

Financial Policies of the Amagansett Free Library

I. Financial Integrity and Accountability

The Board of Trustees recognizes its responsibility to the residents and taxpayers of the Library district to assure that the Library maintains an internal accounting and administrative control system that protects the Library's financial resources. The Board of Trustees will serve in an advisory and oversight role so as to assure that the integrity of the Library's finances remains 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 it a 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 Board of Trustees.

II. Budget

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

III. Purchasing & Procurement Policy

All items costing more than \$500.00 per item require a signed purchase order for purchasing. The Director is responsible for the signing and maintaining of purchase orders. The Director may delegate portions of that duty to appropriate staff. All Library purchases will be made in a lawful manner. Competitive Bidding is not required for an Association Library. Items or services costing at least \$10,000 will be brought to the attention of the Board of Trustees for discussion.

The Director may authorize the purchase of items or services costing less than \$10,000; however, for purchases that exceed \$7,500 the Director will make a reasonable effort to obtain three estimates, unless the service or repair is performed by a vendor with whom the library has a pre-existing service or maintenance contract.

When it is in the Library's benefit to add to, repair, or upgrade existing systems, equipment, or parts of the building by using the same vendor who supplied or previously repaired the original system, equipment or part of the building, the Director may get Board approval for such a purchase instead of getting estimates if the purchase will exceed \$10,000. Details of the estimates (name of vendor, price, and description) will be recorded in the minutes.

In the event of a serious emergency that threatens safety or the ability of the Library to stay open to the public the Director is authorized to take necessary action, the cost of which shall not exceed \$25,000, if calling an emergency meeting of the Board of Trustees beforehand is not practical.

The Director is authorized to sign checks when necessary in the absence of, but with the approval, of the Board President or Treasurer.

IV. Payment of Bills

The Board will review all bills and approve the warrant at their regular monthly meeting. The Treasurer or their designee will review bills and sign checks. In the event the Treasurer is absent, the Director will sign all checks with the approval of the Board President. If need be, the Library Board can approve the hiring of an independent claims auditor or treasurer.

The Library Director shall be authorized to prepay any of the following obligations prior to the Trustees voting on the bill list (warrant) upon which such obligation shall be listed:

- a. Payments under contractual agreements previously approved and authorized by the Board of Trustees;
- b. Payment of utility bills and postage and other time-sensitive items so that finance charges are not incurred;
- c. Payroll and related expenses, i.e. taxes, insurances, union dues
- d. Library programmers
- e. Credit card bills, or other payments that would otherwise incur late fees

In the event of the lack of a quorum at the regular monthly meeting, the Director is authorized to pay the bills so as not to incur unnecessary late fees. The unapproved list of bills must be presented and approved at the next regular meeting.

V. Annual Audit

The Amagansett Free Library will retain the services of a certified public accountant that 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.

VI. Financial Report

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

- a. Warrants (Bills)
- b. Summary of account cash balances
- c. Listing of receipts and disbursements including year-to-date totals for all library funds.

VII. Gifts and Donations

The Amagansett Free Library welcomes financial and material donations.

- a. Financial donations: All gifts will be used at the Library's discretion unless the donor requests a special usage agreement. For donations of \$10,000 or less, this agreement can be made between the donor and the Director. For gifts of more than \$10,000, the Board of Trustees must approve the agreement.
- b. Materials donations: The Library may accept donations of 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.

The Library retains full control over all donated materials. Donated items are added to the Library's collections, given to other institutions 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 provide pick-up service for donated materials and all deliveries of donations must be arranged in advance with the Director, or his/her designee.

When requested the Library will issue a receipt for donated materials. No monetary value will be assigned as it is the responsibility of the donor to have materials appraised before donating them to the Library.

VIII. Disposal and Sales of Surplus or Donated Items

The Director is authorized to dispose of surplus material as per Education Law Section 226 6 (b), however disposal of items that originally cost more than \$500 will be approved by the Board of Trustees.

IX. Petty Cash

The maximum limit for petty cash at any one time shall be \$100.00 plus the amounts needed for the cash drawers at the public service desks. Receipts will be retained for all purchases and the Director must approve all reimbursements. Any necessary replenishment of the Petty Cash Fund will be reflected in the monthly warrant for approval by the Board.

X. Bank Signatories

Members of the Board of Trustees, the Library Treasurer, and the Library Director are authorized signatories for the Library.

XI. Credit Card Policy

- a. Credit cards may be established in the name of the Library Director on behalf of the Amagansett Free Library. All monthly statements and correspondence will be sent to the Library. Library Credit cards are to be used solely for the purchase of library property such as office supplies, housekeeping or maintenance supplies, computer supplies, computer software or hardware, conference/seminar registrations, program supplies, programming supplies, and ordering circulating and reference materials. They may not be used for personal purchases, cash withdrawals, cash advances, fines or private expenses.
- b. Payment of the monthly statement must be made in a timely fashion so that finance charges are not incurred.
- c. The Library's credit cards are not for personal use.
- d. Improper use of a library credit card can lead to disciplinary action up to and including termination and the recovery of any money not covered by the credit card agreement.

Approved July 2019

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