



## Orchard Park Public Library

### Finances and Local Funds Accountability

(As revised November 19, 2024)

The finances of the Orchard Park Public Library consist of two types of monies:

Operational funding is determined through an annual contract for services with the Buffalo and Erie County Public Library. The administration of these funds is defined by this contract.

Local Funding is generated from fundraising, donation, grant or other sources and managed by the Board of Trustees of the Orchard Park Public Library.

The Local Accounts of the Orchard Park Public Library consist of non-operational donated monies, income earned from the sale of library owned materials and equipment, and foundation fund income. These monies may be used for any purpose approved by the Board of Trustees, and may be retained from year to year.

The Local Account is divided into encumbered and investing monies.

Encumbered money is kept in a checking account and spent for the purpose designated by the donor. The Library Director handles this money, its use reported to the Board in the Librarian's and Financial Reports. It is limited to short term spending and includes:

- Memorial & Group gifts – usually designated for library materials or furniture
- Petty Cash – the Board designated the 'profit' from the sale of library discards to be spent for the incidental needs of the library.
- Tax money – NYS sales tax is collected on the sale of all library discards. This money is held in the Special Account and remitted annually.

The following policy statement will govern the acceptance, safekeeping, investment and utilization of the local funds and operational accounts.

#### Cash Procedures

##### Petty Cash

The Board of Trustees of the Orchard Park Public Library establishes a petty cash fund for the purpose of paying small cash amounts. Items will later be charged to their various expense accounts, local and county funded as appropriate. Use of the fund must be pre-approved by the Library Director or Librarian in Charge. The fund will be drawn from the income from discarded library books and media. It will be established at \$500.00. This amount will be evaluated as appropriate by the Library Director, and any increase or decrease will be approved by the Board of Trustees.

## **Finances and Local Funds Accountability, continued**

### **Checking Account**

All monies should be held in accounts established at a federally insured commercial bank within the library service area as selected by the Board of Trustees. The Board of Trustees authorizes the Library Director to make deposits and to transfer funds from account to account as necessary.

No withdrawals or expenditures shall be made from these accounts without the express authorization of the Board of Trustees. The treasurer, one additional trustee designated by the Board and the Library Director (or acting Director) will be authorized to sign checks. All checks require two signatures, the Library Director (or acting Director) and either the treasurer or the designated trustee. All payment authorizations should be initialed by the director or the director's designee and reviewed by the Board appointed Claims Auditor before signing the checks.

Bank statements and monthly bank reconciliations must be reviewed and approved by the treasurer or another trustee. This must be an individual who does not prepare checks for signature. Separation of duties determined per Claims Audit Policy.

The local funds accounts may be audited at such frequency and by such person or organization as the Board of Trustees may deem appropriate. The Library Director shall make bi-monthly reports to the Board as to activity in the local accounts.

### **Donations**

Every effort will be made to ensure that recognition of the donors is timely, meaningful to the donor, and appropriate and equitable, unless the donor wishes to remain anonymous. Gifts on which a donor places restrictions or special conditions will be accepted only if those restrictions or conditions are accepted by the Orchard Park Public Library Board of Trustees or its designee. If the conditions placed on the donation by the donor are such that the donation should be used for long term purposes of the library, such funds shall be invested with such financial institution as prudent in the circumstances.

All donations will be acknowledged in such a manner which fulfills the requirements under the laws in effect for public charities at the time of the donations.

### **Investments**

The objective of investment account assets is to maintain liquidity and principle guarantee, therefore the funds can only be deposited into FDIC (Federal Deposit Insurance Corporation) money markets, certificates of deposit, U.S. Treasury instruments and, on a restricted basis, Community Foundations.

These policies are determined by the Board of Trustees, and are subject to review and revision at the discretion of the Board. Appeals to any policy may be submitted to the Board of Trustees in writing.