

GALWAY PUBLIC LIBRARY POLICIES AND PROCEDURES

01.00 FINANCIAL POLICIES

1.01 -1.17

The financial policies shall be reviewed and signed annually by the president of the Board of Trustees (“Board”) of the Library (the “President”) and chief financial officer appointed by the Board (the “CFO”) to ensure the policies are still pertinent and up-to-date. If either determines the policies are not pertinent and up-to-date in any material manner, two members of the Finance Committee will review and make recommendations to the Board to cause these policies to be pertinent and up-to-date.

POLICY ANNUAL REVIEW		
Date of Review	<i>Signature / President</i>	<i>Signature / CFO</i>
July 2021		
July 2022		
July 2023		
July 2024		

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GALWAY PUBLIC LIBRARY POLICIES AND PROCEDURES

01.01 POLICY – ACCOUNTING DOCUMENTATION AND DEVELOPMENT OF PROCEDURES

Policy Statement: It is the policy of The Galway Public Library (the “Library”) to establish and maintain records to record costs of the Library based on generally accepted accounting principles (“GAAP”) in all material respects, as well as any applicable, current and existing Federal guidelines.

Policy Interpretation and Implementation:

- A. Costs and revenue are documented and recorded through the general accounting process based on GAAP. The systems established for check disbursements, petty cash disbursements and accrual of costs all support the measurement and reporting of direct and indirect expenses of the Library.
- B. Interim financial statements are produced by the bookkeeper used by the Library (the “Bookkeeper”) each month reporting costs for each category. The information is also used to assist in the process of developing the Library’s budget as it pertains to the tax levy and to assist in the projection of costs and budgets for the upcoming year.
- C. All payments must be reviewed and approved in advance by the Board, other than recurring expenses, petty cash and as otherwise approved by the Board.

I certify our Board of Trustees adopted the above on 19 October 2022

Cate La Barre (PRESIDENT) 10/19/22 DATE

GALWAY PUBLIC LIBRARY POLICIES AND PROCEDURES

01.02 POLICY – ANNUAL AUDIT

Policy Statement: It is the policy of The Galway Public Library to have an annual audit performed by an independent and reputable accounting firm.

Policy Interpretation and Implementation:

An annual audit will be completed for the Library. These audits will be conducted by an independent certified public accountant. The resulting audit report must cover the credibility of the Library's financial reporting and accounting procedures. The CPA performing the audit will meet with the Board by October, if possible, to present the report, answer questions, and provide feedback on recommended procedural changes. The Library Director will distribute the audit report to all members of the Board and Finance Committee.

Pursuant to the law as in effect in 2020, if a charitable nonprofit receives money from the federal government and expends more than \$750,000 of federal dollars in a single fiscal year, the organization is most likely required to have an independent financial audit referred to as a "Single Audit." Various state and local laws may also require an independent financial audit for charitable nonprofits that receive funds from state and local governments. Federal, state, and local "**law audit requirements**" should be researched if such funds are received. The Library will use its best efforts to comply with all such laws and related regulations.

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Cate La Barre (PRESIDENT) 10/19/22 DATE

GALWAY PUBLIC LIBRARY POLICIES AND PROCEDURES

01.03 POLICY – ANNUAL BUDGET

Policy Statement: It is the policy of The Galway Public Library to have an annual budget to assist in assuring the responsible expenditure of operational and capital funds during the fiscal year.

Policy Interpretation and Implementation:

Planning is an important ongoing process for any organization. The budget provides the Library with the opportunity to carefully match the goals of the organization with the resources necessary to accomplish those goals. The budgeting process for the new fiscal year will begin in December and be completed in time to be approved by the Board no later than the date necessary to be included on the ballot for the Galway Public Library. The budget should be prepared by the Library Director with input from the CFO and the President, be approved by the Finance Committee, be submitted to the Board for review, adjusted as appropriate and resubmitted to the Board for final review and approval, or resubmission to the Finance Committee to address any specific issue that the Board may have with the budget, at their next meeting. In the event the Board resubmits the budget to the Finance Committee to address the concerns of the Board, the revised budget will be re-submitted to the Board, in the same manner, until such time as it is approved by the Board.

