

Financial Policies section 2 of Policy Manual

Financial Management

Policy 2.1

I. Budget

- A. The Library has a Board-approved written budget. This budget is developed annually as a cooperative process between the Finance Committee, the Library Director and additional staff members with responsibility for budgetary elements.
- B. All budgets that increase or decrease the tax levy last approved by the voters will be submitted to the residents of the Library District for approval by a majority vote. If the proposed budget is approved, the Election Chairperson will file with the clerk of Hyde Park the total budget approved by the voters, and the sum to be raised by levy against the real property lying within the Library District. If the proposed budget is not approved, the last approved tax levy will remain operative for the next year.
- C. At each monthly Board meeting, the Treasurer will present a budget report that clearly indicates the financial position of the Library.
- D. The Board of Trustees will oversee and approve the transfer of money between major budget categories.

II. Investments

- A. Policy Statement and Scope. The Library will invest its funds in a manner that will provide the highest investment return with maximum security, while meeting the daily cash-flow needs of the Library and complying with New York State General Municipal Law.
- B. Authorized Investments. Library funds will be placed only in the following investments:
 1. Certificates of Deposit issued by a commercial bank or trust company located in and authorized to do business in New York State;
 2. Demand Deposit Accounts in a commercial bank or trust company located in and authorized to do business in New York State; and
 3. Obligations of New York State and Obligations of the United States Government (U.S. Treasury Bills and Notes), provided the principal and interest of any such obligations are guaranteed by the United States Government.
- C. Investment Responsibility and Oversight. The Treasurer and the Finance Committee will manage and administer the investment program, subject to Board approval.
- D. Maturity of Investments.
 1. No investment will have a maturity date of more than two years from its date of

purchase.

3. To the extent possible and prudent, the Library will attempt to match its investment maturities with anticipated cash flow requirements.

E. Internal Control. The Treasurer, Finance Committee and Library Director are responsible for establishing and maintaining internal control to ensure that the assets of the Library are protected from loss, theft or misuse. The internal control structure will be designed to provide reasonable assurance that these objectives are met. [Approved June 25, 2009; supersedes Policy 2.2 of June 15, 2006.

F. Reporting. The Finance Committee will provide the Board of Trustees monthly investment reports that clearly provide the following information regarding the investments:

1. Types of investment;
2. Depository institutions;
3. Principal balances; and
4. Rates of return and maturities.

III. Library Funds

- A. The Reserve Fund is an interest-bearing account comprised primarily of revenue from the annual tax levy.
- B. Transfers are made from the Reserve Fund to the non-interest-bearing Operating Fund, expenditures from which fund the day-to-day operation of the Library.
- C. The Improvement Fund is used to pay for unbudgeted repairs on buildings and equipment.
- D. The Board of Trustees will approve transfers from fund to fund.

IV. Purchasing

A. Purchasing Authority

1. The Library Director is authorized to make purchases for the Library and will pre-approve all orders. In the absence of the Library Director, the Board will approve a temporary substitute.
2. All purchases require appropriation in the budget. The Library Director is authorized to transfer funds within budget lines listed in a budget category, but to transfer funds from one budget category to another requires approval by the Board. All transfers shall be noted in the Office Manager's monthly financial report.
3. Single purchases up to \$2,500 are at the discretion of the Library Director; if over \$2,500, they require Board approval. In an emergency requiring immediate action to maintain the effective operation of the Library, the Library Director is authorized to spend up to \$5,000 without Board approval, but with the knowledge of the President.

B. Purchasing Guidelines

1. Bids and Proposals

- a. When required by New York State Municipal Law, the purchase of goods and services will be subject to competitive bidding. The Library Director or a member of the Board of Trustees will solicit three written bids. If any vendor fails to submit a bid, a recommendation will be made to the Board from the bids submitted.
- b. Purchases between \$1 and \$2,500 require one bid; those between \$2,500 and \$10,000 require two bids. Any greater than \$10,000 require three bids.
- c. The bid or proposal recommended to the Board will reflect the best quality at the best price. Documentation of the bids or proposals received will be attached to the payment voucher.

2. Tax Exemption. The Library's exemption from New York State Sales Tax will Apply to all purchases.

4. The Library pays the Dutchess County prevailing wage set by law for public works projects.

C. Purchasing Procurement

1. All purchases will be accompanied by an order form except standing orders and contracted services.
2. Purchases will be reviewed by the Board before payment (see Bill Approval and Payment, Section V, below).

