

Community Library of DeWitt & Jamesville

Financial Processes

(10/2/19)

Financial transactions are audited annually by an independent CPA.

Bank Accounts

- Invoices and payroll are paid from Community Bank checking account. Current signers are the Executive Director, one Assistant Director, and the Board Treasurer. Two signatures are necessary on checks \$3k or higher per Board decision.
- Board Designated funds are held in a money market account at Community Bank. Current signers are the Executive Director and the Board Treasurer.
- The Library has a \$50k line of credit at Community Bank; current interest rate is 5%.
 - There are no fees for keeping the line of credit open.
- Paypal is used to receive donations by credit card. Any donation through Paypal is transferred to the money market account.
- The Library has a mortgage for the building with Community Bank.
- Transfers are made online between accounts as needed. Transfers are approved by the Board relative to the approved operating budget and cash flow projections.
- The Executive Director and Business Manager have online access to bank accounts, including statements, balances, cleared checks, and to make approved transfers or mortgage payments.

Front Desk

- One cash drawer is reconciled to \$116.20 daily.
- The cash register is locked when the Library is closed. A key is kept in the Assistant Director's office.
 - Employees have individual codes that they enter when using the cash register.
 - Funds collected for fines and other circulation transactions are deposited to the checking account.
- Cash and checks are kept in the safe (Business Managers office) until a deposit is made.
- Bank deposits are made as needed.
- Weekend activity is reconciled on Monday.

Mail

- Incoming mail is opened by the Executive Director. Checks are coded and given to the Business Manager. Bank deposits are made as needed, and documentation is filed by the Business Manager. When donations are received the Administrative Assistant copies checks, prepares thank you notes for the Executive Director's signature, and records donations in a spread sheet before a deposit is made.
- When Paypal donations are received online the Business Manager prints the notification and gives it to the Executive Director for coding. The same process of recording donations and preparing thank you notes follows.

- Fines can also be paid online by patrons through their Library accounts via the OCPL E-commerce system. OCPL calculates the amount due to the Library, and Onondaga County sends us a check quarterly.

Accounts Receivable

- Receivables are recorded when a donor pledges to make a future donation or if there is a matching gift associated with a donation.
- Grants: A receivable is recorded for a grant when the amount has been approved, in writing, from the funding source.

Check Signers

- The Executive Director is the primary signatory on Library checks and bank transfers. The Board Treasurer has signing authority on all accounts. In addition, one Assistant Director has signature authority on the Community Bank checking account only.
- The Assistant Director will sign checks only in the absence of the Executive Director, and the Business Manager notifies the Executive Director when that happens. The Assistant Director also co-signs when the check amount exceeds \$3k (an internal policy of the Board).

Accounts Payable/Invoices

- Executive Director reviews all invoices before they are paid.
 - Executive Director initials, dates, and assigns a budget line code to each invoice and forwards to the Business Manager.
- The Business Manager generates checks for payment through QuickBooks. Checks are kept in the safe.
 - Check runs occur on the 1st and 3rd Wednesday of the month or as needed to ensure prompt payment.
 - The check number and date are noted on invoices when paid.
 - The Business Manager gives the approved invoices and checks to the Executive Director for signatures. Checks in excess of \$3k will have a second signature.
- Paid invoices are filed in the Business Manager's office.
- Payables are recorded for regularly occurring expenses to ensure that the expense is recorded in the month incurred.
- Payables are recorded for large capital expenses.
- Payables are recorded monthly for materials, payroll, and the retirement plan.
- Travel expense and reimbursement – see Employee Handbook §607.

Payroll

- Timecards are signed by those employees who are required to complete them.
- Business Manager performs initial review and totals the number of hours to be paid. Business Manager follows up with supervisors as needed to ensure accuracy and completeness.
- Timecards are reviewed and initialed by the Executive Director before payroll is processed.
- Payroll is submitted online using ADP.

- All reports are available online.

Purchasing Supplies and/or Equipment

- The Executive Director approves all purchases in advance. The Business Manager orders routine supply items and will seek approval from the Executive Director for anything that falls outside of regular supply needs.
- The Library's preference is to be invoiced for purchases; however a credit card is available when invoicing is not an option.
- **Credit Cards**
 - The Library has a credit card through Community Bank (with a \$10k limit) and a credit account at Wegmans.
 - Credit cards are generally used for pre-approved purchases by professional staff only. Occasional exceptions may be granted after discussion with, and approval by the Executive Director.
 - The cards are kept in the safe in the Business Managers office. Only the Management team (Executive Director, both Assistant Directors, and the Business Manager) has access to the safe, so any approved staff member needing a credit card requests it from a manager.
 - Credit cards are signed in and out by completing the form in the Business Manager's office.
 - All receipts go the Executive Director for coding. The Executive Director then gives them to the Business Manager for reconciliation against the monthly statement.
- Purchases are tax exempt whenever possible.
- Receipts and/or invoices are required for all purchases.

Bank Statement Reconciliation

- Bank accounts and credit cards are reconciled as soon as statements are received. This is part of the monthly financial statement process.

