

Rachel Kohl Community Library
687 Smithbridge Rd.
Glen Mills, PA 19342

By-Laws as amended April 28, 2008; as approved July 24, 2019; as amended October 25, 2021, as amended June 26, 2023

ARTICLE I -- NAME

The name of the corporation, in accordance with its charter, is the Rachel Kohl Community Library. Said corporation is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of a future United States Internal Revenue law).

ARTICLE II -- PURPOSE

The purpose of the Rachel Kohl Community Library is to:

1. Assemble, organize, preserve and make easily available books, other printed materials, and non-print media, which will provide stimulation, education and recreation for all people using the Library; and to keep the public aware of the library services available to them.
2. Evaluate and anticipate the changing needs and demands of our patrons, and to maintain a topical supply of material to meet their educational and recreational needs.
3. Provide the best service possible, by constantly improving the Library.
4. Provide a library building located to permit ease of access by all residents of the served area, and such other facilities as may from time to time be found necessary and appropriate to serve their needs.
5. Provide staff sufficient to maintain the facilities and to aid the public to make full use of the library services.
- 6 .Implement the services offered by **of** the District System for all County residents.

ARTICLE III – MEMBERSHIP OF THE LIBRARY

Membership will be open to all persons:

- a. Residents/taxpayers of Bethel Township; Chadds Ford Township; Chester Heights Borough; Concord Township; and Thornbury Township.
- b. All residents of Delaware County.
- c. All non-residents of Delaware County who are employees of enterprises located in the participating municipalities cited in “A’ above, including teachers in schools and colleges in the municipalities cited in “A’ above.
- d. At the direction of the Board of Trustees, other non-residents may join the Library for an annual fee.

Membership shall be free to the use of all the residents and taxpayers of the municipalities. The Board may extend the privileges to persons residing outside the limits of such municipalities upon such terms and conditions as the Board may prescribe.

ARTICLE IV -- BOARD OF TRUSTEES

Purpose

The Board of Trustees and the Library shall establish the overall policies, determine objectives, authorize programs and appoint a qualified Library Director. The Board shall be responsible for the provision of funds required to meet the programs and objectives of the corporation and shall establish the annual operating budget. They shall submit to the supporting municipalities a full written report of activities, including a financial report.

Appointment and Term of Office

The Library shall be under the exclusive control of the Board of Trustees to be composed of nine (9) members, appointed by municipalities which contribute to the maintenance and support of the Library. The municipal officers shall appoint the members and fill any vacancies occurring from any cause. No member of the Board shall receive any salary for their service.

As nearly as may be possible, the terms of one-third the numbers of Board members shall expire each year. It is recommended that Board members serve no more than three consecutive terms (nine (9) years), being eligible for reappointment after a period of at least one (1) year.

When the office of a Board member becomes vacant for any cause, the corresponding municipality will be notified to promptly fill the expired term. The person shall serve the balance of the term of the Board member the person is appointed to replace.

Composition of the Board

The Board of Trustees shall be composed as follows:

- Bethel Township – two trustees
- Chadds Ford Township – one trustee
- Chester Heights Borough – one trustee
- Concord Township – four trustees
- Thornbury Township – one trustee

All Board members must officially reside in the municipality which appoints them.

Board Meetings

All Board meetings will be conducted in an orderly and business-like manner. Robert's Rules of Order, Newly Revised, including group rules shall govern the Board in its deliberations in all cases in which it is not inconsistent with statute and regulations.

The Board of Trustees shall hold a regular meeting every month or as otherwise determined by the Board. The meetings shall be held in the Library building unless some other location is deemed more appropriate.

Notice of monthly meetings or of a special meeting shall be given by posting to the Library's website, of the time, place, and purpose of such meeting, at least five (5) days prior and by display of a similar notice in the Library building. Only such business shall be transacted at a special meeting as has been mentioned in the notice.

Meetings will comply with the requirements of the Pennsylvania Sunshine Act, 65 Pa. C.S.A. Section 701 et. seq. and as amended.