V. Bill Approval and Payment

- A. The Library Director will review all invoices submitted for payment and sign an Abstract of Claims for Payment of these invoices to indicate that all claims were authorized.
- B. At the monthly Board meeting, Trustees will sign the Abstract of Claims for Payment. A minimum of six signatures is required. Bills will be available for review by Trustees before the meeting.
- C. The Office Manager will prepare checks for signatures and record payments.
- D. Payments for staff salaries and wages, contributions to retirement systems, public utilities, and multi-year contracted services will be exempt from the pre-audit process.

VI. Financial Accounts

- A. Persons authorized to sign checks will be the Board President, Vice President, Treasurer and Library Director. All checks require two signatures.
- B. The Office Manager will balance the bank statement monthly and report any discrepancies, in writing, to the Treasurer. The Treasurer will compare the

monthly bank statement with the Abstracts of Claims for Payment (see Section V.B, above).

VII. Online Banking/Wire Transfers. Public Library boards are legally responsible for the Library's finances and financial management. The Hyde Park Board of Trustees is responsible for the allocation and spending of all Library funds, and safety measures are placed to ensure proper expenditures. To prevent any misappropriation of Library funds, Online Banking and Wire transactions are prohibited for routine business purposes.

- A. Online Banking should not be set up with any financial institution for any reason.
- B. In the event of a special need to wire transfer funds, a meeting of the Library Board of Trustees must be called, and this action voted on. If approved, this action will be reported in the minutes and the actual bank transaction will require the presence and documented signatures of two people authorized to conduct banking transactions.

VIII. Credit Card. The Library will maintain a credit card to be used for the purchase of materials and services when pre-payment is required.

- A. Selection and Approval
 - 1. Criteria for selecting the card will be annual fees, monthly payment terms and interest charge terms, not rebates or points.
 - 2. The Board will approve the selection of a credit card.
- B. Limit. The credit limit on the credit card will be established by the Library Board.
- C. Users. The Library Director is the sole approved user of the credit card.
- D. Approved Purchases
 - 1. Credit card purchases must conform to terms of the Purchasing Policy (see Section IV, above).
 - 2. The credit card may not be used for personal expenses.
- E. Documentation and Payment
 - 1. Itemized documentation of each credit card purchase will be submitted to the Office Manager.
 - 2. The account balance of the credit card should be paid in full when the monthly statement is received, so that interest charges are not incurred.
- F. Board Review of Credit Card Payments. Trustees will review credit card charges on the Abstract of Claims for Payment sent to them by the Office Manager (see Section V.B., above) and will approve the charges at the monthly Board meeting.

IX. Cash

A. Daily Receipts

1. The Library Director and Office Manager will keep an account of all money received from fines and other sources and will deposit it in the bank at appropriate intervals.
2. All cash will be locked in the safe when the Library is closed.

B. Petty Cash

1. The Office Manager will maintain one hundred dollars (\$100) for petty cash expenditures.
2. The Office Manager will keep an account of all petty cash disbursements.

X. Finance Committee

- ### A. The Finance Committee will regularly review the financial operations of the Library, the proposed budget and (as necessary) proposed contracts; will oversee Library investments (see Section II, above); and will perform other necessary functions of a fiscal nature.

- ### B. The Treasurer will be a member of the committee.

XI. Office Manager

- ### A. The Office Manager will send the Board a monthly financial report, including a record of all checks written during the period, and will prepare any other reports that may be required by governmental agencies.

- ### B. The Office Manager will be bonded.

XII. Financial Review.

At least every two years, all Library funds, expenditures and Revenues will be subject to review by an independent public accountant.

Approved November 18, 2004; amended October 28 2010; amended April 21, 2016; amended April 16, 2020; amended July 13, 2022

Gifts

Policy 2.2

The Library welcomes all gifts which enhance the Library's collections or assist the Library in meeting its stated goals and objectives.

- ### I. Gifts are accepted only if the Library Director or the Board of Trustees determines that they can be utilized by or benefit the Library. All gifts may be used, sold or disposed of in the best interest of the Library.

- II. Gifts of cash, securities and real property will be handled by the Library Director who, with the Board of Trustees, will work out terms of acceptance that are compatible with Library policies, the donor's intent and applicable laws. Gifts of cash for specific furnishings for the Library, books, periodicals and other materials will be accepted with the understanding that the money will be spent at the discretion of the Library Director.

