

Proposed Revisions Highlighted in YELLOW

Members Capital Development Fund Policy

The Directors Association and the MHLS Board establish a **Members Capital Development** Fund to purchase new licenses and modules, and to fund the migration of the Integrated Library Platform.

The Directors Association and MHLS recognize that income to the **Members Capital Development** Fund must be annually accrued in order to cover the costs of licenses, modules, and migration.

Income

Income to the **Members Capital Development** Fund is through an annual member assessment of \$300 per license for the first two licenses. This charge is reported in the annual Members Assessment Table and approved annually by the Directors Association.

The **Members Capital Development** Fund will be divided into three categories with the following minimum target balance for each category.

Licenses¹ - \$15,000

Modules/Enhancements² - \$50,000

Migration³ - \$300,000

On an annual basis and within 30 days after a final MHLS annual audit reported is accepted by the MHLS Board, MHLS will report the audited balance of the Capital Development Fund to the System Services Advisory Committee. The status of the Members Capital Fund will be calculated monthly by MHLS and reported in MHLS Monthly Financial Reports as posted on the MHLS Board homepage. MHLS will include the Members Capital Fund in the MHLS annual audit. The annual MHLS audit, as approved by the MHLS Board, will be posted on the MHLS Board homepage. The Directors Association, based upon a recommendation of the System Services Advisory Committee, will allocate the annual ~~income~~ revenues among the 3 categories, by voting as authorized in the Bylaws of the Directors Association.

Any additional member assessment in support of the **Members Capital Development** Fund requires a two-thirds vote of the Directors Association.

Uses

The preferred use of the **Members Capital Development** Fund is for onetime expenses and not ongoing maintenance.

This fund is not intended to be used for new hardware purchases unless tied to a specific purchase related to eligible funding categories.

Authorization of Fund Expenditures

All expenditures from the **Members Capital Development** Fund require a majority vote of the Directors Associations and the MHLS Board.

Endorsed by the System Services Advisory Committee - March 23, 2015

Approved by the Directors Association – April 8, 2015

Approved by the MHLS Board of Trustees – May 6, 2015

Revision Endorsed by the System Services Advisory Committee – September 2, 2015

Revision Approved by the Directors Association – October 6, 2015

Revision Approved by the MHLS Board of Trustees – October 16, 2015

Revision Approved by the Directors Association – October 6, 2016

¹ An Integrated Library Platform requires licenses, which are purchased in blocks. If a member library needs a new license, this fund will be used to purchase a block of licenses.

² Integrated Library Platform modules/enhancements offer functionality and improved services. Examples include acquisitions, serials, discovery search tools, and mobile apps.

³ Based on the rapid change in technology and the vendor marketplace, it is inevitable that member libraries will migrate to an Integrated Library Platform that more efficiently serve their needs. According to library literature, libraries migrate to new integrated library platforms every five to ten years.