Quorum

A majority (50% plus one) of the Trustees in office shall be necessary to constitute a quorum for the transaction of business. The acts of a majority of the Board of Trustees present at the meeting at which a quorum is present shall be the acts of the Board of Trustees. Once a quorum is present at a meeting, there shall continue to be a quorum for all purposes of the remainder of the meeting notwithstanding the withdrawal of one or more members.

Order of Business

The order of business for regular meeting shall include, but not be limited to the following items, which shall be covered so far as circumstances will permit:

- Call to Order and Roll Call
 - Facilities Report
 - Friends of The Library Report
 - Approval of Minutes
 - Director's report
 - Treasurer's Report
 - Delaware County Libraries (DCL) Report
 - Communications & Announcements
 - Committee reports
 - Old business
 - New business
 - Period for Public Comment
- Adjournment

Teleconference and Video Conference

One or more Trustees may participate in a meeting of the Board or any committee by electronic means by which all persons participating in the meeting can hear each other.

Electronic Mail

Any written communication or signature required or permitted by these By Laws, including a unanimous written consent, shall be valid if sent and received by electronic mail.

Removal of Board Members

Regular attendance at Board Meetings is expected. Any Trustee who misses two (2) consecutive meetings without notifying the Library Director and/or President in advance of the absence will be required to provide a mandatory letter of resignation from the Board. Failure to attend meetings without notice is considered abandoning your position on the Board. Three (3) or more unexcused absences during a calendar year may lead to a declaration of a vacancy by the Board. A mandatory letter of resignation from the Board would be required, as well.

Any Trustee may be removed from office with the assignment of cause by a 2/3 majority vote of the Board of Trustees at any duly convened meeting of the Board of Trustees, provided that written notice of the intention to consider removal of such Trustee has been included in the notice of the meeting. No Trustee shall be removed without having the opportunity to be heard at such meeting, and no formal hearing procedure shall be required.

ARTICLE V -- OFFICERS AND DUTIES

Election and Term

The Board of Trustees shall elect its own officers annually to include President, Vice-President, Secretary and Treasurer.

Officers will be elected in January to be effective for the term of one year. Only by a unanimous vote of the Trustees may an Officer serve more than five (5) consecutive years in the same office.

President and Vice-President

The President shall preside at all meetings of the Board, appoint all committees with approval of the Board, sign all papers of instrument required when authorized by the Board, and in general assume all duties incumbent to the office. In the absence of the President, they shall be replaced by the Vice President/President-Elect, Treasurer, or Secretary.

Treasurer

The Treasurer shall have the care and custody of all funds, books of account and financial records of the corporation, and shall cause all funds of the corporation to be deposited in such bank or banks as the Board of Trustees shall from time to time determine. They shall have the power to endorse for deposit all checks, notes, drafts, and other paper payable to it. They shall have the power to pay all properly authenticated bills and financial obligations approved by and directed by the Board, by checks drawn on the said bank and shall keep accurate books of account relating to the funds and financial assets at each regular meeting of the Board of Trustees, prepare fiscal report for the supporting municipalities, and budget for the new year. The Treasurer shall work with a Board-approved auditor to complete audits, financial reviews and tax filings.

All payments (cash, check, electronic bill payment or credit card) should be authorized and paid by the Treasurer (or their designee, upon Board approval). One other officer of the Board shall authorize payments in excess of an amount determined by the Board. The Library Director shall not spend in excess of \$5,000 total on expenditures in any 30 day period, excepting budgeted items approved by the Board or any other expenditure or expenditures approved by the Board.

The Treasurer shall institute other appropriate financial controls, upon Board approval.

Secretary

The Secretary shall keep a correct record of the proceedings of all meetings of the Board and of the corporation, and shall have custody of all books and records of the corporation, other than those allocated to the custody of the Treasurer, and shall perform such duties consistent with the responsibilities assigned by the Board of Trustees.

ARTICLE VI – COMMITTEES

The President, with the approval of the Board, may appoint a nominating committee, a finance committee and such other committees as may be appropriate to facilitate the activities of the Board.

No committee will have other than advisory powers unless, by suitable action of the Board, it is granted specific power to act.

The Board may from time to time appoint advisory boards. Any such board may not act on behalf of the Library or the Board, and shall include at least one Board member.

