

CLINTON COMMUNITY LIBRARY

FINANCE COMMITTEE MEETING – February 8, 2018 (2 pm)

AGENDA

- 1) Financial Statements for December 2017 and January 2018
- 2) Analysis of 2017 Results
- 3) Detail Reports
- 4) Cash Management
- 5) Family Leave Policy
- 6) Control Issues
- 7) Accounting Projects: Tax and Adjustments
- 8) Finance Policy Update
- 9) Meeting Schedule for 2018

MINUTES

Present: Z. Snow, J. Whitton, T. McGuirk, D. Biery.

1) Financial Statements for December 2017 and January 2018 (attached)

The Committee approved the financial statements for January 2018, with the ongoing caveat that the balance sheet does not yet reflect the audit adjustments. The Committee also approved the corrected version of the December 2017 “P&L vs. budget,” which now includes money deposited in the savings account (see “Control Issues” below). Ms. Biery reported that she had detected a \$500 error in the expense total shown in the budget for 2018, which has been corrected by reducing the “miscellaneous expense” category (see attached revised budget).

2) Analysis of 2017 Results

The Committee noted that the budget for 2017 anticipated a shortfall of \$53,591, but the actual result was net income of \$3,287, a positive variation of \$56,878. Of that variance, \$51,564 is attributable to income exceeding the budget, and \$5,313 is attributable to expenses having been below budget. One of the expense items substantially under budget is insurance, and Ms. McGuirk undertook to contact the insurance broker to obtain a payment schedule for further analysis. By matching income items with the related item of expense, the Fund Raising Committee can use the P&L report to analyze the profitability of particular fund raising events. The Committee agreed that an analysis should be prepared at the end of each calendar quarter showing projected full year results in comparison with the budget.

3) Detail Reports

The Treasurer reviewed the check and deposit detail reports for both December and January, and the monthly bank statements for both the checking and (for January) the savings and CD accounts.

4) Cash Management

The Committee considered the purchase of additional CDs, but decided that the interest rates available are extremely low and therefore the investment is not worth making at this time.

5) Family Leave Policy

The Committee recommends that the Library absorb the nominal cost of contributions to the newly established New York State fund for family leave, while continuing to deduct the cost of the disability insurance program from employee compensation.

6) Control Issues

The Committee discussed two recent episodes that raised questions regarding internal controls. In October, a bank deposit that included the Town’s quarterly grant was erroneously credited to the savings account rather than checking, and as a result did not appear as income in the monthly P&L. The Treasurer noticed the shortfall in income, and the payment was traced. The bookkeeper now includes the savings account in the bank statements submitted for Committee review. The Committee concluded that no further change in procedure is warranted. The Committee also discussed the practice of permitting the Library Director to sign all paychecks, including her own. Ms. McGuirk noted that some other libraries have the Treasurer sign all checks. However, the Committee noted that the bookkeeper prepares all payroll checks for signature, and that copies of the checks are circulated to the Committee. Accordingly, the Committee does not recommend any change in procedure.

7) Accounting Projects: Tax and Adjustments

Ms. Biery reported that work required for the tax return is getting underway, and the filing should occur in April or May. She confirmed that the accountants will make the balance sheet adjustments recommended by the auditors as part of that process.

8) Finance Policy Update

The Committee discussed provisions of the Finance Policy that do not reflect current practice, such as the requirement to report projected cash flow. Mr. Snow undertook to present possible revisions next month.

9) Meeting Schedule for 2018

The Committee confirmed its plan to meet on the last Thursday before each meeting of the Board, but changed the meeting time to 2:30 pm.

Minutes prepared by Z. Snow
February 9, 2018