

Financial Integrity & Accountability

The Macedon Public Library (MPL) Board of Trustees recognizes their responsibility, to the residents and taxpayers of the Town of Macedon, to assure that the library maintains an internal accounting and administrative control system that protects the Library's financial resources.

The MPL 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 Director 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 Director will report evaluations and changes in the internal control system to the MPL Board of Trustees as identified at each regularly scheduled board meeting.

The library's financial officer will submit a written report on the state of the library's internal controls for the previous year in January each year as a part of the annual audit.

Budget

The Director shall annually draft a preliminary budget for discussion and development by the MPL Board of Trustees.

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

A Budget Committee, appointed by the President, will prepare an operating budget which includes cost for all programming, management and fund raising and all sources of funding for the following fiscal year that will be presented to the Board of Trustees at the August meeting. This operating budget shall also be presented to the Town Board members at a date chosen at their pleasure in either September or October. All members of the budget committee will attend this meeting. Trustees not on the budget committee are also urged to attend this presentation to show support for the proposal.

Payment of Bills

The fiscal year of the Library shall run from January 1 through, and including, December 31.

Bills incurred by the Library shall be presented to the MPL Board of Trustees at each regular MPL Board Meeting. The voucher, invoice and check for each bill payment shall be reviewed and approved by MPL Board motion as is appropriate. After such approval, the Director will sign each check used for payment up to \$5000.00. For checks over \$5000.00, the Finance Officer will co-sign the check. If the Finance Officer is unable to sign a check, another authorized Board of Trustees member may do so. (awaiting approval: 4/26/2021)

The Director may pre-pay payroll and employment tax bills from a separate payroll account requiring only the Director's signature. All payroll timesheets shall be checked against the payroll report and bank statement showing the transfer of funds for payroll payment. A report of any such payments will be made to the Board of Trustees at the next regularly scheduled Board meeting.

The Director may pre-pay other bills (such as utilities, personnel benefits or those that carry a significant penalty for late payment) with a check co-signed by the Director and Finance Officer (or another authorized Board member.) A report of any such payments will be made to the Board of Trustees at the next regularly scheduled Board meeting.

The Director, Finance Officer and one other specially designated MPL Trustee shall have signature cards filed at Lyons National Bank for the purpose of signing checks.

Purchasing

All products purchased by the Library require a signed voucher. The Director is responsible for the signing and maintaining of all vouchers. The Director may delegate portions of that duty to appropriate staff.

All services procured by the Library require a written contract. The Director is responsible for the signing and maintaining of contracts. The Director may delegate portions of that duty to appropriate staff.

All Library purchases will be made in a lawful manner. Purchases that must by law be made through the competitive bidding process are to be made through the competitive bidding process.

The competitive bidding threshold under General Municipal Law for contracts for public works is \$20,000 and the threshold for purchase contracts is \$10,000.

If, in the opinion of the Director, a purchase that exceeds the thresholds needs not be subject to competitive bidding, the Director will make a recommendation for purchase to the Board of Trustees and present the reasons why bidding is not required. This will be done at a regular meeting of the Board of Trustees. The Board must agree by legal vote with the Director's recommendation for the purchase to be made. Reasons to dispense with competitive bidding may include emergencies, leases, professional services and sole source procurements.

When it is in the Library's benefit to add to or upgrade an existing system or equipment by using the same vendor who supplied the original existing system or equipment the Director must get Board approval before making such a purchase if the purchase will exceed the competitive bidding threshold.

Purchasing (continued)

Items or services costing at least \$10,000 will be brought to the attention of the full Board of Trustees for discussion and approval.

The Director may authorize the purchase of items or services costing less than \$10,000.

For purchases that exceed \$5,000 the Director should get at least two bids. For any purchase that exceed \$7,500 the Director should get at least three bids.

Conference Travel & Meal Costs

Meal costs (excluding alcoholic beverages) for travel-related approved conferences shall be regulated by board approval. The Macedon Public Library allows \$30 per day for meals for employees attending out-of-system conferences.

