



## V-Cat Asset Allocation

### ASSET ALLOCATION IN THE EVENT/S OF THE WITHDRAWAL, EXPULSION, OR ABOLITION OF MEMBERS OF WVLS MEMBERS OF V-CAT OR OF WVLS AS A SYSTEM

The Wisconsin Valley Library Service is created under Chapter 43 of the Wisconsin Statutes and operates under the oversight of the Department of Public Instruction.

#### **What happens to WVLS-related assets when a county or library withdraws from or is expelled from a library system?**

Wis. Stats. 43.18(am)

Not less than 3 years after affiliating with a public library system, a participating municipality or a county may withdraw from the system... (A "participating municipality" means a municipality that operates a public library and is a member of a public library system)

Wis. Stats. 43.18(2m)

With the approval of the division, a public library system may expel, or reduce aids or services to, a municipality or county that fails to meet the requirements under Wis. Stats. 43.15 (2) or (4)

Wis. Stats. 43.18(3)(b)

A municipality or county withdrawing or expelled under this section from a public library system is responsible for its allocated share of the outstanding liabilities of the system on the effective date of its withdrawal or expulsion.

WVLS By-Laws, Article IX (A), paragraph 2

Counties, cities, villages or towns which withdraw from the Wisconsin Valley Library Service under the provisions of s. 43.18, Wisconsin Statutes, shall have no claim to the assets of the Wisconsin Valley Library Service. Such municipalities shall retain title to all property purchased by or for them with grants and aids from the system prior to their departure from WVLS.

#### **What happens to WVLS assets in the event of dissolution of the library system?**

Neither the law nor DLTCL (The Division for Libraries, Technology, and Community Learning) is very clear about this possibility. The law does say in

Wis. Stats. 43.19(2)(a)

...a federated public library system whose territory lies within 2 or more counties shall be deemed a joint agency of those counties.

...A federated public library system whose territory lies within 2 or more counties constitutes a separate legal entity for the purposes of having the exclusive custody and control of all system funds, holding title to and disposing of property...

Wis. Stats. 43.19(2)(b)

...a federated public library system board shall have the powers of a public library board under s.43.58 with respect to systemwide functions and services

Wis. Stats. 43.58

...the library board (read 'system board') shall...have exclusive charge, control and custody of all...money or other or other property devised, bequeathed, given or granted to, or otherwise acquired or leased by the municipality (read 'system board') for library purposes.

Within the above statutory language lays at least the assumption that, if a library system is dissolved, the system board, which has exclusive control of its money and property, would decide on the disposition of its assets. Decisions of this magnitude would, no doubt, be made within the context of discussions with DLTCL, the member county Boards of Supervisors, and the boards of trustees of the member libraries.

#### **Under what agency and/or structure does V-Cat function?**

When a library joins V-Cat, its board of trustees signs a membership agreement with WVLS.

V-Cat is organized according to the V-Cat by-laws which are approved by the WVLS Board of Trustees (item #1 of the Membership Agreement)

V-Cat is administered by WVLS (item #4 of the Membership Agreement)

V-Cat members agree to participate in resource sharing according to WVLS policies. (item #9 of the Membership Agreement)

#### **What happens to a library's V-Cat-related assets if a V-Cat member leaves V-Cat for any reason?**

After the first five years, any member may withdraw from V-Cat participation at the close of any fiscal (calendar) year by formal written notification to the V-Cat Council prior to July 1<sup>st</sup> of that year. (Membership Agreement, item #10)

WVLS does not provide insurance for the local site equipment held title to by individual V-Cat members (Membership agreement, item #7)

Any central site hardware, software or infrastructure funded by grants to WVLS for use with V-Cat shall be used in accordance with the grant specifications and shall belong to WVLS. All local site components purchased with local funds or grant funds remain the property of that site (Membership Agreement, item #8). This echoes the words of the WVLS by-laws (Article IX) which state that if municipalities withdraw from WVLS, they retain title to all property purchased by or for them with grants and aids from the system prior to their departure

All bibliographic items, and patron and other records entered into the V-Cat are and shall remain the property of the respective participating libraries. Participating libraries shall have the right to extract (at their own expense) such data in industry-standard formats. (Membership Agreement, item #9)

Any library which has terminated its V-Cat participation shall have no claim to any of the central-site assets of the V-Cat. Any library which has terminated its V-Cat participation shall retain ownership of its local hardware. Any library which has terminated its V-Cat participation shall pay WVLS the cost of extracting a copy of the library's records from the database and purging all but the library's holdings data from the V-Cat database. (V-Cat By-laws, Article III, #3)

### **What happens to V-Cat-related assets if V-Cat dissolves?**

By the unanimous decision of the libraries party to the agreement, the V-Cat project may be dissolved. (Membership Agreement, item #10)

Since V-Cat is a WVLS program, in the event of the dissolution of V-Cat, all V-Cat assets (except those referred to in item #8 of the Membership Agreement) remain with WVLS.

This is reasonable because...

...under s. 43.58, a library system board has exclusive control of all of its money and property, and

...under the WVLS by-laws and the membership agreement, all central site hardware, software and infrastructure related to V-Cat shall belong to WVLS and departing libraries retain the local components related to V-Cat.

### **What happens to the V-Cat project if WVLS dissolves?**

While the V-Cat project is a creation of and operates under the general oversight of the WVLS Board of Trustees, it was purposely set up to operate fairly independently of the WVLS Board primarily because major funding for the V-Cat project is provided by the individual libraries and augmented with whatever grants (and WVLS support) we could find. The WVLS Board approves the by-laws and operating policies of the V-Cat project. The V-Cat Council was charged with developing its own procedures for the project.

This quasi-independent type of structure was set up on purpose to make it fairly easy for V-Cat to operate totally independently of WVLS in the event of WVLS dissolution. By joining V-Cat, the libraries placed access to their individual and 'corporate' bibliographic databases into the hands of WVLS. WVLS recognized that responsibility by creating as separately-based a project as we could - understanding that, if, for some reason, WVLS dissolved, the need for V-Cat was stronger than ever and, with only a few changes,

V-Cat could become its own agency. They would have to incorporate, hire an administrator and probably increase their annual support fees – but all the work they put into the development of V-Cat would not be lost.

Updated 4.18.07