

**Fiscal Policies and Procedures
of the Finance Committee** (1 of 6 pages)

Created: 11/15/11

Revised: 12-2023

Last Reviewed:

All fiscal policies shall be made and reviewed annually by the Finance Committee and submitted for Board approval at the Annual Organization Meeting. No changes shall be made without the Board of Trustees' approval.

A. Legal Requirements for Budgeting which apply to the Powers Library

B. Sources of Revenue

1. The legal structure of the library is an association library
2. Income is derived from:
 - a. Village of Moravia
 - b. Towns of Moravia, Locke and Sempronius
 - c. Cayuga County

2. Additional sources of income:
 - a. Finger Lakes Library System
 - b. Invested Funds (Endowment)
 - c. Donations and bequests
 - d. Fines for damaged library materials
 - e. Sales of weeded and donated books

C. Budget: Operating

1. Line-Item Budget

2. Responsibility for preparation and follow through:
 - a. Finance Committee of the Powers Library Board of Trustees prepares a draft in consultation with the Library Director
 - b. Draft is presented to the entire Library Board of Trustees
 - c. The Library Board of Trustees agrees upon the draft which becomes the proposed library budget.

Powers Library – Moravia, NY

- d. Proposed budget is presented at Powers Library Association Annual Meeting
3. Budget deadlines:
 - a. Rough draft presented at the November meeting of the Board.
 - b. Library Board of Trustees approval at November meeting
 - c. Presented to Powers Library Association at Annual Meeting in January
4. Budget Calendar
 - a. January
 - Presentation of proposed budget to Powers Library Association by Board of Trustees
 - Administration action required to put the adopted budget into effect
 - b. February/March
 - Submit request for public vote to fund the approved budget
 - c. September
 - Request for funding from Village of Moravia
 - Request for funding from Town of Moravia
 - Request for funding from Locke and Sempronius
 - d. October
 - Finance Committee review of last year's expenditures
 - Consideration of next year's programs
 - Estimate of all potential revenues
 - e. November
 - Initial draft of budget presented to Board by Finance Committee
 - Discussion of budget by Library Director and Library Board of Trustees
 - f. December
 - Necessary revision of draft budget
 - Approval of budget by Library Board of Trustees

Powers Library – Moravia, NY

D. Accounting Procedure

1. The Board Treasurer and/or Business Manager conducts the accounting for the library.
2. The Library Director makes bank deposits of all revenues.

E. Payment of Invoices

1. The Library Director codes invoices and attaches packing.
2. The Treasurer/Business Manager cuts checks, signs check, mails payments and returns invoices with attached check stub to the Director.

F. Reconciliation of Bank Statements

1. The Treasurer/Business Manager reconciles the bank statements. A member of the Finance Committee shall be appointed to review the reconciliation.

Bank: The First National Bank of Groton – Moravia Branch

G. Audit of Financial Records

1. An Annual audit shall be conducted prior to the January meeting by the Finance Committee of the Powers Library Board of Trustees.
2. Financial Records:
 - a. Financial reports are prepared by the Treasurer/Business Manager
 - b. A monthly financial report must be completed by the second week of the following month.
 - c. Current and past statements are stored in the Library Director's office

H. Procurement Policy

1. Credit Card Purchases – The Board of Trustees shall, at the Annual Meeting, designate those authorized to make credit card purchases. These purchases

Powers Library – Moravia, NY

shall be in accordance with the Procurement Policy. All purchases must be documented with receipts and hard copies of on-line purchases. The documentation shall be attached to the monthly credit card statement, coded, and submitted to the Treasurer for payment.

2. All purchases will be approved by the Director or Vice President of the Board of Trustees. All non-budgeted purchases shall be documented by the appropriate buyer. All purchases shall be within budget except for emergency expenses. Emergency expenses shall be sent to the Board for approval by a majority. All purchases of \$3,000 or more shall be approved by a majority vote of the Board of Trustees. When possible, local vendors will be given the opportunity to bid on projects.
3. All goods and services shall be secured using written request for proposals, written quotation, and verbal quotation of any other method that assures the goods will be purchased at the lowest possible price and that favoritism will be avoided.
4. The following method of purchase shall be used to achieve the highest savings:
 - \$501. - \$3,000. Three (3) verbal quotes shall be obtained if possible.
 - \$3,000+. Three (3) written/faxed quotes shall be obtained if possible.
5. The procurement policy may contain circumstances when the solicitation of quotes will not be in the best interest of the library:
 - a. Library materials: books, magazines, AV, and other such material intended for patron use.
 - b. Professional services or services requiring special or technical skill, training or expertise. The individual or company must be chosen based on accountability, reliability, responsibility, skill, education, training, judgment, integrity. These qualifications are not necessarily found in the individual or company that offers the lowest price and the nature of these services are such that they do not readily lend themselves to competitive procurement procedures.

Powers Library – Moravia, NY

- c. Emergency purchases that must be purchased immediately when a delay in seeking alternative pricing may threaten services. This section does not preclude alternative proposals if time permits.
 - d. Local vendors shall be given priority when meeting these guidelines.
6. Insufficient Appropriations - There shall be no purchases of items where there is no or insufficient appropriation. The need to transfer funds outside of the limits established by the Board shall require prior approval by the Board of Trustees.

I. Investment portfolio (Endowment)

1. The Board of Trustees is the custodian of the funds of Powers Library. At the Annual meeting, the Board shall authorize the Finance Committee, under the leadership of the Treasurer, to administer this account. The account shall be administered in accordance with the goals set out by the Board of Trustees.

Account: Merrill Lynch Working Capital Management Account

- Account number: 80H-04031
 - Financial Advisor: Drew G. Osborne 212-236-5479
2. Objectives of the investment activities are to adequately safeguard principle, provide sufficient liquidity to meet all operating requirements, and obtain a reasonable rate of return while adhering to all applicable federal, state, and other legal requirements. All investments shall be made with judgment and care, under circumstances then prevailing, not for speculation but for investment. Safety of principle as well as probable income shall be considered.
3. All participants involved in the investment process may make suggestions, recommendations and advise on investment decisions.
4. Investment account - Income from the portfolio shall be deposited into the Working Capital Management Account. Two board members shall be appointed by majority at the Annual Meeting to be responsible for withdrawing and transferring funds from the money market as deemed necessary to cover operating expenses. Any withdrawals from the money

Powers Library – Moravia, NY

market shall be brought to the entire Board at the subsequent meeting and made part of the minutes.

5. Investment/equities account - Any changes in the Working Capital Management Account portfolio shall be made by the Treasurer/Business Manager and the Finance Committee in accordance with the investment guidelines set by the entire Board of Trustees. Any changes shall be brought to the entire Board at the subsequent meeting and made part of the minutes.
6. Reconciliation of investment account - The account shall be reviewed monthly by the Finance Committee Chair, or if unavailable, any member of the Finance Committee.