Reimbursement for Conference/Travel Meal costs are contingent upon the amount of money available within the budget. Reimbursement will not be available once the funds allocated to this budget line are expended. Check with the Treasurer or Director to plan accordingly if attending a conference.

In all instances, itemized receipts must accompany the request for reimbursement.

Claims Auditor

The Claims Auditor will be appointed by the Board to ensure that all expenditure vouchers are properly itemized and documented before payments are made. To maintain the position's independence, the claims auditor will be someone who is independent of both the purchasing and check signing functions. The Claims Auditor must delegate the role to another trustee in their absence.

Responsibilities:

-Approves vouchers and invoices submitted to the library board prior to their payment.

-Ensures proper documentation and itemization are provided and that payment is for proper library purposes.

-Indicates his or her approval of claims by signing or initialing each individual voucher, which will then be forwarded to the Treasurer for the preparation of checks and to the Board of Trustees for approval.

Audit Checklist:

1. The voucher packet includes an original invoice.
2. The invoice specifies the description and price of the items specified on the purchase order.
3. No unauthorized taxes are paid, discounts are taken, and shipping charges (where applicable) are accurate.

Claims Auditor (Continued)

4. There is a receiving signature indicating work has been completed and/or materials were delivered satisfactorily.
5. Charges are not duplicates of items already paid.
6. The proposed payment is for a valid and legal purpose.
7. The unit price billed on the invoice does not exceed the bid or contract authorization.
8. There is supporting documentation if the expenditure was required to be bid.
9. There is evidence the library system policy was followed (written or verbal quotes were obtained) if the expenditure was not required to be bid.
10. The expenditure complies with Board policy (ex: Credit Card)
11. Contract provisions and/or Board minutes support invoices for professional services.
12. Shipping address is Macedon Public Library address.
13. The batch list of all warrants corresponds with all submitted voucher packets
 - check there are consecutive voucher numbers on each invoice
 - vendor information and total to be paid is clear
 - Initial your certification to each entry on the batch printout as well as on each voucher/invoice.
 - Initial your certification of total batch expenditures.
14. Report any findings or concerns to the Board President.

Investment Policy

Scope

This investment policy applies to all monies and other financial resources available for investment by the Macedon Public Library on its own behalf or on behalf of any other entity or individual.

Objectives

The primary objectives of the Macedon Public Library's investment activities are, in priority order,

1. to conform to all applicable federal, state and other legal requirements (legal),
2. to adequately safeguard principal (safety),
3. to provide sufficient liquidity to meet all operating requirements (liquidity) and
4. to obtain a reasonable rate of return (yield.)

Delegation of Authority

The MPL Board's responsibility for administration of the investment program is delegated to the Library Director and/or his designees and the Treasurer who shall establish written procedures for the operation of the investment program consistent with these investment guidelines. Such procedures shall include an adequate internal control structure to provide a satisfactory level of accountability based on a data base or records incorporating description and amounts of investments, transaction dates, and other relevant information and to regulate the activities of subordinate employees.

Prudence

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the Macedon Public Library to govern effectively.

Investment Policy (Continued)

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering safety of the principal as well as the probable income to be derived.

All participants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Diversification

It is the policy of the Macedon Public Library to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

Internal Controls

It is the policy of the Macedon Public Library that all monies collected by any officer or employee be transferred to the Director within three days of deposit, or within the time period specified in law, whichever is shorter.

The Director is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and managed in compliance with applicable laws and regulations.

Designation of Depositaries

The banks and trust companies authorized for the deposit of monies are:

- Lyons National Bank
- Genesee Regional Bank

Investment Policy (Continued)

Collateralizing of Deposits

In accordance with the provisions of General Municipal Law, § 10, all deposits of the Macedon Public Library, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

1. By a pledge of “eligible securities” with an aggregate “market value”, or provided by General Municipal Law, § 10, equal to the aggregate amount of deposits from categories designated in Appendix A to this policy.
2. By an eligible “irrevocable letter of credit” issued by a qualified bank other than the bank with the deposits in favor of the government for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization or by a bank that is in compliance with applicable federal minimum risk-based capital requirements.
3. By an eligible surety bond payable to the government for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations.

Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by the Lyons National Bank and/or a third party bank or trust company subject to security and custodial agreements.

Investment Policy (Continued)

The security agreement shall provide that eligible securities are being pledged to secure Macedon Public Library deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events which will enable the local government to exercise its rights against pledged securities. In the event that the securities are not registered or inscribed in the name of the Macedon Public Library, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Macedon Public Library or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the Macedon Public Library, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution, or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the Macedon Public Library a preferred interest in the securities.

Permitted Investments

As authorized by General Municipal Law, § 11, the Macedon Public Library authorizes the Director to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

1. Special time deposit accounts,
2. Certificates of deposits,
3. Obligations of the United States of America,
4. Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America,

Investment Policy (Continued)

5. Obligations of the State of New York

6. Obligations issued pursuant to Local Finance Law § 24.00 or 25.00 (with approval of the State Comptroller) or by any municipality, school district or district corporation other than the Macedon Public Library.

7. Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investments.

8. Certificates of participation (COPs) issued pursuant to General Municipal Law, § 109-b,

9. Obligations of the Macedon Public Library, but only with moneys in a reserve fund established pursuant to General Municipal Law, § 6-c, 6-d, 6-e, 6-g, 6-h, 6-j, 6-k, 6-l, 6-m, or 6-n.

All investment obligations shall be payable or redeemable at the option of the Macedon Public Library within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Macedon Public Library within two years of the date of purchase.

Authorized Financial Institutions and Dealers

The Macedon Public Library shall maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the Macedon Public Library conducts business must be credit-worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Macedon Public Library. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The Director is responsible for evaluating the financial position and maintaining a listing of proposed depositories, trading partners and custodians. Such listing shall be evaluated at least annually.

Investment Policy (Continued)

Purchase of Investments

The Director is authorized to contract for the purchase of investments:

1. Directly, including through a repurchase agreement, from an authorized trading partner.
2. By participation in a cooperative investment program with another authorized governmental entity pursuant to Article 5G of the General Municipal Law where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46, and the specific program has been authorized by the Board of Trustees.
3. By utilizing an ongoing investment program with an authorized tracking partner pursuant to a contract authorized by the Board of Trustees.

All purchased obligations, unless registered or inscribed in the name of the Macedon Public Library, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with the prior written authorization from the Director. All such transactions shall be confirmed in writing to the Macedon Public Library by the bank or trust company. Any obligation held in custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in General Municipal Law, § 10.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for, the Macedon Public Library, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or liabilities. The agreement shall describe how the custodian shall confirm the receipt and release of securities. Such agreement shall include all provisions necessary to provide the Macedon Public Library a perfected interest in the securities.

Investment Policy (Continued)

Repurchase Agreements

Repurchase agreements are authorized subject to the following restrictions:

1. All repurchase agreements must be entered into subject to a Master Repurchase Agreement.
2. Trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers.
3. Obligations shall be limited to obligations of the United States of America and obligations of agencies of the United States of America where principal and interest are guaranteed by the United States of America.
4. No substitution of securities will be allowed.
5. The custodian shall be a party other than the trading party.

Schedule of Eligible Securities

1. Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United States government sponsored corporation.
2. Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, and the African Development Bank.
3. Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the Market Value of the obligation that represents the amount of the insurance guaranty.
4. Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of such State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys.
5. Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
6. Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
7. Obligations of counties, cities and other governmental entities of a state other than the State of New York having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating.
8. Obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization.
9. Any mortgage rated securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by bank regulatory agencies.

Schedule of Eligible Securities

10. Commercial paper and bankers' acceptances issued by a bank, other than the Bank, rated in the highest short term category by at least one nationally recognized statistical rating organization and having maturities of not longer than 60 days from the day they are pledged

11. Zero coupon obligations of the United States government marketed as "Treasury strips".

Annual Audit

The Macedon Public Library will retain the services of a Certified Public Accountant who will provide advice and consultation to the Board of Trustees and the Director.

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 Director, to anyone who wishes to view it.

