

Easton Library Internal Controls and Financial Accountability

The Treasurer will provide each month to each Board Member and review at the Board Meetings:

- A balance sheet;
- A profit and loss statement with figures for the current year to date and the previous year for the same period;
- A list of all transactions;
- The most current credit card statement and a report on any other credit;
- A comparison of total expenditures for the year in each budget category with the budget for that category;
- A list of restricted funds held by the library and any current expenditures from those funds

The Easton Library Director will review and approve all bills and timesheets, and indicate his or her approval by initials. The Library Treasurer will handle payroll. The Treasurer should make deposits but this may be delegated to the Library Director or another board member to ensure that regular deposits are made. All checks received at the library will be immediately photocopied, and restrictively endorsed “for deposit only” with the account number of the relevant account. Deposits will be made as soon as possible. Checks and cash will be secured in a safe, pending deposit.

The Easton Library Treasurer will record all transactions, prepare deposits, and enter checks into QuickBooks. The Treasurer will prepare checks for signature. The signatory designate by the Library Board of Trustees will sign the checks after reviewing them.

Library staff will collect cash at the Easton Library from library charges such as replacement fees, printing, copying, and faxing fees. The person who receives the funds will immediately record these receipts in a booklet available at the circulation desk. These funds will be secured in a cash box in the front desk drawer. The staff is responsible for reconciling the cash they turn in with the record in the book and providing an explanation of any inconsistency. Cash turned in to the office should be promptly secured in the safe until deposit is made at the bank.

Cash receipts are reconciled monthly by the treasurer. The Library Director, who also counts it, reviews cash receipts monthly. Cash will be recorded in journal entries in QuickBooks and will be reviewed monthly by the treasurer.

Cash and checks are also collected at various fundraising events and managed by the Board. Whenever the library collects funds in this manner, a board member(s) will be assigned to ensure that the funds are promptly and properly recorded and deposited as soon as possible. Checks should be immediately restrictively endorsed and promptly photocopied so they are properly recorded. All funds from fundraisers

must be immediately deposited, especially cash donations. The assigned board member may serve in place of the Treasurer or Library Director in verifying, recording, creating, and making deposits to ensure that more than one person participates in handling these funds.

Each Board member will review the list of transactions on a monthly basis. The Board will vote on all transactions at the monthly Board meeting by approving or amending the Treasurer's report. The Library Director will provide the Board with copies of all donor letters placing any restrictions on the use of funds. The Library Director will communicate all such restrictions in writing to the board. The Treasurer will provide the Board, each month, with a list of restricted funds held by the Library and any expenditures made from these funds in a separate report and the Board will ensure that all unspent restricted funds are available. The Director will make available to the Board copies of all reports to grantors regarding funds.

Petty cash of up to \$200 in small bills will be reserved for cash disbursements. This money will be secured in a safe place. All cash disbursements are made only from petty cash. All cash disbursements will be recorded promptly in QuickBooks and allocated to appropriate budget lines. The treasurer will reconcile the petty cash account.

The Library Director is responsible for and must approve all cash disbursements from petty cash. The Library Director authorizes expenditures. The Treasurer records and verifies expenditures.

The Treasurer and the Board will review all transactions, including cash transactions on a monthly basis. The Treasurer will reconcile the checking account with the bank statement.

The Library maintains its financial records in QuickBooks. Financial records will be kept for 7 years unless required to be kept for a longer time. Audit reports, year-end financial statements, and tax returns will be retained permanently. The Treasurer will input electronic data. All financial work will be available for review by Board Members.

The Board will approve all contracts to which the organization is a party at a regular or special meeting of the Board. The by-laws provide for email ratification of a contract if all members assent. Competitive bids will be secured when required. The Board is responsible for ensuring that appropriate procedures are followed according to the Board approved purchasing policy. All investments made by the Library will be made in accordance with the guidelines set forth in the Handbook for Library Trustees, which states:

- Time deposit accounts or certificates of deposit in commercial banks and trust companies located and authorized to do business in New York State;
- Obligations made by the United States or guaranteed by the United States and obligations of the State of New York;

- Under very limited circumstances, obligations of municipalities and other municipal corporations.

These restrictions are not required of Association Libraries, but the Easton Library adopts these guidelines as recommended in the handbook. All investments will be included in the Treasurer's monthly report.

The Library will comply with all governmental and reporting requirements including watchdog agencies as legally required. The Library will comply with all relevant Open Meetings Laws as applied to Association Libraries.

The Library has a personnel policy that includes the items listed above. The Easton Library staff and Board members are encouraged to take advantage of all training opportunities offered by the Southern Adirondack Library System and other entities such as Council of Community Services of New York State.

Policy approved: 10/16/2017