ARTICLE VII -- LIBRARY DIRECTOR

A Library Director shall be appointed by the Board and shall have sole charge of the administration of the Library under the direction and review of the Board. The Library Director shall be held responsible for the care of the buildings and equipment, for the employment and direction of the staff, for the efficiency of the Library’s service to the public, and for the operation of the Library under the financial conditions set forth in the annual budget.

The Library Director shall attend all Board meetings.

ARTICLE VIII – AUDIT & FINANCIAL REVIEW

An annual audit or financial review shall be made of the financial accounts of the corporation by independent auditors selected by the Board.

ARTICLE IX – AMENDMENT

These by-laws may be amended by a majority vote of the trustees present and voting at a regular or special meeting provided that six (6) weeks’ notice has been given for such a meeting. The proposed amendments will be provided to the Board members four (4) weeks prior to the meeting where the amended by-laws will be approved.

ARTICLE X – CORPORATION

The corporation is empowered to:

1. buy, own, sell, assign, mortgage or lease any interest in real estate and personal property and to construct, maintain and operate improvements thereon incident to the accomplishment of the purposes set forth in Article III hereof;
2. borrow money and issue evidence of indebtedness to further of any or all of the objectives of its business and to secure the same by mortgage or pledge or other lien on the corporation property;
3. upon the dissolution of the corporation, the Trustees shall, after paying or making provision for the payment of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), as the Trustees shall determine; or to its supporting municipalities on a per-capita basis.
4. notwithstanding any other provision of the Articles of Incorporation, the corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by any organization

exempt from taxation under Section 501 (c)(3) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended, or by an organization, contributions to which are deductible under Section 17(e)(2) of the Internal Revenue Code and Regulations as they now exist or as they may hereafter be amended;

5. no part of the net earnings of the corporation shall inure to the benefit of or be distributable to its members, directors, officers or other private persons except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III hereof. No substantial part of the activities of the corporation shall be the carrying on of lobbying or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1954 (or any other related provision or the corresponding provision of any future United States Internal Revenue Law).

ARTICLE XI -- INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS

1. A director shall not be personally liable for any monetary damages for any action undertaken or any failure to take any action, unless the director has breached or failed to perform the duties of their office and such breach or failure constitutes self-dealing, willful misconduct or recklessness.
2. This corporation shall indemnify any director or officer, including members of any committee, and may indemnify any other employee or agent, who was or is a party to, or is threatened to be made a party to or who is called as a witness in connection with any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, including an action by or in the right of this corporation, by reason of the fact that they are or were a director, officer, employee or agent of this corporation, or is or was serving at the request of this corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorney's fees, judgment, fines and amounts paid in settlement actually or reasonably incurred by them in connection with such action, suit or proceeding unless the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.
3. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any by-law, agreement, contract, vote of members or disinterested court of competent jurisdiction or otherwise, both as to action in this official capacity and as to action in another capacity while holding such office. It is the policy of this corporation that the indemnification of, and advancement of expenses to, directors, officers, and executive committee members of this corporation shall be made to the fullest extent permitted by law.
4. The indemnification and advancement of expenses provided by, or granted pursuant to this Article shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of their heirs, executors and administrators of such person.

ARTICLE XII CONFLICTS OF INTEREST POLICY

Purpose. The purpose of this Conflicts of Interest policy is to protect the Library's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Trustee, officer, staff member or a member of a committee with Board-delegated powers of the Library. This policy is included to supplement but not replace applicable state laws governing conflicts of interest applied to nonprofit and charitable corporations.

Definitions. "Interested Person." Any Trustee, officer, staff member, or member of a committee with Board-delegated powers who has a direct or indirect Financial Interest, as defined below, is an Interested Person.

"Financial Interest." A person has a Financial Interest if the person has, directly or indirectly, through business, investment or family:

- (a) a thirty-five percent (35%) ownership or investment interest in any entity with which the Library has a transaction or arrangement; or
- (b) a compensation arrangement with the Library or with any entity or individual with which the Library has a transaction or arrangement; or
- (c) a potential ownership or investment interest in (as described in subparagraph (a) of this definition of "Financial Interest"), or compensation arrangement with, any entity or individual with which the Library is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

A Financial Interest is not necessarily a conflict of interest. Under Section 6.3(b), a person who has a Financial Interest may have a conflict of interest only if the Board of Trustees or appropriate committee decides that a conflict of interest exists.