Monthly Financial Report

The Director will present to the Board of Trustees a monthly financial report that will include:

- vouchers
- a summary of account cash balances
- a listing of coded receipts and disbursements including year-to-date totals for all library funds.
- monthly bank statement
- monthly deposit slips
- payroll report with timesheets

The MPL Board of Trustees shall:

- Inspect all vouchers and assure unsigned check payments align with amount printed on invoice and voucher.
- Inspect deposit slips and assure deposits align with financial reports and bank statement.
- Inspect bank statement and assure it is in alignment with financial report.
- Inspect timesheets and assure all align with payroll report.
- Three trustees shall provide their signatures confirming they have carefully inspected all of the above.

Director and Finance Officer/Treasurer:

- Upon complete inspection of all vouchers and checks and motion of the MPL Board to approve payment of invoices, the Director and Finance Officer (or other specially designated MPL trustee) shall both sign checks for payment of said invoices.
- Bi-weekly, all checks issued by the agreed upon Payroll Service, shall be signed by two of the following three designated people: the Director, the Finance Officer and a specially designated trustee (only in the case that either the Director or Finance Officer is not available).

Deposit of Funds

The Director will designate a staff member to deposit all available library funds in the short-term account that he/she feels best meets the Library's current financial needs.

The Director 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 staff member(s) will deposit all available Library funds into authorized accounts in a timely manner and return to the library promptly with the appropriate deposit slip(s) for filing.

Gifts & Donations

The Macedon Public Library welcomes financial and material donations.

Financial donations:

All gifts will be used at the Library's discretion. For donations in excess of \$500.00, the person or institution may request a special usage agreement. For donations between \$500 and \$999.99 this agreement can be made between the donor and the Director. For gifts of more than \$1,000 the Board of Trustees must approve the agreement.

Should the donation not be connected to any special request and exceed \$499.99, the money will become part of a future endowment. Donations under \$500 may also be added to the future endowment at the wishes of the donor.

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. Acceptance of the item is at the discretion of the Library Director.

The Macedon Public Library retains full control over all donated materials. Donated items are added to the Library's collections, given to other institutions, donated to Friends of the Macedon Public Library 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 offer pick-up service for donated material(s). Deliveries of donations must be arranged for during normal operational hours .

The Library will acknowledge all monetary donations exceeding \$99.99 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.

Disposal & Sales of Surplus Items

The Director may dispose of surplus items in any legal manner. Disposals of items that originally cost more than \$2,000 should be reported to the Board of Trustees. Disposals of items that originally cost more than \$10,000 should be pre-approved by the Board of Trustees. The Director is authorized to sell surplus items by using a closed bid system. The receipts of all such sales should be reported to the Board of Trustees at their next regular meeting.

The Director may dispose of donated items in any legal manner. The Director is authorized to sell donated items using either a closed bid system for items valued at more than \$500 or a set price system for items valued at less. The sales of items using a closed bid system should be reported to the Board of Trustees at their next meeting. The sales of items using a fixed price system should be reported to the Board of Trustees as a part of the monthly financial report.

Petty Cash

The Library will establish an account of \$150 to be used for small purchases made at the discretion of the Director. 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.

Credit Card Policy

A bank business credit card can be established in the name of the Macedon Public Library and the specific name of the Library Director, and be issued to the Library Director.

Expenditures must be within the guidelines of the particular activity of the approved budget and not be used for personal expenses.

Macedon Public Library's procurement procedures require the use of an invoice/receipt and a voucher form clearly indicating the purpose of the purchase.

Online invoice printouts and email confirmations will be accepted as proof of purchase. Hardcopy receipts and documentation for each purchase will be attached with account assignment to the credit card statement and forwarded to the Board of Trustees and Finance Officer for payment.

The Director must be ready to explain all purchases if questioned.

Card usage must be reconciled with the monthly statement. The Board of Trustees shall inspect said statement against the supplied receipts and documentation.

Discrepancies will be immediately investigated.

Payment of the monthly statement must be made in a timely fashion so that finance charges are not incurred.

Failure to adhere to this policy constitutes misuse and will result in review, and may result in disciplinary action including termination, civil liability, and/or criminal prosecution.

