.
4. **Annual Statements:** Each officer and director shall annually sign a statement acknowledging this policy and agreeing to comply with it.
5. **Consequences of Violations:** Violations of this policy may result in disciplinary action, up to and including removal from the Board.

3. Document Retention and Destruction Policy

This policy outlines the types of documents the Foundation must retain and the appropriate procedures for their storage and destruction, as required by IRS rules and best practices for nonprofit organizations.

Purpose

To ensure that the Foundation retains necessary documents to comply with applicable laws and to ensure the secure destruction of documents that are no longer needed.

Policy

1. **Retention Schedule:** The Foundation will retain the following documents for the specified time periods:
 - **Permanent Records** (e.g., IRS Determination Letter, Bylaws, Minutes, Tax Returns): Retain permanently.
 - **Financial Records** (e.g., Bank Statements, Audit Reports): Retain for seven (7) years.

- **Personnel and Employment Records:** Retain for seven (7) years after termination.
 - **Fundraising Records:** Retain for seven (7) years after completion of the event or receipt of donation.
2. **Electronic Storage:** Records may be stored electronically, provided that they are readily accessible and backed up in a secure manner.
 3. **Destruction:** Documents that are no longer needed and have exceeded their retention period will be destroyed in a secure manner (e.g., shredding or deleting electronic records) to prevent unauthorized access to sensitive information.
 4. **Suspension of Destruction:** If the Foundation is involved in litigation or an audit, all relevant documents must be retained until the matter is resolved.

4. Code of Conduct and Whistle-Blower Policy

This policy specifies that the Foundation Board shall act in accordance with the policies of the Ouray Library Foundation, the Ouray Library District, and the American Library Association's Bill of Rights and provides protection for individuals who report suspected illegal or unethical behavior, in compliance with IRS guidelines for nonprofit organizations.

Purpose

To encourage the Foundation Board to represent the Ouray Library District in keeping with its policies and practices and to encourage directors, officers, employees, and volunteers to report any violations of laws or ethical standards without fear of retaliation.

Policy

1. **Relevant Policies:** The Foundation Board will follow the governing documents of the Ouray Library District, include the Ouray Library Policies, the Ouray Library Employee Policies and the American Library Association's Bill of Rights. The Foundation Board shall also follow the Bylaws and Policies of the Ouray Library Foundation.
2. **Reporting Violations:** Individuals are encouraged to report any suspected illegal activity, financial misconduct, or violation of Foundation policies to the President or another designated officer.
3. **Confidentiality:** Reports of violations will be kept confidential to the extent possible, consistent with the need to conduct a thorough investigation.
4. **No Retaliation:** The Foundation will not tolerate retaliation against anyone who, in good faith, reports a violation. Any person who engages in retaliation will be subject to disciplinary action, including termination or removal.
5. **Investigation:** All reports of violations will be investigated promptly, and appropriate corrective action will be taken if necessary.
6. **Annual Communication:** The whistle-blower policy will be communicated annually to all directors, officers, employees, and volunteers.

5. Compliance with State Law and Annual Reporting

The Ouray Library Foundation must comply with Colorado state laws for nonprofit organizations, which includes annual reporting to the state and maintaining proper recordkeeping systems. Below are the key state-specific policies:

Annual Reporting Policy

1. **Colorado Secretary of State Reporting:** The Foundation shall file its required **Periodic Report** and any other necessary documents with the Colorado Secretary of State annually to maintain its good standing as a nonprofit corporation and to solicit contributions.
2. **IRS Annual Filing:** The Foundation shall file IRS Form 990, 990-EZ, or 990-N, depending on the Foundation's gross receipts, no later than the 15th day of the 5th month after the fiscal year ends.
3. **Registered Agent:** The Foundation shall designate a registered agent within the state of Colorado and keep this information updated with the Secretary of State.

Recordkeeping Systems

1. **Financial Records:** The Foundation shall maintain accurate and complete financial records that reflect all assets, liabilities, and transactions. All financial records will be reviewed and approved by the Board on a regular basis.
2. **Meeting Minutes:** The Foundation shall keep written minutes of all Board meetings and any committee meetings in which decisions are made on behalf of the Foundation.
3. **Donation Records:** The Foundation shall maintain records of all contributions, including donor information, the purpose of the contribution, and any restrictions placed by donors.
4. **Grant and Bequest Records:** The Foundation shall retain records of all grants, bequests, and other contributions received, including correspondence and agreements related to their use.

Conclusion

These policies are essential to ensure the **Ouray Library Foundation** remains in good standing with the IRS, complies with federal and state laws, and operates in an ethical and transparent manner. Adopting these policies will help safeguard the Foundation's integrity and fulfill its mission of supporting the Ouray Library.