

# GOALS

*Governance • Operation • Accountability • Leadership • Strategic Direction*

## **Cutchogue New Suffolk Free Library's Principles of Stewardship**

This document contains the best practices for the Library's governance. It describes in detail the expectations, obligations and fiduciary responsibilities of the Trustees as individual members and members of the collective Board of Trustees.

### DUTY OF LOYALTY

1. Trustees are obligated to exercise an undivided and unselfish loyalty to the Library. Trustees must exercise their powers in the best interests of the Library, not their own interests or in the interests of another person or entity, even if charitable in nature.
2. Trustees should fully understand their legal and fiduciary responsibilities to the Library and the public.

### DUTY OF OBEDIENCE

1. Trustees are obligated to further the mission of the Library they serve, to be faithful to its purposes and goals.
2. Trustees must act in conformity with the state and federal laws applicable to Library including the Open Meetings Law.
3. Trustees must adhere to the Library's Code of Ethics and all policies adopted by the Library that are applicable to them as individual Trustees or to the Board as a whole.

### DUTY OF CARE

1. Trustees of the Library shall discharge their duties as a trustee, including those performed as a committee member:
  - a. In good faith;
  - b. With the care that an ordinarily prudent person in a similar position would exercise under similar circumstances;
  - c. In a manner the Trustee reasonably believes to be in the best interest of the Library.

2. The duty of care entails a duty of reasonable inquiry. Trustees are obligated to ask questions and demand information to allow them to have sufficient information and understanding to make decisions.

## BEST PRACTICES

1. Composition of the Board – In selecting Trustees the Board should:
  - a. Strive toward representation that reflects the diversity of the Library’s constituents and that includes individuals who value cultural sensitivity and equity.
  - b. Seek out individuals who can bring new ideas and community perspectives.
  - c. Include individuals with expertise in budget and financial management, investments, personnel, fundraising, public relations and marketing, governance, advocacy, and leadership, as well as people knowledgeable about the Library’s programs, or who have a special connection to its constituency.
2. Supporting Trustees – The Board should:
  - a. Establish an effective systematic process for educating Trustees to ensure that each person is equipped with the information needed to carry out the Board’s oversight functions, to act on legal, ethical and fiduciary responsibilities and to know what programs and activities the Board and Library offer.
  - b. Provide educational opportunities for Trustees to attend programs sponsored by SCLS and other organizations.
3. Individual Obligations – Trustees should:
  - a. Receive an orientation about their responsibilities as a Trustee.
  - b. Regularly attend all Board meetings and come fully prepared by reviewing monthly board packets in advance.
  - c. Understand and be able to articulate the Library’s mission and vision and describe its programs and activities to the public.
  - d. Be knowledgeable about the Library’s finances, fundraising and operating environment.
  - e. Actively serve on Board committees to facilitate the work of the Board and receive from the President a description of each committee’s jurisdiction.
  - f. Demonstrate a personal stake in the Library by donating time, assisting with fundraising, holding membership in the Friends of the Library and attending major Library functions.
  - g. Attend educational programs sponsored by SCLS and other organizations.

- h. Act, outside the board room, as liaisons between the Library and the community to enhance the Library's public standing.
4. Collective Responsibilities – The Board of Trustees should:
- a. Provide new Trustees with an orientation that clearly states:
    - i. the history and work of the Library,
    - ii. the expectations of membership,
    - iii. a financial overview including an explanation of its financial statements, and
    - iv. an introduction to the Library's department heads.
  - b. Hold meetings on a monthly basis.
  - c. Diligently manage the Library's assets and resources by:
    - i. ensuring adequate financial resources are provided for the Library to fulfill its mission,
    - ii. reviewing and approving significant financial transactions, contracts and leases,
    - iii. ensuring that appropriate financial controls are in place,
    - iv. conducting regular risk assessments and establishing appropriate risk management strategies, including the purchase of appropriate levels of insurance, to prudently manage organizational liabilities,
    - v. reviewing and approving an annual budget for the Library,
    - vi. reviewing and approving monthly financial reports, reviewing year-end financial statements, and reviewing and approving federal and state filings, and
    - vii. developing a policy for reimbursing Trustee for board-related expenses incurred performing their board duties.
  - d. Regularly review the Library's bylaws, mission statement and policies and amend them as needed to reflect organizational growth and development or legal requirements.
  - e. Exercise reasonable and prudent oversight with respect to its officers, the Library Director and other staff to whom daily affairs are delegated.
  - f. Maximize operational efficiencies in order to reduce environmental impact and increase cost-savings.
  - g. Gather information from reports received from the Director, employees and board committees in making decisions. If necessary, independent consultants and other professionals should be hired to assist the Board in its governance and management of the Library.
  - h. Regularly evaluate the Board's:
    - i. effectiveness,

- ii. pursuit and attainment of the goals of the Library and the strategic plan,
  - iii. strengths and weaknesses of processes and procedures, and
  - iv. interactions with staff leadership.
- i. Hire, oversee, and annually evaluate the performance of the Library Director by:
  - i. defining the Director's responsibilities,
  - ii. undertaking a careful search to find the most qualified individual for the position,
  - iii. providing the ethical and professional support the Director needs to further the goals of the Library,
  - iv. conducting an annual review of the Director's performance in relation to the Strategic Plan and other operational and organizational responsibilities. This review will be done prior to changing the Director's compensation package (salaries, benefits and bonuses).
- j. Establish an organizational transition plan to maintain daily operations during the time of a change in executive or board leadership.