Online Banking

The Macedon Public Library has entered into a written agreement with Lyons National Bank (LNB) for online banking services. Unique id's and passwords are individually secured.

Online banking will only take place on a designated computer located within the confines of the library. The Library Director serves as the administrator on the account.

The Treasurer is a sub-user on the account.

The Finance Officer is a view-only sub-user on the LNB account.

All deposit accounts are held at Lyons National Bank. Internal account transfers, stopping payment on a check, and printing/viewing statements are authorized activities.

Wire transfers and electronic payments to vendors are not allowed, except debits in the following instances:

- The payroll service is authorized to debit from Payroll Checking the amount of bi-weekly payroll, payroll taxes, and the payroll service fee per the submitted payroll file.
- NYS Retirement is authorized to debit from Payroll Checking the employee contributions withheld from employee's paychecks per the Monthly Retirement Report.

Financial Signature/Review Policy

During each annual meeting, or as necessary, the following procedures will be performed:

- The Board of Trustees shall approve new signers to each bank account.
- The Board of Trustees shall approve any new and necessary bank accounts.
- As required, new signers shall complete the appropriate signature card.
- Name, address and telephone directory of Board of Trustees and officers will be obtained from the Board Secretary.
- Recommended changes of the current accounting procedures should be approved.
- All financial institutions should be notified of any changes to the authorized signers of the accounts within three (3) business days. A copy of the minutes showing the resolution declaring the authorized signers shall be filed at the financial institution.

IRS Form 990 and Municipal Annual Report

IRS Form 990 and Annual Report will be completed annually and a review copy will be made available to Library Trustees and to the Library Director at the March board meeting. Any necessary corrections will be made. The board will approve the completed form no later than the April board meeting. The Treasurer will sign, date, and submit the form by the filing deadline.

The municipal AUD shall be filed within the proper timeline annually. A review copy will be made available to Trustees and to the Library Director at the October Board Meeting. The Board will approve the completed form no later than the November board meeting.

Record Retention

Records are filed and stored by the Library Director in compliance with the New York State Records Retention and Disposition Schedule MU-1:

<http://www.archives.nysed.gov/publications/records-retention-and-disposition-schedule-mu-1>

Accepted Accounting Procedures

Monthly

On a monthly basis, the treasurer will review the fiscal records of the library from the previous month, including bank statements, deposit slips and vouchers.

In the event this review does not occur in a given month, then the records from two months will be reviewed by the treasurer.

The Treasurer will provide a monthly Report of Vouchers, Deposits, and Journal Entries from QuickBooks.

Monthly Checklist (Treasurer):

- Examine Bank Statements and Reconciliations
- Promptly reconcile the bank statement.
- Check for any inconsistent check numbers, signatures, cash balances and payees.
- Initial and date first page of each bank statement reviewed.
- Initial and Date Reconciliations
- Present list of vouchers and unpaid bills details for review by the Claims Auditor (Financial Officer or other delegated Trustee). This will be approved at the next regularly scheduled meeting.

2. Reconcile each account promptly. All accounts will be reconciled no later than 30 days after receipt of the monthly bank statements. The following steps should be performed for each reconciliation:

- A comparison of dates and amounts of any deposits as shown on the bank statements with Quickbooks.
- An investigation of items rejected by the bank, i.e., returned checks or deposits.
- A comparison of canceled checks with invoices, disbursement, and journal entries.
- An accounting for the sequence of checks both from month to month and within a month.

Accepted Accounting Procedures

(continued)

- An examination of canceled checks for authorized signatures and alterations.
- A review and proper mutilation of voided checks. Investigate and write off checks which have been outstanding for more than one year.

3. Examine Lists of Invoices and Deposits and Journal Entries from QuickBooks

- Spot check Date , Payee, Account, and Amount against Actual Invoices or Deposits on Bank Statements
- Print and file monthly Report of Vouchers, Deposits, and Journal Entries from QuickBooks.
- Reconcile bank accounts monthly using Quickbooks.
- Prepare all financial reports.

