

Patterson Library Financial Control Policy

Adopted by the Patterson Library Board of Trustees 3/10/2016; Amended May 11, 2023

Fiscal Year: The Patterson Library's Fiscal Year shall run January 1 through December 31.

Accounting Method: Cash Accounting

Management: 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 Financial Administrator will input electronic data. All financial work shall be maintained onsite, and all efforts shall be made to retain backups offsite or virtually, subject to best practices.

Annual Financial Audit: The Library's finances will be reviewed annually by a qualified Certified Public Accountant (CPA). Recommendations for sound financial practice made by the CPA will be reviewed by the Finance Committee and implemented as determined by the Committee.

Accounts: The Library will use the Operating Account/s for regular income and expenses for maintenance and operations. The Library will use the Capital Account/s for income and expenses related to New York State Construction Grant projects and any exceptional costs associated with the building and its infrastructure. The Endowment Account/s management is detailed in the "Endowment Policy."

Segregation of Duties: No employee should be placed in a position where they might commit fraud while handling normal financial duties. No employee should have sole access to assets and the responsibility to record and report on those assets.

Financial Accountability: Every other month, the Treasurer will provide the Board of Trustees with a Treasurer's Report to be reviewed at the appropriate Board Meeting.

Annual Written Budget: The Library Director and Finance Committee shall strive to complete a draft budget for the subsequent fiscal year and present it to the Board of Trustees at the regularly scheduled September Board meeting. It is recommended that a final version of the budget shall be adopted by the Board of Trustees at the regularly scheduled November meeting. Any subsequent changes in the overall total made to the current budget must be presented by the Treasurer and approved by the Board of Trustees at a regular meeting.

Bank Reconciliation: A member of the Finance Committee will be assigned the task of a monthly bank reconciliation.

Reserve Funds: The Library will strive to maintain 3 months' worth of operating costs in accessible accounts at all times.

Authorized Signees: The Library Director, Financial Administrator, Treasurer, and President of the Board of Trustees are authorized to sign checks and transact business on behalf of the Patterson Library. Two signees are required for checks written from the Operating Account,

three signees are required for checks written from the Capital Account, and three signees are required for dispersals from the Endowment Account.

Payments: Payments should be made promptly.

Deposits: Deposits should occur in a timely manner and may be conducted by any Authorized Signee.

Cash Receipts: All regular cash receipts will be handled by Front Desk staff and immediately recorded. The cash drawer will be reconciled daily by the Financial Administrator or other staff upon Library closing.

Purchasing Limits:

The following schedule defines the purchasing limits:

Up to \$1000: Discretion of the Library Director

\$1000–\$2499: Approval by the Board of Trustees or Executive Committee

\$2500 and higher: Will attempt to obtain up to three written quotes or bids* approved by the Board of Trustees

Emergencies: In the event of an emergency expense over \$1000, the Director will obtain three verbal quotes if possible. The Executive Committee will approve the expense. The Treasurer will sign the check for the expense.

**Quotes and bids should be selected based on quality, cost, and availability.*

Library Credit Card: Purchasing with the Library's Visa card is limited to library-related purchases only, subject to the Purchasing Limits. The Authorized Signees are the only persons authorized to use the credit card.

Direct Bill Payments & PayPal Payments are subject to the same procedures as paper checks with approval by the appropriate number of Authorized Signees.

TOPS Business Card is limited to library-related purchases only and may be used by the Authorized Signees, Adult Program Specialist, and Youth Services Coordinator.

Add Lumber/Ace True Value Credit Line or Sherwin Williams Credit Line are limited to library-related purchases only and may be used by the Authorized Signees, Adult Program Specialist, Maintenance Technician or a member of the Building & Grounds Committee with prior approval from the Library Director.

E-Deposit Accounts: GiveButter, PayPal, or any other will deposit to only the Operating Account by the Library Director when an appropriate cash threshold has been reached.

Accounts with Access to Library Bank Accounts: In the interest of cyber-security, formal approval must be granted by the Executive Committee, Finance Committee, or Board of Trustees before a new account is granted access to Library Banking Accounts (i.e. direct bill pays).

Petty Cash: This money will be used only for library-related expenses and will be replenished by the library at the end of each month. Personal expenditures or borrowings, in any amount, by

any person including the Director are not authorized uses of the funds. Theft and any other losses of petty cash are the responsibility of the Library. The Financial Administrator is the responsible party for the Petty Cash Fund and reconciles the Petty Cash Fund with approval from the Director.

Receipts and Reimbursement: Receipts for purchases using the Library Credit Card, TOPS Business Card, Add Lumber/Ace True Value Credit Line, PayPal, Petty Cash, or any other Library account must be submitted to the Financial Administrator in a timely manner.

Reimbursement for library-related expenses from personal accounts require written requests with receipts. If prior approval was not acquired from the Library Director, reimbursement may be denied.

Travel and Associated Costs: The Library Director will pre-approve any reimbursable travel for Library purposes. Travel by personal vehicle will align with current IRS mileage rates. Time to travel for Library purposes will be paid to any staff member at their regular wage. Any per diem costs may be reimbursed with receipts, but not to exceed the U.S. General Services Administration Per Diem Rates (www.gsa.gov). Any airline travel or hotel stays will be recommended by the Library Director, and approved by the Executive Committee.