Procedures.

(a) **Duty to Disclose.** In connection with any actual or possible conflicts of interest, an Interested Person must disclose the existence of his or her Financial Interest and all material facts to the Directors considering the proposed transaction or arrangement.

(b) **Determining Whether a Conflict of Interest Exists.** After disclosure of the Financial Interest and all material facts, and after any discussion with the Interested Person, he/she shall leave the Board meeting while the determination of a conflict is discussed and voted upon. The remaining disinterested Directors shall decide if a conflict of interest exists.

(c) **Procedures for Addressing the Conflict of Interest.**

An Interested Person may make a presentation at the Board of Trustees, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.

The Chairperson of the Board of Trustees shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the Board of Trustees shall determine whether the Library can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board of Trustees shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Library's best interest and for its own benefit and whether the transaction is fair and reasonable to the Library and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

Violations of the Conflicts of Interest Policy.

If the Board of Trustees or committee has reasonable cause to believe that an Interested Person has failed to disclose actual or possible conflicts of interest, it shall inform such person of the basis for such belief and afford such person an opportunity to explain the alleged failure to disclose.

If, after hearing the response of any such Interested Person and making such further investigation as may be warranted in the circumstances, the Board of Trustees determines that such person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Records of Proceedings.

The minutes of the Board of Trustees shall contain:

Conclusions. The names of the persons who disclosed or otherwise were found to have a Financial Interest in connection with an actual or possible conflict of interest, the nature of the Financial Interest, any action taken to determine whether a conflict of interest was present, and the Board’s decision as to whether a conflict of interest in fact existed.

Persons Present. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

Compensation.

A voting member of the Board of Trustees who receives compensation, directly or indirectly, from the Library for services is precluded from voting on matters pertaining to that member’s compensation.

Annual Statements. Each Interested Person shall annually sign a statement which affirms that such person:

- (a) has received a copy of the conflicts of interest policy;
- (b) has read and understands the policy;
- (c) has agreed to comply with the policy; and
- (d) understands that the Library is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Periodic Reviews.

To ensure that the Library operates in a manner consistent with its nonprofit purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax or subject any individual to excise tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include whether compensation arrangements and benefits are reasonable and are the result of arms-length bargaining.

Use of Outside Experts.

In conducting the periodic reviews the Library may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Trustees of its responsibility for ensuring that periodic reviews are conducted.

Approved by the Board of Trustees

Conflicts of Interest form

As per Article XII of the Rachel Kohl Community Library Conflict of Interest Policy:
Each Interested Person shall annually sign a statement which affirms that such person:

- (a) has received a copy of the Conflicts of Interest Policy;
- (b) has read and understands the policy;
- (c) has agreed to comply with the policy; and
- (d) understands that the Library is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Please sign below affirming that you have read and understand the Conflict of Interest Policy (enclosed), agree to comply with the policy and understand the Library’s status as a charitable organization.

Signed _____ Date _____

Print Name _____

ARTICLE XIII – CONFIDENTIALITY

Respecting the privacy of the Library’s patrons, donors, members, staff, volunteers and of the Library itself is a basic value of the Rachel Kohl Community Library. Personal and financial information is confidential and should not be disclosed or discussed with anyone without written permission or authorization from the Library Director or Board President. Care shall also be taken to ensure that unauthorized individuals do not overhear any discussion of confidential information and that documents containing confidential information are not left in the open or inadvertently shared.

Employees, volunteers and Board members of the Library may be exposed to information which is confidential and/or privileged and proprietary in nature. It is the policy of the Library that such information must be kept confidential both during and after employment or volunteer service. Staff and volunteers, including Board members, are expected to return materials containing privileged or confidential information at the time of separation from employment or expiration of service.

Unauthorized disclosure of confidential or privileged information is a serious violation of this policy and will subject the person(s) who made the unauthorized disclosure to appropriate discipline, including removal/dismissal.