Quarterly

On a quarterly basis (October, January, April, July) the Financial Officer and one member of the finance committee will join the treasurer to review these records in addition to payroll records.

In addition to the monthly Report of Vouchers, Deposits, and Journal Entries the Treasurer will also provide a Report of Payroll Transactions for the quarterly review. -These functions may be performed by the Financial Officer for a period of time up to six months in the event of a new treasurer.

Quarterly Checklist:

- Examine Bank Statements and Reconciliations
- Check Timeliness of Reconciliation
- Initial and Date Reconciliations
- Examine Lists of Vouchers and Deposits and Journal Entries from QuickBooks
- Check Date , Payee, Account, and Amount against Actual Invoices or Deposits on Bank Statements
- Initial and Date Vouchers and Deposits List
- Examine Payroll Reports and Timesheets to assess for accuracy
- Initial and Date Payroll report

Accepted Accounting Procedures

(continued)

- Report to the Board of Trustees the results of the quarterly review using the Quarterly Audit Form (Appendix 1E).
- The report should be included in the minutes of the meeting when presented.

Yearly

- Contact contracted accounting firm for yearly audit and tax preparation.
- Prepare any files or reports requested by accounting firm.
- Meet with accounting firm representative.
- File tax forms in a timely manner.
- Collect Town of Macedon Tax Allocation and take directly to the bank for deposit in the money market account.

Maintenance of General Ledger Procedures

Treasurer Responsibilities

- File all receipts, deposits, and disbursements.
- Print and file payroll reports.
- File all bank statements.
- Manage the petty cash fund.
- Double check all reimbursement requests against receipts provided.
- Backup Quickbooks monthly (see procedure E).
- These functions may be performed by the financial officer in the event of a vacancy and for a period of time up to six months for a new treasurer.

Bank Reconciliations

- The Treasurer upon receipt of the completed bank reconciliations will prepare any general ledger adjustments.
- Copies of the completed bank reconciliations will be made available to the financial officer for his/her review.

Accepted Accounting Procedures

(continued)

Other General Ledger Accounts Reconciliations

1. Assets - These accounts will include petty cash, property and equipment.
 - The balances in cash accounts should agree with the balances shown on the bank reconciliations for each month.
 - Property and Equipment - The amounts in this account should equal the totals generated from the audited depreciation schedules. When additional purchases are made during the year, the balances in the accounts may be updated accordingly.
2. Liabilities - These accounts are described liabilities, or amounts due to others.
 - Payroll Tax Liabilities - The amounts in these accounts should equal amounts withheld from employee paychecks as well as the employers portion of the expense for the period that has not been remitted to the government authorities.
3. Other Income/Expenses - These accounts are described as income from fines, memorials, grants, and other expense line items.
 - Other Income - The amounts charged to the various cash accounts should be reconciled with funding requests, funders reports, draw down schedules, etc.
 - Gross Salary Accounts - The balances in the gross salary accounts should be added together and reconciled with the amounts reported on quarterly payroll reports.

Financial Statements Procedures

Monthly Reports

A set of month-end financial reports will be distributed to the Board of Trustees. The reports should include:

- a consolidated balance sheet and consolidated income and expense report
- a budget-to-actual report for all accounts included in the annual operating budget

Accepted Accounting Procedures

(continued)

Year-End Reports

At the end of the fiscal year a year-end report should be prepared summarizing the total income and expense activity for the year. A balance sheet should be prepared as of December 30 and should be attached to the income and expense report.

*This report will be initially reviewed by the Financial Officer prior to distribution at the annual meeting.

Insurance Protection Procedures

- An insurance policy will remain in effect to cover loss by destruction or damage to the library building or contents, liability, or crimes.
- Once a year the Audit Committee will verify that the insurance premiums have been paid for insurance coverage towards:
 - Commercial Application
 - Property
 - General Liability
 - Equipment Floater
 - Workers' Compensation
 - Umbrella
 - Officers' and Director's Liability.

Once a year the Audit Committee will review existing insurance coverage and endorsements, the amount of insurance, and premiums. Any recommendations to changes in coverage will be made to the Board of Trustees.