Financial Reporting

- Financial reports are prepared monthly by the Business Manager.
- Reports are reviewed by the Executive Director.
- After Executive Director reviews, financial reports are sent to the Treasurer.
- The Treasurer reports at the monthly Board meeting as well as at the annual meeting.
- The Library has an audit performed by an independent CPA firm.
- The operating budget is approved by the Board annually.

Record Retention

- The Library adheres to Federal and New York State standards.
- Quickbooks is backed up to a removable flash drive and through an AT&T back up service.

Procurement Policy

- see attached

DCLA PROCUREMENT POLICY

PURPOSE

DeWitt Community Library ("DCL") is a free association library and does not constitute a political subdivision nor a district thereof and is not subject to the New York State General Municipal Law ("GML").

Goods and services therefore are not required by law to be procured pursuant to the GML. Notwithstanding, the board of the DCL has determined to procure goods and services in a manner so as to assure the prudent and economical use of public moneys, in the best interests of the taxpayers; to facilitate the acquisition of goods and services of maximum quality at the lowest possible cost under the circumstances; and to guard against favoritism, improvidence, extravagance, fraud and corruption. To further these objectives, the library board is adopting the following internal policies and procedures governing all procurements of goods and services.

Emergency services and goods that must be purchased immediately, the delay of which may threaten the life, health, and safety or welfare of the staff and/or public are exempt from bidding. For all other goods and services the following shall apply.

Procurement of Goods, Equipment and Service Contracts

This policy refers to all purchases exclusive of library materials and supplies, equipment and service contracts associated with the day-to-day operation and maintenance of the library, and library programs which are at the discretion of the Executive Director.

Purchases under \$2500 can be made at the discretion of the Executive Director after exercising due diligence.

Purchases over \$2,500

1. The Executive Director will create a specification sheet with respect to the proposed work or purchase. Such specification sheet should outline the scope of the proposed work or the specifications relative to the proposed purchase including but not limited to the costs associated with each.
2. The Executive Director must make a concerted effort to obtain three written bids. If one of the bids is delayed due to the negligence of the vendor, the Executive Director should choose from the two bids obtained.

3. The Executive Director selects one of the estimates based on quality, cost, availability (of contractor) and the needs of the library.
4. The Executive Director brings the decision to the Board for approval of funds. The report to the Board should include the specification sheet as well as a brief summary of the estimates received, the analysis and the choice made. Should the proposed winning bid be other than the lowest dollar offerer, the Executive Director shall set forth the reasons such an award furthers the purposes of the library and meets the goals of this policy.
5. The Executive Director shall retain the estimates and all other relevant materials in the project folder for a period of three years.
6. The Board will approve or disapprove of the proposed purchase.
7. If the project is not approved, the Board will advise as to the next steps.

Major equipment items and service contracts costing \$2,500 or more shall be identified at the time of budget preparation in accordance with the steps set forth above. Once the budget is approved, it is not necessary to bring the item or service contract before the Board for further approval prior to the purchase. Any equipment or service contracts costing in excess of \$2,500 which were not included in the budget require Board approval.

The foregoing shall not apply to contracts for professional services (see below).

No purchase of goods or services shall be made from any vendor in which any member of the Board of Trustees or the library administration holds a full or partial interest unless approved by the Board.

Procurement of Professional Services

Retention of professional service providers (defined to include attorneys, independent accountants, engineers, architects, consultants, real estate professionals) requires Board approval. Fees and costs budgeted for professional services do not require additional board approval. Any unbudgeted or excess fees and costs must be approved by the Board as per the clauses below. All professional service providers will be reviewed by the Executive Director or Board every three years and if the Board elects to seek new proposals the following applies:

Professional costs up to \$2,500 – If the professional services relate to the day-to-day operation and maintenance of the library, it is at the discretion of the Executive Director. If services are to assist the Board do its work, then it is at the discretion of the Executive Committee.

Professional costs between \$2,500 and \$5,000 – The Board, the recommending committee, or the Executive Director as applicable must submit a minimum of three documented telephone or e-mail quotes, make a recommendation of one professional to the Board, and receive Board approval.

Professional costs between \$5,000 and \$15,000 – The Board, the recommending committee, or the Executive Director as applicable must obtain a minimum of three written quotes, make a recommendation of one professional to the Board, and receive Board approval.

Professional costs over \$15,000 – The Board, the recommending committee, or the Executive Director as applicable must engage in a formal bidding process and the selected bid must receive Board approval.

Miscellaneous

A good faith effort shall be made to obtain the required number of proposals or quotations as set forth herein above. If the purchaser is unable to obtain the required number of proposals or quotations, the purchaser will document the attempt made at obtaining the proposals. In no event shall the failure to obtain the proposals be a bar to the procurement if purchaser demonstrates due diligence in its efforts to obtain same.

Policy Review

The Board of Trustees shall review and, when needed, update this policy and procedures. The Executive Committee shall be responsible for conducting a regular evaluation of the effectiveness of the procurement policy and procedures established to ensure compliance with, and effectiveness of, the procurement policy and shall be responsible for reporting back to the Board.

Effective Date

This policy shall become effective as of January 1, 2014.
Approved by the Board of Trustees at a regular Board Meeting on November 21, 2013.