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Procedure A  
Treasurer Responsibilities

**Monthly**

On a monthly basis, the treasurer will review the fiscal records of the library from the previous month, including bank statements, invoices. 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 Invoices, Deposits, and Journal Entries from QuickBooks.

Monthly Checklist (Treasurer):

1. 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 warrants and unpaid bills details for review by the Claims Auditor (President of the Board or other delegated Trustee). This will be approved on 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.
  - 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 Invoices, 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 Invoices, Deposits, and Journal Entries the Treasurer will also provide a Report of Payroll Transactions from QuickBooks 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:

1. Examine Bank Statements and Reconciliations
  - Check Timeliness of Reconciliation
  - Initial and Date Reconciliations
2. 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
  - Initial and Date Invoice and Deposits List
3. Examine Payroll Transactions QuickBooks

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Adopted at the 10/2/07 Red Jacket Community Library Meeting

- Compare Payroll Service Statement to Quickbooks Report
- Initial and Date Payroll Transactions List

4. 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 School Tax Yearly Allocation from School District Office and take directly to the bank for deposit in the money market account.
- Pay rent to School District per contract.

Procedure B  
Maintenance of General Ledger

**Treasurer Responsibilities**

1. File all receipts, deposits, and disbursements.
3. Print and file payroll transactions from QuickBooks.
4. File all bank statements.
5. Manage the petty cash fund.
7. Doublecheck all reimbursement requests against receipts provided.
8. Backup Quickbooks monthly (see procedure E).
9. 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**

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

**Other General Ledger Accounts Reconciliations**

1. Assets - These accounts will include petty cash, property and equipment.
  - A. The balances in cash accounts should agree with the balances shown on the bank reconciliations for each month.
  - B. 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.
  - A. 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.
  - A. Other Income - The amounts charged to the various cash accounts should be reconciled with funding requests, funders reports, draw down schedules, etc.
  - B. Gross Salary Accounts - The balances in the gross salary accounts should be added together and reconciled with the amounts reported on quarterly payroll returns.

Procedure C  
Financial Statements

**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.

**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 June 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.

Procedure D  
Financial Signature/Review Policy

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

1. The Board of Trustees shall approve new signers to each bank account.
2. The Board of Trustees shall approve any new and necessary bank accounts.
3. As required, new signers shall complete the appropriate signature card.
4. Name, address and telephone directory of Board of Trustees and officers will be obtained from the Board Secretary.
5. Recommended changes of the current accounting procedures should be approved.
6. All financial institutions should be notified of any changes to the authorized signers of the accounts within three (3) business days.

Procedure E  
Insurance Protection

1. An insurance policy will remain in affect to cover loss by destruction or damage to the library building or contents, liability, or crimes.
2. Once a year the Audit Committee will verify that the insurance premiums have been paid for insurance coverage towards 1) Commercial Application, 2) Property, 3) General Liability, 4)Equipment Floater, 5) Workers' Compensation, 6) Umbrella, and 7) Officer Liability.
3. 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.
4. Claims for the following must be reported promptly, by contacting the insurance agency.
  - A. FIRE – In the event of fire call 911 immediately.
  - B. THEFTS AND VANDALISM – In the event of losses or damage to property contact the Sherriff's Office by calling 911 immediately. Only the police are authorized to conduct an investigation or take action regarding criminal acts such as theft or vandalism.
  - C. DISHONESTY OF EMPLOYEES - Report losses immediately to the Sherriff's Office 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.
  - D. 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. The Director should contact the insurance agency.
  - E. EMPLOYEE INJURY - Report injuries promptly. All other injuries (other than First Aid) must be reported immediately. Contact the the insurance agency for details in filing a workers compensation claim or New York State Workers' Compensation Board at <http://www.wcb.state.ny.us/index.htm> when additional support or instructions are required.
5. Every few years the Library Director should request insurance quotes for coverage from at least 2 insurance companies in addition to the current provider. Quote requests should be sent via certified mail to show proof of request.

