

Financial Controls Policy for Elizabeth B Pert Library Hector, NY

Introduction

The Financial Controls Policy for Elizabeth B Pert Library provides the framework for managing the library's financial resources with transparency, accountability, and integrity. It is designed to ensure that financial activities are conducted in accordance with best practices, legal requirements, and the library's mission to serve the community. This policy outlines the checks and balances that govern the handling of financial transactions and the roles of the Treasurer and President of the Board of Trustees in managing the library's finances.

1. Financial Oversight and Responsibilities

- The Board of Trustees is responsible for the overall financial management of the library and for ensuring that financial resources are used responsibly, efficiently, and in alignment with the library's goals and mission.
- The Treasurer is responsible for overseeing the financial activities, ensuring accurate record-keeping, managing financial statements, and advising the Board on financial matters.
- The President of the Board of Trustees is responsible for providing leadership in financial decision-making, ensuring proper governance, and working with the Treasurer to ensure financial transparency and accountability.
- Both the Treasurer and the President of the Board of Trustees have oversight of financial activities, but financial decisions and approval require cooperation and shared responsibility of the President, Treasurer, and Library Director(s).

2. Checks and Balances

To prevent errors, fraud, or misuse of funds, the library will maintain a system of checks and balances in all financial operations:

- **Separation of Duties:** No individual is responsible for both authorizing financial transactions and handling funds. The Treasurer and the Board of Trustees are responsible for ensuring that different individuals perform duties related to financial oversight and transaction approval.
- **Approval of Transactions:** All financial transactions, including expenses and payments must be reviewed and approved by both the Treasurer and the Board of Trustees before they are processed.
- **Regular Audits and Reviews:** The library will conduct regular internal and external audits of its financial records to verify accuracy, assess compliance with financial controls, and ensure that funds are being properly managed. Two Board Members will be responsible for overseeing the internal audits at least once every year.

- **Reconciliation of Accounts:** Bank account reconciliations will be completed monthly and reviewed by both the Treasurer and the President of the Board of Trustees. Any discrepancies will be addressed promptly and documented.
- **Financial Reporting:** The Treasurer will provide the Board of Trustees with monthly financial reports, including income and expense statements, balance sheets, and any other relevant financial data. These reports will be reviewed in detail by both the Treasurer and President before being presented at board meetings.
- **Payment Authorization:** Payments (e.g., for vendors, utilities, or payroll) will require approval from the Treasurer and be reviewed by the Board of Trustees on a monthly basis. For recurring payments, pre-approved budgets must be followed.
- **Petty Cash:** Petty cash, if used, will be limited in amount and must be approved by both the Treasurer and the Library Director(s) before being accessed. All petty cash expenses must be documented with receipts and a clear purpose for the expenditure. The petty cash fund will be reconciled regularly to ensure proper use.
- **Debit Cards-** Will be assigned to the President, Treasurer, and Library Director. Amounts over \$200 must be approved by both the Treasurer and the President before being accessed. All expenses must be documented with receipts and a clear purpose for the expenditure and will be reconciled with the monthly bank statement.

3. Budgeting and Financial Planning

- The library's annual budget will be prepared by the Director(s) with input from the Board of Trustees, and will outline expected revenues, expenditures, and reserves for the upcoming fiscal year.
- The final budget must be approved by a majority of the Board of Trustees before being implemented.
- Any significant changes or amendments to the budget (e.g., unforeseen expenses or changes in revenue) must be brought before the Board of Trustees for approval.

5. Fundraising and Donations

- All fundraising activities and donations to the library will be recorded in the library log by the Director, receipt acknowledged to donor, and routed to the Treasurer for deposit.
- The Treasurer will ensure that all fundraising income is properly accounted for, and the Board of Trustees and Director(s) will ensure that all funds raised are used in accordance with the library's goals and donor specifications.
- Both the Treasurer and Director(s) will provide regular updates on fundraising activities and donation allocations to the Board of Trustees.
- Individual(s) designated as the chair of a fundraising event will be responsible for accounting for all revenue, expenses, and profit. They will provide a summary report money for deposit to the Treasurer.

6. Conflict of Interest

- Both the Treasurer and the President of the Board of Trustees are required to disclose any potential conflicts of interest regarding financial transactions.
- In cases where a conflict of interest arises, the individual involved must recuse themselves from discussions and decisions regarding the affected financial matter.
- All financial decisions made by the Board of Trustees, including approving budgets, spending, and financial reports, must be made in the best interest of the library and the community.

7. Financial Transparency

- The library is committed to maintaining transparency in all financial matters. As such, detailed financial reports will be made available to the public upon request and will be presented at Board meetings for public discussion.
- The library will also post annual financial summaries on its website to ensure that patrons and stakeholders are informed of the library's financial status and management.

8. Fraud Prevention and Reporting

- The library will maintain strong internal controls to prevent fraud, misappropriation of funds, or other financial misconduct.
- Any employee, board member, or stakeholder who suspects fraud or unethical financial activity must report it immediately to the Treasurer, President of the Board of Trustees, or Director(s).
- The library will promptly investigate any reports of fraud or misconduct and take appropriate corrective actions, which may include disciplinary measures or legal action.

Conclusion

The Financial Controls Policy for the Elizabeth B Pert Library ensures that all financial activities are handled with integrity, transparency, and accountability. The checks and balances provided by the shared responsibility between the Treasurer, Director(s), and President of the Board of Trustees promote proper oversight and reduce the risk of financial mismanagement. Through this policy, the library demonstrates its commitment to the responsible stewardship of public funds, the protection of its financial resources, and the trust placed in it by the community.