

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. 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 "Easton Library, for deposit only". Deposits will be made as soon as possible.

The Easton Library Treasurer (or signatory designee) will record all transactions, prepare deposits, and enter checks into the accounting software. The Treasurer will prepare checks for signature. The treasurer by the Library Board of Trustees will be responsible for paying all designated bills.

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 circulation 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 cash box until deposit is made at the bank.

Cash receipts are reconciled periodically by the treasurer. The Library Director, who also counts it, reviews cash receipts monthly. Cash will be recorded in journal entries into the accounting software 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 \$50 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. The Library Director is responsible for and must approve all cash disbursements from petty cash. All cash disbursements will be recorded promptly into the accounting software and allocated to appropriate budget lines. The treasurer will reconcile the petty cash account.

Purchasing Policy

The Easton Library establishes this purchasing policy in order to comply with generally accepted auditing standards and the principles of responsible fiscal management. Only the Director or another person designated by the Board of Trustees may commit the Library to make purchases. Further, with the few exceptions described herein and those purchases requiring action to secure the immediate safety of employees or the public, all purchases require advanced planning and the adherence to the processes outlined in this policy and procedures established by the Director and Treasurer.

Materials, equipment, supplies, and services purchased by the Library shall be of a quality and quantity required to serve the functions of the Library in a satisfactory manner. It is the responsibility of the Director or another person designated by the Board of Trustees to secure the required bids or to investigate alternative suppliers to ensure the most economical purchase of required items. The process of securing quotes and/or bids is further described in this policy.

All purchases will have a budgetary appropriation. All budgetary transfers will be reported to the Board of Trustees and their approval documented.

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.

Purchasing Procedure

The Director, in consultation with the Library's treasurer and with their approval, shall be responsible for establishing and updating procedures for the proper and cost-effective documentation of purchases. The Director may purchase goods or services with a value up to \$600 and which are included in the library's annual budget or in an approved capital plan.

Documentation is to include:

- Original itemized receipt including an itemized description of the purchase, the quantity ordered and the vendor.
- Hard-copy print-out of items ordered on-line.

Requirements for Obtaining Quotes and Bids

With the understanding that purchases for library materials are often available through statewide or national discount programs for libraries, the Board of Trustees establishes the following policy related to bids: Library Materials: Books, magazines, A/V, and other such materials intended for patron use are generally purchased from vendors offering volume discounts or vendors offering a State contract discount program. Materials available only from the publisher are generally purchased with little or no discount.

Capital and One-Time Purchases

The following schedule is related to capital or one-time purchases of non-library materials (i.e., equipment, furniture, etc.) where individual items are at the stated prices and for which there are sufficient budget appropriations. All involved in the purchase process shall be aware of prevailing state contracts or other previously arranged discount programs that the library is eligible to participate in.

The following is a list of purchase amounts and requirements:

- Purchases by the Director up to \$600 will be reviewed by the Board.
- Purchases from \$600 to \$10,000 require prior Board approval.
- Purchases from \$10,000 to \$20,000: an effort will be made to obtain multiple written quotes, if applicable.
- Purchases over \$20,000 require a formal bid process approved by the Board of

Trustees, in accordance with the New York Local Government 2000 ABA Model Procurement Code. Items not subject to bid: Professional services such as an auditor, attorney, architect or engineer, which involve specialized expertise, use of professional judgment, and/or a high degree of creativity. Emergencies arising from an accident or other unforeseen occurrence, a situation in which public buildings, property, or residents are at risk, or immediate action is required that cannot await competitive bidding.

Library-Issued Credit Card Procedures

A credit card is issued to the library director who frequently make purchases for Library events, may travel expenditures, or who order supplies and equipment for the Library. The expenditure must be within the guidelines of the particular activity of the approved budget. The card is not to be used for any personal expenses. Prior to initial receipt of any card, each individual must agree to and sign the Credit Card Use Procedures. The amount of available credit on each card is determined by the Library Director and Board of Trustees. Purchases may not exceed the assigned credit limit. There are no exceptions.

Balances on credit cards are paid in full by the Library each month. Payments on the monthly statement must be made in a timely fashion so that finance charges are not incurred. Timely payment requires the library director properly complete transactional paperwork relation to the Library's accounting functions. The library director using the Library credit cards maintain all receipts for expenditures. Proper documentation will include an original itemized paid receipt indicating the amount paid, the vendor, and the itemized description of the purchase. Unacceptable documentation includes non-itemized cash register receipts or handwritten requests for reimbursement without receipts or other verification. Charges on Library-issued credit cards are reviewed each month by the Board Treasurer. A report will be generated each month in the Library's accounting software and all purchases will be reconciled. In the event that a Library issued card is used for an employee's personal expense, the employee is responsible for that expense and will reimburse the Library within that statement period for those charges. Disciplinary or legal action may result depending on the circumstances surrounding the use of the card.

The Library maintains its financial records on accounting software. 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: 6/7/2021