Procedure F  
Payroll Procedures

1. 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.
2. Timesheets are to be signed by the staff person and his/her supervisor.
3. All approved timesheets should be submitted to the Library Director, who will verify the hours worked against his/her record.
4. 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.
5. NYS Employee Retirement data should be reported by the Library Director prior to the 7<sup>th</sup> of each month for the prior month.



Procedure G  
Memorials and Donations

1. Memorial gifts will be deposited directly into the memorial account in the general ledger.
2. Each gift will include a description in the ledger with the donor name and memorium designation in addition to the amount.
3. The name of the donor will be recorded in the memorial book and an acknowledgement will be mailed including the donation amount to be used for tax purposes.
4. Donations, designating monetary gifts, will be handled in the same manner as memorials.
5. Donors of gifts other than cash will be offered a receipt equivalent to the value of the items donated.
7. All monetary donations will be deposited within a week of receipt

Procedure H  
Petty Cash and Receipts

**Petty Cash Ledger**

1. Petty Cash drawer will have a maximum balance of \$100
2. When cash is taken for a purchase
  - A. Enter the date
  - B. Enter the purpose – ie: program supplies
  - C. Enter the amount spent
  - D. Enter the new balance of the drawer
  - E. Initial the entry
  - F. Place receipt for the purchase in the drawer
3. At end of each week, 2 staff members will count the balance in the drawer and compare to the balance on the ledger and initial.
4. As needed:
  - A. Attach all receipts to the ledger page and submit to Library Director for review
  - B. The Treasurer will reimburse the petty cash drawer for the total of the receipts, returning the drawer balance to \$100
  - C. Begin new ledger sheet

Procedure I  
Cash Register 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. Each employee that places cash in the cash register should have their own unique register code.
3. On a daily basis, two employees must count the cash collected and compare the total to the cash register tapes.
4. The daily register tape must be attached to the Daily/Weekly Income Log (Appendix 1J) for that week.
5. When cash is transferred from one employee to another the receiving employee must count the cash in front of the employee handing it over and both get a copy of a duplicate receipt.
6. Each night the highest ranking employee on duty must remove monies from the cash register and place it in the locked safe.
7. Each morning the highest ranking employee on duty will setup the cash drawer with \$50 and the balance of the monies received previous day will remain in the safe until the time that it is deposited in the bank.
8. Bank deposits will be made within a week of money being received.
9. At the end of each week the following items are entered on the Daily/Weekly Income Log. a journal entry is made by the Treasurer
  - A. Date
  - B. Source of income – ie: fines, refund, etc.
  - C. Amount received
  - D. Initial the entry
10. Weekly the highest ranking employee on duty will:
  - a. Total the amount received
  - b. Attach any check stubs to the Daily/Weekly Income Log Spreadsheet
  - c. Make deposit for the total amount, returning the drawer balance to \$50
  - d. Attach deposit receipt to the ledger page and submit to the Treasurer
  - e. Begin a new ledger sheet for the next period

Procedure J  
Claims Auditor Policy

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.

Responsibilities:

Approves vouchers and invoices submitted to the library system prior to their payment. Ensures proper documentation and itemization are provided and that payment is for proper library system purposes. □

Indicates his or her approval of claims by signing or initialing each individual voucher, which will then be forwarded to the Business Manager for the preparation of checks and to the Treasurer 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. The purchasing agent's signature authorized the release of the purchase order.
4. No unauthorized taxes are paid, discounts are taken, and shipping charges where applicable, are accurate.
5. There is a receiving signature indicating work has been completed and/or materials were delivered satisfactorily.
6. Charges are not duplicates of items already paid.
7. The proposed payment is for a valid and legal purpose.
8. The unit price billed on the invoice does not exceed the bid or contract authorization.
9. A contract or purchase order is on file supporting the amount paid.
10. There is supporting documentation if the expenditure was required to be bid.
11. There is evidence the library system policy was followed (written or verbal quotes were obtained) if the expenditure was not required to be bid.
12. The expenditure complies with Board policy (e.g., travel and conference reimbursements, meals and refreshments, credit card use).
13. Contract provisions and/or Board minutes support invoices for professional services.
14. Shipping address is Pioneer Library System address.
15. The batch printout corresponds with all voucher/invoice packets; check corresponding voucher numbers on each invoice, vendor information and total to be paid. Initial your certification to each entry on the batch printout as well as on each voucher/invoice. Initial your certification of total batch expenditures.
16. Report any findings or concerns to the Board President.