Claims for the following must be reported promptly, by contacting the insurance agency:

- FIRE - In the event of fire call 911 immediately and notify the town supervisor
- THEFTS AND VANDALISM - In the event of losses or damage to property contact the police by calling 911 immediately. Only the police are authorized to conduct an investigation or take action regarding criminal acts such as theft or vandalism.

Accepted Accounting Procedures

(continued)

- DISHONESTY OF EMPLOYEES - Report losses immediately to the police and/or Audit Committee. Indicate the circumstances of the loss, the date of loss, location, and the amount of the loss. Once a loss due to the dishonesty of an employee becomes known, the insurance company may not pay for any future losses caused by such employee; there is a duty to report claims promptly and take action to prevent or reduce further loss.
- LIABILITY OR INJURY TO NON-EMPLOYEE - Upon becoming aware of an incident which might lead to a liability claim and when a claim for liability is received, immediately notify the Library Director and give the director a completed incident report.
- EMPLOYEE INJURY - Report injuries promptly. All other injuries (other than First Aid) must be reported immediately. Contact the Town of Macedon for details concerning filing a workers compensation claim

Every few years the Library Director should request insurance quotes for coverage purchased solely on behalf of the library. There shall be at least 2 quotes provided in addition to the cost charged by the current provider.

Payroll Procedures

- Timesheets are to be prepared by all staff persons and submitted biweekly. Time should be input on a daily basis and, if in writing, completed in ink. Correction fluid should never be used in preparing timesheets. If an error needs to be corrected, a line should be drawn through the item and the corrected information recorded, and initialed by the person who made the correction.
- Timesheets are to be authorized by the staff person and his/her supervisor.
- All approved timesheets should be submitted to the Library Director, who will verify the hours worked against his/her record.
- The Library Director should then process the time and report the information to the payroll service. The information reported should include: hours, sick leave, vacation leave, and holiday pay.

Accepted Accounting Procedures

(continued)

NYS Employee Retirement data should be reported by the Library Director or payroll service prior to the 7th of each month for the prior month.

Memorials and Donations Procedure

- Memorial gifts will be deposited directly into the memorial account in the general ledger.
- Each gift will include a description in the ledger with the donor name and memorium designation in addition to the amount.
- For donations exceeding \$100, an acknowledgement will be mailed mentioning the donation amount. This may serve as a receipt the donor may use for income tax purposes.
- Donations, designating monetary gifts, will be handled in the same manner as memorials.
- Donors of gifts other than cash will be offered a receipt form. Donors will fill in the value of the donated items on the form and staff will sign the bottom of the form to indicate receipt of the items.
- All monetary donations will be deposited within a week of receipt.

Petty Cash Ledger Procedure

- Petty Cash drawer will have a maximum balance of \$150

When cash is taken for a purchase:

1. Enter the date
2. Enter the amount taken under the appropriate line item column
3. Enter the new balance of the drawer
4. Two people Initial the entry
5. Place receipt for the purchase in the designated envelope.

At end of each month, 2 staff members will count the balance in the drawer and compare to the balance on the ledger and initial.

As needed:

- Attach all receipts to the ledger page and submit to Treasurer for review
- The Treasurer will reimburse the petty cash drawer for the total of the receipts, returning the drawer balance to \$150
- Upon replenishing the drawer to \$150, begin new ledger sheet

Accepted Accounting Procedures

(continued)

Cash Drawer Excel Spreadsheet Procedure

1. Receipts or register tape must be issued for all payments received, the receipt should include the date, payee, reason and amount. If a check is received the receipt should include the check number.
2. On a daily basis, two employees must count the cash collected and compare the total to the total amount indicated on the Excel spreadsheet.
3. Every night, the highest ranking employee on duty will remove monies from the cash drawer. The cash drawer will have no more or less than \$40 in it for the start of business the next day. The money removed will be placed in an envelope along with a printed hard-copy of the spreadsheet. The cash drawer and deposit envelope will be locked up at the close of business.
4. The cash drawer will be recounted each morning before the start of business to ensure it contains no more or less than \$40.
5. Money removed from the cash drawer will be deposited at the bank. The deposit slip will be stapled to the Excel spreadsheet and filed in a three ring binder.
6. All bank deposits will be made within a week of money being received.
7. Weekly the Director will:
 - Total the amount received as indicated by each spreadsheet
 - Total the amount printed on each deposit slip.
 - Ensure that the total amounts for the spreadsheets and deposit slips balance
8. Monthly the Director will:
 - Supply access to the binder containing deposit slips and spreadsheets to the Finance Officer and Treasurer. Finance Officer will reconcile this information with the information entered into Quickbooks and bank statements.