- III. Any gift considered for inclusion in the Library's collection is subject to the following conditions:
 - A. It must meet the same selection criteria as purchased materials. The Library Director must approve all gifts. If a gift cannot be added to the Library's collection, the Library will contact the donor, who may choose to reclaim the item(s). Gifts not added to the collection and not returned to the donor will be sold at the Library's book sale or otherwise discarded.
 - B. Once accepted, a gift becomes the property of the Library and the Library retains unconditional ownership. No gift will be returned to the donor.
 - C. When gift items are withdrawn from the collection, the Library need not notify the donor of the withdrawal. The Library will not automatically replace worn-out or lost gift items.
 - D. When the Library receives a cash gift for a memorial book, a Gift/Memorial Book Donation Request Form (Form #6) should be filled out. Donors may specify broad categories and/or individual titles, but the final decision will be made by the Library Director or Children's Librarian based on the Materials Selection Policy: Policy 1.2.

- IV. Library staff cannot be expected to provide an appraisal of donated material. The appraisal of a gift to the Library for tax purposes is the responsibility of the donor. The acceptance of a gift which has been appraised by a third and disinterested party does not in any way imply an endorsement of the appraisal by the Library.

- V. Recognition of gifts:
 - A. Gifts of substantial value, as determined by the Library Director, will be acknowledged by the Library in writing.

- A copy of the original invoice will be filed with the office manager.

III. Disposal of Surplus Property

- A. Any item owned by the Library District that is no longer needed for the provision of library services may be declared surplus and disposed of.
- B. Declaring Property Surplus
 1. Only property having a monetary value need be declared surplus. Property that is obsolete or broken and has no useful value may be disposed of without notice.
 2. The Director is authorized to declare as surplus Library District property whose value is estimated to be less than \$1,000.
 3. The Board of Trustees is authorized to declare as surplus property with an estimated value of \$1,000 or more.

C. Disposal and sale of surplus property:

1. Surplus library materials whose estimated value is less than \$1,000 will be sold by the method that will provide the Library District with the greatest monetary return. The Library Director will report results to the Board.
2. Surplus library materials valued at \$1,000 or more shall be disposed of at a public auction; if no reasonable bids are received, they may be sold by the method that will provide the Library District with the greatest monetary return.
3. As an exception to IIIC1 and IIIC2 above, property of any value may be donated to a tax-supported Library or Library System.

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Professional Development Travel

Policy 2.4

The Hyde Park Library District supports the professional development of the Library Director and staff, as affirmed in the Staff Development Policy, Policy 3.1 VII. Decisions about attendance will be based on the location and cost of the training and its potential benefit to the Library.

I. Local Workshops.

- A. Approval. Staff participation in local workshops requires advance approval by the Library Director when a workshop occurs during the employee's working hours, when employees are to be paid for attending, or when there is a registration fee.
- B. Reimbursement. Mileage and parking will be reimbursed.

II. Travel.

- a. Approval. The advance approval of the Library Director is required for professional development travel. Employees will present an estimated

budget for the conference with their application request. For travel by the Library Director, advance approval by the Board of Trustees is required.

- b. The Library will reimburse travelers for
 1. . the least expensive registration price possible, such as early registration.
 2. . a predetermined price for lodging, if an overnight stay is necessary. The Library Director will recommend acceptable lodging prices for approval by the Board of Trustees. Staff members will obtain the public employees sales tax exemption.
 3. a predetermined per diem for meals and incidental expenses.
 4. the most economical method of transportation. Mileage will be reimbursed at standard federal rates and should be estimated and requested in advance in the budget estimate.
- C. The employee is expected to
 1. make travel and lodging arrangements as appropriate.
 2. keep accurate expense records.
 3. submit a complete expense record with receipts to the Library Director within fifteen days of the completion of travel.
 4. report back to Library staff what they have learned at the conference, as requested by the Library Director.
- D. The Library Director will establish procedures for the execution of this policy, including
 1. how to estimate a travel budget and obtain permission to travel,
 2. what expenses will be reimbursed and the limits of those reimbursements,
 3. how to keep receipts and submit expense records. Standardized New York State forms for reporting travel expenses should be on file.
- E. Auditing travel claims. The Library Director will review employees' travel claims and recommend payment of approved expenses by the Board of Trustees. Board approval is required before payment is made.

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