Procedure K  
Payment of Bills

The fiscal year of the Red Jacket Community Library shall run from July 1 through and including June 30.

Bills incurred by the Red Jacket Community Library shall be presented to the Claims Auditor who will authorize payment on behalf of the Board of Trustees. After such approval, the Library Director will sign each check used for payment.

The Board Treasurer, or another Board-authorized signatory, will co-sign any check for more than \$1,000. Vouchers for payments will be made available to the Board of Trustees at each regular Board meeting in a manner prescribed by the Board of Trustees.

The warrant of all payments made will be reviewed and approved by Board motion as is appropriate.

The Director may authorize pre-pay payroll, withholding taxes, payroll taxes, and biweekly payroll service charges from the Operating Checking account through an account debit by the payroll service. A report of any such payments will be approved by the Treasurer and made to the Board of Trustees at the next regularly scheduled Board Meeting.

For any month where there is no board meeting the Director may authorize pre-payment of bills with a check signed by the Director and co-signed by the Treasurer (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.

Procedure L  
Online Banking

The Red Jacket Community Library has entered into a written agreement with Canandaigua National Bank and Trust for online banking services. Unique id's and passwords are individually secured. Online banking will only take place on the Library Directors computer.

The Library Director serves as the administrator on the account. The Treasurer is a sub-user on the account. The Board President is a view-only sub-user on the CNB account.

All deposit accounts are held at Canandaigua 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:

- Paychex 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.

Procedure M  
Debit Card Policy

The Red Jacket Community Library provides for restricted use of a debit MasterCard pursuant to the Red Jacket Community Library's Procurement Policy to facilitate the daily operations of the Library. All purchases must be Red Jacket Community Library use and benefit only. The debit card may not be used for the purchase of personal items, alcoholic beverages or tobacco products.

Procedures for credit card use:

The library system a debit MasterCard to the Library Director. All employees issued a credit card shall sign a Credit Card Use Agreement.

All purchases and expenditures of Red Jacket Community Library funds must be within approved budget guidelines. Red Jacket Community Library procurement procedures require the use of a purchase order, receipt of goods or services, and subsequent payment from an invoice whenever possible. However, occasionally, purchases can only be made with the use of a debit card.

All charges require itemized receipts/invoices with the purchase order number and employee's name to be promptly submitted to the Treasurer. If the card is used for online purchases, the transaction confirmation page from the site is to be printed and submitted.

Procedure N  
Meals and Refreshment Policy

From time to time, meals and/or refreshments may be deemed appropriate for a particular meeting, event or situation that is being held for business purposes.

In such instances, the purchase order procedure should be followed with as much detail as possible. All food should be provided using our sales tax exempt status. Additional delivery and tip charges will be allowed. The employee accepting food should indicate initials, date and purchase order number on all receipts or invoices.

Examples of authorized categories of expenditures include but are not limited to refreshments for programming, refreshments for meetings of the Red Jacket Community Library Board of Trustees that are expected to exceed two hours, meals for Red Jacket Community Library staff meetings that are expected to exceed two hours, and meals or refreshments at other meetings at which Library business is conducted.

Conference/Travel Meal Costs:

Meal costs (excluding alcoholic beverages) for travel-related approved conferences shall be regulated by board approval. The Red Jacket Community Library allows \$30 per day for meals for employees attending out-of-system conferences. In all instances, itemized receipts must accompany the request for reimbursement.