Operating Budget/Expense System/Finance Procedures

1. Income and expenses will be logged by the Treasurer using an approved financial ledger system and following accounting practices, which conform to accepted standards.
2. A Monthly Financial Report will be prepared by the Treasurer and presented to the Board of Trustees.

Accepted Accounting Procedures

(continued)

3. The Board must approve expenses, i.e. conferences, travel, capital equipment (over \$500).
4. A checking account and savings account has been established for the Macedon Public Library and will be reconciled monthly by the Treasurer
5. An Annual Financial Summary prepared by the Treasurer and audited by the Fiscal Officer will be submitted to the Board of Trustees.
6. An independent review of financial statements, prepared by a Certified Public Accountant at least every three years and/or in the event the Library Director is replaced.
7. IRS Form 990 and State Annual Report will be filed within proper time lines.
8. The municipal AUD shall be filed within the proper time line.

Segregation of Duties

ROLE:	Annual Report	Municipal AUD	Form 990	Paid Audit	Yearly Budget	Signature Cards	Bills	Payroll	Deposit of Funds	Verification of funds
Treasurer	Preparation of financial section	Preparation	Preparation	Implements policies and procedures identified and written by Board.	Collaborates with Director, Finance Officer and Budget Committee to design a fiscally responsible budget proposal.	Does not have authority to sign checks.	Enters data into Quick-Books using appropriate line numbers, descriptions and vendor information, cuts checks	Enters payroll report information into Quick-books.		
Finance Officer	Review for accuracy	Review for accuracy	Review for accuracy		Collaborates with Director, Treasurer and Budget Committee to design a fiscally responsible budget	Signature card filed at bank. Updated each January.	Reviews Quickbook reports to ensure vouchers received are in line with these reports and bank	Ensures payroll report coincides with time-sheets and bank	Checks bank statements against deposit slips for accuracy, checks Quickbooks reporting is	
Director	Review for accuracy	Review for accuracy	Review for accuracy	Implements policies and procedures identified and written by Board. Ensures staff follow all policies and procedures. Makes report available to the public on website.	Collaborates with Finance Officer, Treasurer and Budget Committee to design a fiscally responsible budget proposal.	Signature card filed at bank. Updated each January.	Purchases items and provides documentation in the form of a voucher with receipt to the Treasurer, Finance Officer and Board of Trustees.	Ensures reported hours, vacation time, sick time and holiday time are correct. Reports annual wages to payroll service in Dec.		
Claims Auditor							Scrutinizes all Voucher packets at monthly board mtg.			
Board of Trustees	Approval	Approval	Approval	Reviews report and amends policies and procedures accordingly to maintain internal controls	Collaborates with Director, Treasurer and Finance Officer to design a fiscally responsible budget proposal.	President or Vice-President files signature card at bank. Updated each January.	Authorizes payment	Reviews report to check it coincides with the bank debits.		

Segregation of Duties

(Continued)

ROLE:	Annual Report	Municipal AUD	Form 990	Paid Audit	Yearly Budget	Signature Cards	Bills	Payroll	Deposit of Funds	Verification of funds
CPA				Paid to do a complete financial audit & procedural audit						
ROLE:	Annual Report	Municipal AUD	Form 990	Paid Audit	Yearly Budget	Signature Cards	Bills	Payroll	Deposit of Funds	Verification of funds
Designated Staff Member									Takes money to bank for deposit, returns immediately with deposit slip	Counts all money for deposit with Director to verify amount being deposited, ensures deposit slip matches, initials log sheet