

I. Purpose

The purpose of the Fiscal Accountability Policy is to provide a framework for the Board of Library Trustees (Board) and Staff for the fiscal operations of the Fremont Public Library District, to assure sound fiscal management and to outline responsibilities for management of the Library’s public funds.

II. Scope

This Fiscal Accountability Policy applies to the financial and investment activities of all funds under the management of the Library. This policy also applies to any new funds or temporary funds placed under the management of the Library.

III. General

- A. These financial policies and procedures will be in accordance with Illinois law.
- B. As per 75 ILCS 16/30-45, the Treasurer shall secure for the district an insurance policy or other insurance instrument that provides the district with coverage for negligent or intentional acts by district officials and employees that could result in the loss of district funds. The coverage shall be in an amount at least equal to 50% of the average amount of the District's Library fund from the prior 3 fiscal years.
- C. The Library will maintain financial records in accordance with the Local Records Act (50 ILCS 205).
- D. The Library will maintain an inventory of capital purchases.
- E. Roll call action will be taken by the Board on all financial matters.
- F. The Library is prohibited by law from entering into any contract that could result in financial gain for any member of the Board of Trustees. Any Trustee(s) involved with a proposed contract that is not expressly prohibited by law shall abstain from voting in accordance with the Public Officer Prohibited Activities Act (50 ILCS 105) and any other applicable statutes to avoid any conflict of interest.
- G. The total budget by fund will be approved by the Board by no later than the 4th Tuesday in September each year.
- H. The tax levy ordinance will be approved by the Board by no later than the 3rd Tuesday in December and filed with the County Clerk by no later than the last Tuesday in December each year.
- I. Current information about Library finances will be posted to the Library website. Information more than two year’s old may be removed from the Library website.

IV. Deposits

- A. All revenue received will be deposited to appropriate accounts at least monthly or whenever receipts total more than \$2,500, in accordance with internal control procedures.

- B. For more details on Deposits see Investment Policy.

V. Expenditures and Other Financial Transactions

- A. Authorized signatories are all officers of the Board of Trustees and the Library Director.
- B. Financial transactions for expenses over \$2,500 require two signatures. Signatures may be produced mechanically as long as they are approved at the next regular meeting of the Board of Trustees. Authorized e-signatures are stored in the accounts payable software and are password protected.
- C. The Library Director has the authority to approve and sign budgeted purchases and contracts up to \$25,000. Purchases and contracts exceeding that amount must be approved by the Board. The Board may give the Library Director approval to negotiate and sign the contract documents as long as the Board has approved the service provider and not-to-exceed amount.
- D. Managers and Supervisors have procurement authority under the discretion and approval of the Library Director for making budgeted purchases for up to \$5,000.
- E. Under no circumstances may a signatory sign a document for which that signatory is a payee.
- F. All financial transactions will be reported to the Board at its regularly scheduled meeting.
- G. All Library Trustees, the Library Director, and any staff with ordering authority over \$2,500 shall file statements of economic interest with the County Clerk.
- H. The Library Director is responsible for establishing a system of internal controls designed to prevent misappropriation, fraud or other dishonest acts involving money under the management of the District.

VI. Investments – see Investment Policy

VII. Purchasing/Sale of Goods and Services

- A. All purchases for goods and services shall be authorized by the Library Director through established procedures which comply with State law and the annual appropriation ordinance.
- B. As provided by statute, for constructing buildings, remodeling, repairing, or improving of any existing library building, erecting an addition to an existing library building, or purchasing the necessary equipment for the library when the cost is in excess of \$25,000, the Board shall advertise for bids and award the contract to the lowest responsible and responsive bidder (75 ILCS 16/40-45).
- C. For other purchases for services, materials, equipment, or supplies, other than professional services, with a value greater than \$10,000, whenever feasible three or more competitive quotations will be sought, if feasible.

- D. Contracts for the services of individuals possessing a high degree of professional skill, where ability and fitness of the individual plays an important part, such as with legal or consulting services, may be made by obtaining written proposals and through an interview process instead of competitive bidding. If unbudgeted, such purchases require the approval of the Library Board.
- E. Disposition of any surplus real or personal property no longer deemed necessary or useful for Library purposes will be made in accordance with the Disposal of Surplus Property Policy.

VIII. Credit Cards/Accounts

- A. The Library may maintain a credit card account for use by the Library Director, Assistant Director and Adult and Youth Department Managers and Technical Services Supervisor in conducting library business. All use of credit cards shall comply with the Library's procurement policy. Such business must be documented with receipts to support all purchases. Credit card use is primarily intended for use when a credit account is not available or the vendor is unable to invoice the Library.
- B. The Library may maintain credit accounts with suppliers and service providers to meet regular operating needs, with authorization of the Library Director.

IX. Board of Library Trustees – see Internal Administrative Procedures Policy

X. Reimbursements

- A. Subject to compliance to the Employee Handbook: Expense Reimbursement section, employees will be reimbursed for reasonable authorized expenses incurred by them in the performance of their duties. All such expenses must be approved in advance by the employee's immediate supervisor or the Library Director. Reimbursement requests for purchases made without the appropriate advance approval or without receipts submitted may not be considered reimbursable.
- B. Travel expenses– see Employee Handbook: Expense Reimbursement.
- C. Use of Personal Devices, Equipment or Resources - see Employee Handbook.

XI. Budget

- A. Pursuant to 75 ILCS 16/35-40, FPLD's fiscal year shall be July 1 through June 30.
- B. The Library may maintain a Special Reserve Fund pursuant 75 ILCS 16/40-50.
- C. The Board will review all fund balances on an annual basis in conjunction with the annual budget review.
- D. the Library's goal is to maintain no less than a 6-month operating reserve in the Library Fund, and aims to maintain a 12-month reserve.

XII. Audit

- A. An outside audit of all Library accounts will be conducted annually and reviewed by the Board. The audit will be completed and filed with the Board no later than six months after the end of each fiscal year.
- B. At the Board's discretion, the Library Director may be directed every five years or sooner to solicit proposals from at least three auditing firms qualified to conduct the audit.