

## **Financial Policies**

### **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 Chief Executive Officer 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 Chief Executive Officer will report evaluations and changes in the internal control system to the Board of Trustees at the next regularly scheduled meeting.

The Library's auditor will submit a written report on the state of the Library's internal controls as a part of the annual audit.

### **II. Budget**

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

The Board of Trustees will review the proposed annual budget proposal during a regularly scheduled open public meeting.

The Board of Trustees will approve a proposed annual budget, and, to the extent it contains a request for an increase in annual tax appropriations, present it to the voters for approval on an annual basis.

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

Bills incurred by the Library shall be presented to the Board of Trustees at each regular Board meeting in a manner prescribed by the Board of Trustees and reviewed and approved by Board motion as is appropriate. After such approval, the Finance Officer and Treasurer will co-sign each check used for payment. If the Finance Officer is unable to sign a check another authorized Board of Trustees member or the Chief Executive Officer may do so.

The Chief Executive Officer may pre-pay other unapproved bills when necessary prior to their approval on the schedule of claims. Invoices which may be paid by check prior to Board approval include:

1. \*Public Utility Services (Electric, gas, water, sewer & phone services)
2. \*Postage
3. \*Freight

4. \*Express Charges (FedEx, USPS, UPS, etc)
5. \*Petty Cash Expense (See Petty Cash Policy)
6. \*\*\*Payroll or payroll withholdings.
7. \*\*\*Principal or interest payments on debt
8. \*\*\*Payments made pursuant to a court order
  
9. \*\*\*Amounts due upon lawful contracts for periods exceeding one year
10. \*\*\*Retirement Contributions (NYS Local Retirement System)

*\*However, all these claims should be audited as soon as possible after payment and included on the next warrant as prepaid amounts.*

*\*\*\*These payments need not be on a warrant but should be reported to the board at the next board meeting for approval.*

#### **IV. Annual Audit**

The Hauppauge Public Library will retain the services of a certified public accountant who will provide advice and consultation to the Board of Trustees and the Chief Executive Officer.

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 Chief Executive Officer, to anyone who wishes to view it.

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

The Chief Executive Officer will present to the Board of Trustees a monthly financial report that will include:

- 1) Warrants
- 2) Summary of account cash balances
- 3) Listing of coded receipts and disbursements including year-to-date totals for all library funds.

#### **VII. Deposit of Funds**

The Chief Executive Officer, or their designee, is authorized to deposit all available library funds in the short-term account that they feel best meets the Library's current financial needs.

The Chief Executive Officer is to report the deposit of all Library funds to the Board of Trustees in the monthly financial report.

The Board of Trustees expects that the Chief Executive Officer, or their designee, will deposit all available Library funds into authorized accounts in a timely manner.

## **VIII. Gifts and Donations**

The Hauppauge Public Library welcomes financial and material donations.

### **1) 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 Chief Executive Officer. For gifts of more than \$10,000 the Board of Trustees must approve the agreement.

### **2) 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 Hauppauge Public 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 Chief Executive Officer, or their designee.

The Library will acknowledge all donations in writing. Only in the case of financial gifts will monetary values be assigned. It is the responsibility of the donor to have materials appraised before donating them to the Library.

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

- 1) Definition: Surplus Property is any item owned by the Library that is no longer needed for the provision of Library Services.
- 2) Declaring Property Surplus:
  - a) Only property having more than nominal monetary value need be declared surplus. Obsolete or broken property without any useful value may be disposed of, at the discretion of the Chief Executive Officer, without notice or approval from the Board of Trustees.
  - b) The Chief Executive Officer is authorized to declare as surplus, Library property having an estimated unit value less than \$1,000.
  - c) The Board of Trustees is authorized to declare as surplus, Library property having an estimated unit value of \$1000, or greater.
- 3) Disposal and Sale of Surplus Property:
  - a) For property with an estimated unit value of less than \$1,000, the Chief Executive Officer is authorized to sell such property as deemed to be in the best interest of the Library, including through a fixed price system, a closed bidding system, or otherwise.
  - b) For property with an estimated unit value of \$1,000 or greater, after authorization from the Board is obtained to dispose of such property, the Chief Executive Officer

shall sell such property by advertising for sealed bids. If no such sealed bid is deemed reasonable, the Chief Executive Officer is authorized to sell the property by the method that will most effectively and efficiently provide the Library with the greatest monetary return, in which case, documentation of the Library's efforts shall be documented and retained.

- 4) The disposal of Library property yielding more than \$200 shall be reported to the Board as part of the monthly financial report.
- 5) As per New York Education Law, prior to the discarding of used or surplus books or other such reading materials, the Library will offer to donate such books or materials to a local not-for-profit or political subdivision.

#### **X. Petty Cash**

The Library will establish an account of \$ 150 to be used for small purchases made at the discretion of the Chief Executive Officer. Receipts will be retained for all purchases made from the petty cash account and presented to the Board of Trustees as a part of the monthly warrant. The petty cash fund shall be replenished following the approval of the monthly warrant at each regular meeting of the Board of Trustees.

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

Credit cards are kept secured in the Administration Office.

The Chief Executive Officer or a Library employee designated by the Chief Executive Officer may use the credit card, only for goods or services for the official business of the Library. Documentation detailing the goods and services purchased must be submitted before payment can be approved.

The Chief Executive Officer is responsible for the protection of all credit cards and will immediately notify the financial institution or business issuing the card if the card is compromised, lost or stolen.

To further the protection of the Library's credit card and financial information, new credit card information shall be obtained every twelve (12) months, either from the current credit card provider, or a new provider.

The Library will use disciplinary measures consistent with current law for unauthorized use. Any benefits derived from the use of the credit card will be the property of the Library.

The balance due on the credit card account will be paid within the balance period indicated on the monthly statement.

Adopted: October 16, 2001

Consolidated, Amended & Reviewed: June 2021

**Cross Reference:** Purchasing Policy, Investment Policy, Fund Balance Policy