

## FINANCIAL POLICIES OF THE BOARD OF TRUSTEES

### **I. Financial Integrity and Accountability**

The Board of Trustees recognizes its responsibility to the residents and taxpayers of the Library district to assure that the Library maintains an internal accounting and administrative control system that protects the Library's financial resources. The Board of Trustees will serve in an advisory and oversight role so as to assure that the integrity of the Library's finances remain unimpeachable.

The Director is responsible for developing and maintaining a system of internal financial controls that will adequately protect the Library's assets and funds. This system of control should involve the staffing and oversight necessary to assure its success. This system should address controls at the departmental as well as Library wide level.

The internal control system should be established in accordance with the Standards established by the New York State Comptroller's Office. The internal controls should be periodically reviewed, evaluated and adjusted. The Director will report evaluations and changes in the internal control system to the Board of Trustees.

### **II. Budget**

The Director shall annually draft a preliminary budget for discussion and development by the Board of Trustees.

### **III. Payment of Bills**

The Board will review all bills and approve the warrant at their regular monthly meeting. The Board members will alternate the responsibility of reviewing bills and signing checks on a monthly basis, or will employ a claims auditor.

The Library Director shall be authorized to prepay any of the following obligations prior to the Trustees voting on the bill list (warrant) upon which such obligation shall be listed:

- a. Payments under contractual agreements previously approved and authorized by the Board of Trustees;
- b. Payment of utility bills and postage and other time sensitive items so that finance/late charges are not incurred;
- c. Payroll and related expenses, i.e. taxes, insurances, union dues

In the event of the lack of a quorum at the regular monthly meeting, the Director is authorized to pay the bills so as not to incur unnecessary late fees. The unapproved list of bills must be presented and approved at the next regular meeting.

### **IV. Online Banking**

The Patchogue-Medford Library has entered into a written agreements with Dime Community Bank and Sterling National Bank for online banking services. All deposit accounts are held at Dime Community Bank. The Business Office Manager serves as the administrator on each account.

Business Office personnel are authorized to participate in online banking and perform internal account transfers, stopping payment on a check, and printing/viewing. The

Treasurer reviews these accounts on a regular basis. Separation of duties is expected and practiced. Unique IDs and passwords are individually secured. Online banking will only take place on an authorized employees' Library computer.

Automatic electronic payments are authorized only for the Library's payroll company for administrative and service fees.

#### **V. Annual Audit**

The Patchogue-Medford Library will retain the services of a certified public accountant that will provide advice and consultation to the Board of Trustees and the Director.

The accountant will also perform an annual audit and shall prepare a written report, including an opinion on the financial statements, at the close of each fiscal year. This shall be done in accordance with generally accepted accounting principles and in conformity with the requirements of the New York State Office of the Comptroller.

Fifteen days after receipt by the Board of Trustees the audit and report shall be made available, through the Director, to anyone who wishes to view it.

#### **VI. Financial Report**

The Director will present to the Board of Trustees monthly financial reports that will include:

- a. Warrants (Bills)
- b. Summary of account cash balances (Treasurers Report)
- c. Listing of receipts and disbursements including year-to-date totals for all library funds. (Budget Report)

#### **VII. Gifts and Donations**

The Patchogue-Medford Library welcomes financial and material donations.

- a. Financial donations: All gifts will be used at the Library's discretion unless the donor requests a special usage agreement. For donations of \$10,000 or less this agreement can be made between the donor and the Director. For gifts of more than \$10,000 the Board of Trustees must approve the agreement.
- b. Materials donations: The Library may accept donations of library materials. The Library will choose to accept materials based primarily on the condition of the item, the popularity of the item, the accuracy and currency of the information contained in the item and whether the item compliments the current holdings in the Library's collections.

The Library retains full control over all donated materials. Donated items are added to the Library's collections, given to other institutions or disposed of in other ways at the sole discretion of the Library. No agreement will be made to waive this control.

The Library does not provide pick-up service for donated materials and all deliveries of donations must be arranged in advance with the Director, or his/her designee.

When requested, the Library will issue a receipt for donated materials. No monetary value will be assigned as it is the responsibility of the donor to have materials appraised before donating them to the Library.