ARTICLE XIV. RESERVE FUND POLICY

The Board of Trustees of the Rachel Kohl Community Library recognizes that best practices of nonprofit organizations requires the existence and maintenance of a reserve fund. In light of that, we hereby adopt the following Reserve Fund Policy.

Operating Reserve Purpose: The purpose of the Reserve Fund Policy for Rachel Kohl Community Library is to ensure the stability of the mission, programs, employment, and ongoing operations of the organization. The Reserve Fund is intended to provide an internal source of funds for situations such as a sudden increase in expenses, onetime unbudgeted expenses, unanticipated loss in funding, or uninsured losses. The Reserve may also be used for one-time, nonrecurring expenses that will build long-term capacity, such as staff development or investment in infrastructure.

Definitions and Goals: The Reserve Fund is defined as a designated fund set aside by action of the Board of Trustees. The minimum amount to be designated as Reserve will be established in an amount sufficient to maintain ongoing operations and programs for a period of three months of average operating expenses.

The amount of the Reserve Fund target minimum will be calculated each year after approval of the annual budget, reported to the Board of Trustees, and included in the regular financial reports.

Accounting for Reserves: The Reserve Fund will be recorded in the financial records as Board-Designated Reserve. The Fund will be funded and available in cash or cash equivalent funds. Reserves will be maintained in a segregated bank account or investment fund.

Funding of Reserves: The Reserve Fund will be funded with unrestricted operating funds. The Board of Trustees may from time to time direct that a specific source of revenue be set aside for Operating Reserves. Examples may include one-time gifts or bequests, special grants, or special appeals.

Use of Reserves:

- a. The Executive Director and/or Board Treasurer will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this Policy. This step requires analysis of the reason for the shortfall, the availability of any other sources of funds before using reserves, and evaluation of the time period that the funds will be required and replenished. The Treasurer, in consultation with the Director, will submit a request to use Reserves funds to the Board of Trustees. The request will include the analysis and determination of the use of funds and plans for replenishment. The organization’s goal is to replenish the funds used within twelve months to restore the Reserve Fund to the target minimum amount.
- b. The Board Treasurer is responsible for ensuring that the Reserve Fund is maintained and used only as described in this Policy. Upon approval for the use of Reserve funds, the Treasurer will maintain records of the use of funds.

CHAPTER XV. RECORDS RETENTION POLICY

POLICY: The Board of Trustees of the Rachel Kohl Community Library adheres to the records retention policy as outlined in “THE COMPLIANCE GUIDE FOR 501(C)(3) PUBLIC CHARITIES-PUBLICATION 4221-pc (REV. 3-2018).”

GUIDANCE: The following guidance is provided for reference and ease of implementation of the policy on a day to day basis:

“Public charities must keep records for federal tax purposes for as long as they may be needed to document evidence of compliance with provisions of the IRC. Generally, this means the organization must keep records that support an item of income or deduction on a return until the statute of limitations for that return runs. The statute of limitations has run when the organization can no longer amend its return and the IRS can no longer assess additional tax. **Generally, the statute of limitations runs three years after the date the return is due or filed, whichever is later.** An organization may be required to retain records longer for other legal purposes, including state or local tax purposes.”

The following documents will be kept **permanently**:

- application for recognition of tax-exempt status; state and federal
- determination letter recognizing tax-exempt status; state and federal
- corporate organizing documents, such as articles of incorporation and bylaws.
- board minutes
- annual reports

- audit reports and year-end financial statements
- tax returns, 990s; state and federal
- insurance records, accident reports, claims, policies etc.
- deeds, mortgages and bills of sale
- trademark registrations and copyrights.

Employment Tax Records will be retained for **four years**. This also includes payroll records and summaries and personnel files of terminated employees.

Paid bills, invoices, receipts, deposit slips, canceled checks and bank statements will be kept for **three years**.

Documents may be retained on any commercially viable medium that provides an accurate reproduction of the original. The same retention policy will apply regardless of the format utilized for retention.

Other financial documents will be retained or may be retained longer at the discretion of the Director. Financial documents being discarded will be shredded or otherwise thoroughly destroyed to ensure confidentiality.

Approved July 24, 2019
Amended October 25, 2021

Jean Mackenzie, President

Date

Brenda Orso, Secretary

Date