



Clinton Community Library

FINANCE POLICY

As custodians of public funds the Board of Trustees is legally responsible for the library's finances and financial management. While the annual budget and the monthly financial statements are initially reviewed by the Finance Committee, all trustees are involved in the budget process, will be able to explain it to the public and will review and understand the monthly financial statements.

Budget and Finance

The Clinton Community Library has a board-approved written budget. The budget is developed annually as a cooperative process between the Director and the Board of Trustees. Planning for the budget begins at the September board meeting, and thereafter the draft budget and its revisions are made available for public review on the Library website and bulletin board. The final budget is approved by the Board no later than the December meeting. The budget is a flexible document and may be adjusted by the Board as circumstances dictate.

At the present time, funds for the Library budget come primarily from a Town of Clinton appropriation, as mandated by a resolution passed by the Town voters under Section 414 of the New York State Education Law, from donations by the community and from other monetary or service grants relevant to Library functioning. Each year, as part of the budget process, the Board determines whether the Library revenues are adequate to meet the needs of the community. If the revenues are insufficient to meet those needs, the Board endeavors to take action to increase the library revenue.

The Library maintains records of financial operations, with the help of a bookkeeper, in a manner easily understood by the public as well as the Board and the Director. On a monthly basis the Director and bookkeeper present a written report on the financial condition of the Library and review it with the Finance Committee. The report indicates the current position of each budgetary line item, including budgeted amount, receipts, monthly and year to date expenditures and a comparison with the budget. The monthly report also includes detailed transaction reports, a balance sheet and copies of all bank statements. The Finance Committee will review the monthly report, and will submit the profit and loss statements, the comparison of P&L with the budget, and the balance sheet to the Board for approval.

Banking Procedures

The bank designated for deposit of Library moneys will be authorized annually at the December Board meeting. Signature cards at the bank will be maintained for the Director, the Board President and the Board Vice-President.

The Director and bookkeeper are authorized to make deposits into appropriate Library accounts. Such deposits include, but are not limited to, accumulated fees and fines, gifts, donations and grants.

The bookkeeper is authorized to transfer funds from one Library account, including the savings account, to another Library account for payment of monthly Library bills. The Board President and Vice President, and the Director are authorized to transfer funds from one Library account to another Library account for other purposes when such transfer has been approved by the Board of Trustees.

Purchasing Procedures

The Library maintains a debit card to be maintained on the person of the Director and used at her discretion. Whenever practicable, purchases will utilize the Library tax exemption. Receipts and bills will be submitted to the bookkeeper promptly.

Purchases up to \$1,000: The Director is authorized to spend up to \$1,000.00 on Library materials without prior Board approval. Whenever possible, materials will be purchased from vendors offering competitive prices and discounts.

Purchases over \$1,000: The Director will create a specification sheet for the purchase or project and make a concerted effort to obtain and document three bids. Based on quality, cost and availability, the Director will make a recommendation to the Board for approval of funds. The recommendation will reflect the estimates received and the rationale for the recommended selection, and all estimates will be filed in the project folder.

Fixed Asset Policy

Capital assets are tangible and intangible assets that have initial useful lives that extend beyond a single reporting period. All capital assets are recorded at historical cost as of the date acquired or constructed. The minimum capitalization threshold for capitalizing fixed assets shall be \$1,000. The Director will assign an estimated useful life to all assets for the purposes of depreciation. Asset lives will be adjusted as necessary, depending on the present condition and use of the asset and based on how long the asset is expected to meet current service demands.

Cash Handling

Cash received from Library fees, fines and donations will be recorded daily, set aside in a locked cabinet and deposited in the Library checking account at least once a month. This cash will not be used to fund Library expenses.

Investments

The Board of Trustees may authorize the investment of moneys not required for immediate expenditure for terms not to exceed the Library's projected cash flow needs. The primary objectives, in priority order, of financial investment are safety of principal, liquidity and yield. The Library may invest in demand deposit accounts (such as checking or money market accounts) established with local financial institutions and Certificates of Deposit (CDs) issued

by local financial institutions. Investments will conform to all applicable laws and regulations governing the investment of public funds.

External Audits

In order to assure that the financial management and control system for the Library is functioning properly, the library will obtain a full financial audit by an independent certified public accountant at least every five years.

Approved by the Clinton Community Library Board of Trustees on May 14, 2018.