### **VIII. Disposal and Sales of Surplus or Donated Items**

The Director is authorized to dispose of surplus material as per Education Law Section 226 6 (b), however disposal of items that originally cost more than \$500 will be approved by the Board of Trustees.

### **IX. Petty Cash**

The maximum limit for petty cash at any one time shall be \$750.00 plus the amounts needed for the cash drawers at the public service desks. Receipts will be retained for all purchases and the Director or Department Head must approve all reimbursements. Any necessary replenishment of the Petty Cash Fund will be reflected in the monthly warrant for approval by the Board.

### **X. Bank Signatories**

Members of the Board of Trustees, the Library Treasurer, Library Director are authorized signatories for the Library. The Library Assistant Director may also be added at the discretion of the Library Director and Board. All bank accounts, except payroll, require two signatures.

### **XI. Credit Card Policy**

- a. Credit cards may be established in the name of the Patchogue Medford Library and the specific name of the Director with the approval of the Board. The credit card limit should not exceed \$40,000. All monthly statements and correspondence will be sent to the Library. Library Credit cards are to be used solely for the purchase of library property such as office supplies, housekeeping or maintenance supplies, computer supplies, computer software or hardware, conference/seminar registrations, programming supplies and ordering circulating and reference materials. They may not be used for personal purchases, cash withdrawals, cash advances, fines or private expenses.
- b. Payment of the monthly statement must be made in a timely fashion so that finance charges are not incurred.
- c. All credit cards will be held in the Business Office until needed by specified staff members, and then returned for safekeeping. Hardcopy documentation for each purchase and/or charge must be delivered to the Business Office when the credit card is returned. The credit cards may not be taken overnight and the card and all paperwork must be returned to the Business Office by close of business (5 pm).
- d. The Library's credit cards are not for personal use.
- e. The following persons are authorized to use the credit card: Barbara Kostyrka, Toren Perkins, Mike McCabe, Jennifer Bollerman, Debbie Bacon, Danielle Paisley. Others will be approved at the discretion of the director.
- f. The following online accounts are paid for via automatic credit card payments:-: bigstockphoto.com (graphics), citygro.com (marketing), www.untangle.com (network security), aws.amazon.com (network), wordpress.org (blog hosting), hootsuite.com (for scheduling social media posts), www.wheniwork.com (staff scheduling software), www.freepik.com (graphics), meetup.com (program advertising), www.ionos.com (website plug in/add on), www.megamenu.com (website plug in/add on), Wpml Multilingual CMS (website plug in/add on), myelementor.com (website plug in/add on), CanvaPro.com (graphics), Kahoot Pro (trivia software), vyond.com (animation software), Ispring

(Microsoft Power Point add on for making training videos), Zoom (online programming and meetings), Stamps.com (passport mailing), Adobe Creative Cloud (Makerspace software).

- g. Improper use of a library credit card can lead to disciplinary action up to and including termination and the recovery of any money not covered by the credit card agreement.
- h. If the card is lost or stolen, each authorized user shall immediately notify the Director and the Business Office.
- i. Any reward points/money earned will be deducted from the total of the bill and reassigned to the General Fund Programming Account.

#### **XI. Records Retention and Disposition**

RESOLVED by the Board of Trustees of the Patchogue-Medford Library that New York State Education Department Records Retention and Disposition Schedule LGS-1 issued pursuant to Article 57-A of the Arts and Cultural Affairs Law, and containing legal minimum retention periods for local government records, including any future revisions and re-issuances thereof, is hereby adopted for use by the Patchogue-Medford Library in legally disposing of valueless records listed therein.

FURTHER RESOLVED, that in accordance with Article 57-A:

- a. those records that are described in New York State Education Department Records Retention and Disposition Schedule LGS-1 may only be dispersed of after they have met the minimum retention periods described therein;
- b. only those records that do not have sufficient administrative, fiscal, legal, or historical value to merit retention beyond established legal minimum periods may be disposed of.

Revised July 2013; February 2014; July 2015. Reviewed July 2016; 2017; 2018; Revised March 20, 2019; May 21, 2019; September 2019; reviewed July 15, 2020; revised January 20, 2021; reviewed July 21, 2021.

Cross Reference:     Procurement Guidelines Policy  
                          Investment Policy  
                          Fund Balance Policy