



STRUCTURES STUDY COMMITTEE

Governance and Finance questions for conversation

Please keep in mind these questions are offered as a framework for conversation; the questions may change as the conversation moves along.

A. GOVERNANCE: How is organization governed?		
SELCO	SELS	Possibly in the Future
Governed by a Board of Directors of a not-for-profit corporation as created under MN Statutes 317A, with reference to 134.20, regional public library system and a separate 501(c)3 organization	Governed by the SELCO/SELS Board of Directors as prescribed in MN Statutes 134.351 for multicounty, multitype library systems	
Within organizational bylaws	Within organizational bylaws	
B. GOVERNANCE: What is the governing body?		
SELCO	SELS	Possibly in the Future
An appointee from each public library board and a potential member from each county. Currently three counties opt for individual members, eight counties delegate their appointment from the list of current appointees from that county.	By statute, MN Statutes 134.351, Subd. 4(a), the multitype board is the regional public library board of directors "in any area where the boundaries of a proposed multicounty, multitype library system coincide with the boundaries of the regional library system or district, the regional library system or district board shall be designated as the governing board for the multicounty, multitype library system."	
C. GOVERNANCE: How is the governing body organized?		
SELCO	SELS	Possibly in the Future
The Board of Directors consists of 38 citizens appointed either by the local	<i>Same</i>	

library board and/or the county board of commissioners		
The Board of Directors meets quarterly, July, October, January, and April		
The Board of Directors annually elects an Executive Committee to govern during the months intervening between quarterly board meetings		
The Executive Committee consists of three corporate officers, the President, Vice-President, and Secretary/Treasurer and four Members-at-Large		
The President appoints board members to standing and ad-hoc committees		
Works within MN statutes and follows approved bylaws and for other points of concern, refers to the latest edition of Robert's Rules of Order		

D. GOVERNANCE: What is the role of the governing body?

SELCO	SELS	Possibly in the Future
As outlined in MN Statutes 134.20, Subd. 2 with references to sections 134.11, 134.12, and 134.13: <ul style="list-style-type: none"> • Adopt bylaws • Control regional funds • Hire an Executive Director • Establish fair compensation for staff • Purchase property, erect a building or lease library space • Prepare and submit required reports to the State Library 	As outlined in MN Statutes 135.351, Subd. 4 duties are the same as those assigned to and assumed by the SELCO Board of Directors	
As outlined in the SELCO Bylaws, Article IV, Section 7: Duties, provide for an annual audit	<i>Same</i>	

E. GOVERNANCE: What are the qualifications for membership in the governing body?

SELCO	SELS	Possibly in the Future
--------------	-------------	-------------------------------

Board members agree to the terms outlined in the job description for the "Member of the SELCO/SELS Board of Directors"	<i>Same</i>	
Meet the qualifications as identified in SELCO Bylaws, Article IV, Section 2, Qualifications: <ul style="list-style-type: none"> • "Shall be natural persons of legal age. • Need not be on the member library's Board of Trustees. • No employee of a member library may be appointed as a Director." 		
F. GOVERNANCE: How does the governing body operate?		
SELCO	SELS	Possibly in the Future
As a not-for-profit corporation as created under MN Statutes 317A, with reference to 134.20, regional public library system and a separate 501(c)3 organization	Created as a multicounty, multitype library system under MN Statutes 134.351	
Within bylaws		
G. FINANCE: How is the budget structured?		
SELCO	SELS	Possibly in the Future
Blend of cash and accrual accounting with extensive details line item accounting	SELS contracts with SELCO for all programs, services, and administration, including financial accounting.	
Current accounting software accommodates both line item definitions and program accounting		
H. FINANCE: How is the budget administered?		
SELCO	SELS	Possibly in the Future
Staff surveys members annually for budget recommendations	<i>Same</i>	
Staff prepare initial balanced draft		

Reviewed by Finance Committee and Advisory Committee		
Presented to the Executive Committee for approval at June meeting		
Governing body reviews and approves all organizational expenditures		
Independent accounting firm conducts an annual audit of finances and prepares non-profit tax returns		
I. FINANCE: How is the budget funded? (Note: Percentages based on FY 2007 audit report)		
SELCO	SELS	Possibly in the Future
State grants 49%	State grants 55%	
Federal grants 3%	Federal grants 44%	
Interest 1%	Interest 1%	
Automation fees 30%		
Other 17% <i>Percentage may vary but generally range from 11% - 14%; includes unexpected revenue such as the sale of the bookmobile or special one-time supplemental grants</i>		