

Members Capital Fund Policy

The Directors Association (DA) and the Mid-Hudson Library System (MHLS) Board establish a Members Capital Fund to underwrite training, product implementation, hosting, catalog and ILS expenses; and to fund any future migration of the Integrated Library Platform.

The DA and MHLS recognize that income to the Members Capital Fund must be annually accrued in order to cover these expenses.

Income

Income to the Members Capital Fund is through an annual member assessment of \$600 per member library. This charge is reported in the annual Members Assessment Table and approved annually by the DA.

The Members Capital Fund will be managed according to the chart in Attachment A: Members Capital Fund Projections.

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 review and recommend expenditures beyond Attachment A by voting as authorized in the Bylaws of the Directors Association.

Interest earned on the account may be used for MHLS operating costs annually, as needed.

Any additional member assessment in support of the Members Capital Fund requires a two-thirds vote of the DA.

Authorization of Fund Expenditures

All expenditures from the Members Capital Fund require a majority vote of the DA 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

Revision Approved by the MHLS Board of Trustees – December 10, 2016

Endorsed by the System Services Advisory Committee – May 30-, 2019

Revision Approved by the Directors Association – June 11, 2019

Revision Approved by the MHLS Board of Trustees – July 10, 2019

Endorsed by the System Services Advisory Committee – October 23, 2025

Revision Approved by the Directors Association – November 13, 2025

Revision Approved by the MHLS Board – January 31, 2026

Attachment A: Members' Capital Fund Projections

| | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Balance Forward | \$ 209,230 | \$ 218,399 | \$ 222,370 | \$ 225,629 | \$ 228,162 |
| Revenue: | | | | | |
| Assessment Revenue | \$ 39,600 | \$ 39,600 | \$ 39,600 | \$ 39,600 | \$ 39,600 |
| Estimated NYCLASS Interest | \$ 4,500 | \$ 9,000 | \$ 9,000 | \$ 9,000 | \$ 9,000 |
| Total Balance Forward Plus Revenue | \$ 253,330 | \$ 257,999 | \$ 261,970 | \$ 265,229 | \$ 267,762 |
| Expenses: | | | | | |
| ILS/Discover | \$ 34,931 | \$ 35,629 | \$ 36,341 | \$ 37,067 | \$ 38,664 |
| Projected Year-End Balance | \$ 218,399 | \$ 222,370 | \$ 225,629 | \$ 228,162 | \$ 229,098 |

*Year-End Balances may be adjusted if MHLS uses the annual interest for operating expenses as authorized by this policy.