

## **Wilmington E.M. Cooper Memorial Public Library Financial Policy**

### Sections:

- Purpose
- Fiscal Authority
- Basis of Accounting
- Budget
- Bank Statements and Reconciliation
- Monthly Financial Reports
- Accounts Review
- Authority to Spend
- Payroll
- Cash received at Circulation desk
- Petty Cash
- Debit card

### **Purpose**

The Library Board of Trustees establishes this financial policy to create financial accountability, appropriately use the library's funds in support of the library's mission and goals, and to ensure compliance with federal and state legal and reporting requirements.

### **Fiscal Authority**

The financial resources of the Wilmington EM Cooper Memorial Public Library are the responsibility of the Board of Trustees. The Board is comprised of volunteers who serve without compensation. The Board manages and allocates financial resources to maintain the financial integrity of the library and elects a Treasurer who is responsible for the day to day financial activities of the library. The Board formulates policies and supervises the Library Director who is responsible for the daily operations and activities of the library.

### **Basis of Accounting**

The accounts of the library are maintained on the modified accrual basis of accounting. All library monies are considered part of the General fund or the Restricted fund. Restricted funds include fund balance amounts that are constrained for specific purposes which are externally imposed. Restricted funds include revenue connected with gifts and memorials donated to the library. The library's fiscal year is January 1 to December 31. Business and banking data are stored on the Treasurer's laptop computer which is password protected and backed up on an external hard drive.

### **Budget**

It is the responsibility of the Board of Trustees to adopt an annual budget. The development and revision of the budget begins in October, with a final budget reviewed

and adopted by the end of the year. Funds for the library's operating budget come primarily from the tax levy of AuSable Valley Central School, Lake Placid Central School and the Town of Wilmington. Additional funds come from the CEF Library System and grants to the library.

### **Bank Statements**

Bank statements are downloaded directly from the bank website by the Board Treasurer. The statements are forwarded to the Board President and also printed to be filed at the library. The library bank accounts are reconciled monthly by the Treasurer and the reconciliation reports are sent to the Board President and stored online with the bank statements.

### **Monthly Financial Reports**

The Treasurer shall, on a monthly basis, present a financial report showing the status of all accounts and funds. This report will clearly present the financial position of the library and should indicate the current position of each budgetary line item including budgeted amounts, receipts, monthly and year to date expenditures, and remaining budget.

### **Accounting Review**

The library will complete all audits and reports as stipulated by state and federal law. These reports include the CEF Annual Report for Public and Association Libraries (completed by the Library Director and Board Treasurer), the State Comptrollers Annual Update Document, the State property tax cap compliance forms, and Federal Form 990-N for tax exempt organizations (all completed by the Board Treasurer).

### **Authority to Spend**

The Checking and Payroll accounts, and any investment accounts, held by the Library shall have the signatures of the Board President, Vice-President and Treasurer on file. The Treasurer is authorized to singly sign all checks with the exception of any checks written to the Treasurer. Such checks will require the signature of either the Board President or Vice-President. The Treasurer is also authorized to make deposits into the appropriate Library accounts and to transfer funds from one account to another for payment of monthly expenses. The Library Director has the discretion to make purchases of less than \$100 without prior approval from the Library Board. Expenditures of Library funds over \$100 must be approved by the Library Board either prior to the expenditure or, for such items as recurring utilities, soon thereafter. Large expenditures require multiple written quotes, if applicable, and a formal bid process and Board approval is required for a capital project.

## **Payroll**

Payroll is the duty of the Treasurer. At this time the Library Director is the sole employee. Direct deposit of bi-weekly paychecks is fulfilled by NBT Bank. The Library Director records regular and vacation hours on a timesheet uploaded to Google Drive, which is then accessed by the Treasurer (and can be shared to other Board members). Using payroll software, the Treasurer determines the amount of the paycheck and submits it to NBT Bank. A direct deposit occurs on the Wednesday after the payroll period ends.

## **Cash Received at Circulation Desk**

The circulation desk receives cash for overdue fines and other usage fees. A running tally of these receipts is recorded and at the end of each month the Library Director checks the tallies and submits them to the Treasurer. They are deposited into the operating account under the Fines and Services account number.

## **Petty Cash**

The Library will establish an account of \$50.00 to be used for small purchases made at the discretion of the Director or Treasurer. Receipts will be retained for all purchases made from the petty cash account and presented to the Board as a part of the monthly report. The petty cash fund shall be replenished as needed following the approval of the report at a regular meeting of the Board of Trustees.

## **Debit Card**

The Board has authorized the issuance of a debit card in the Treasurer's name. Other users of the card are the Library Director and Board members. The card is to be used to expedite payment of library expenses that require pre-payment or immediate payment such as online vendors. The debit card may also be used for expenses related to attending workshops or conferences. Original receipts for any use should be submitted to the Treasurer. The debit card is stored in a secure location.