In addition to the budget for the upcoming fiscal year, the Finance Committee and the Library Director should develop a three-year financial forecast during the budgeting process to help identify long-range needs and goals.

The Library Director is required to analyze the budget against actual revenues and expenses on a monthly basis. A copy of the monthly Profit & Loss Budget vs. Actual report, invoices, receipts log, and check registers with explanation of large or unusual variances, will be forwarded by the Library Director to the Board monthly. These reports will be reviewed and discussed each month at their regularly scheduled meetings.

The budget will reflect:

- A. The Library Director's estimate of current revenues and expenses necessary for day-to-day operations.
- B. The long-range needs and/or goals of the Library described in the three-year financial forecast and the financial support necessary to address those needs and/or goals.
- C. The short-term goals of the Library that lead to the incremental accomplishments of the long-range needs and/or goals described in the three-year forecast.

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Cate La Barre (PRESIDENT) 10/19/22 DATE

GALWAY PUBLIC LIBRARY POLICIES AND PROCEDURES

01.04 POLICY – AUTHORIZED SIGNERS FOR DISBURSEMENTS

Policy Statement: It is the policy of The Galway Public Library to require certain management and/or Governing Body signatures on checks disbursed.

Policy Interpretation and Implementation:

Individuals authorized to sign checks on behalf of the Library include the President, the CFO and two other Trustees designated by the Board from time to time. Withdrawals from checking and savings accounts will require signatures from any two of the authorized signers.

Transfer of funds between different Library accounts require only one signature as long as two signatures are required to remove funds from control of the Library.

At least two members of the Board must have access to all Library financial accounts and records to insure proper review capability.

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Cate La Barre (PRESIDENT) 10/19/22 DATE

GALWAY PUBLIC LIBRARY POLICIES AND PROCEDURES

01.05 POLICY – BANK STATEMENTS

Policy Statement: It is the policy of The Galway Public Library to have a procedure for the receipt and reconciliation of bank statements.

Policy Interpretation and Implementation:

- A. The Library Director will review and initial bank statements upon receipt.
- B. Once that review has been completed, the statements are forwarded to the treasurer or another individual appointed by the Board for reconciliation.
- C. Reconciliation against the Library records should be completed within 30 days of receipt. Discrepancies will be reported as soon as possible to the Library Director, Bookkeeper, and CFO.
- D. Once reconciliation has been completed, the bank statements and reconciliation report will be kept on file.

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Cate La Barre (PRESIDENT) 10/19/22 DATE

GALWAY PUBLIC LIBRARY POLICIES AND PROCEDURES

01.06 POLICY – CONTRIBUTIONS

Policy Statement: It is the policy of The Galway Public Library to accept financial contributions from individuals, groups, donor families, and organizations to benefit the Library.

Policy Interpretation and Implementation:

The processing of all financial contributions is as follows:

- A. After receiving the contribution, the Library Director or individual designated by the Library Director will prepare and send a letter of thanks and acknowledgement to the contributor. The value of the donation will be indicated in the letter.
- B. Contributions not designated for a specific purpose by the donor will be deposited into the Library's Capital Fund. The Library Director will record contributions in the receipt log. The Bookkeeper will record the amount of each contribution, the donor, and the account benefitting from the contribution.
- C. Donors may designate their contribution to be used for a specific purpose or deposited in one of the Library's existing accounts (Operating, Story Quilt, Capital...). Any unusual stipulations associated with a contribution must be reviewed and approved by the Board before the contribution is accepted.
- D. Non-monetary contributions The Library has a separate policy with respect to non-monetary contributions, as stated in Section 01-16 of these Policies and Procedures.

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Cate La Barre (PRESIDENT) 10/19/22 DATE

GALWAY PUBLIC LIBRARY POLICIES AND PROCEDURES

01.07 POLICY – DISBURSEMENTS VIA THE ISSUANCE OF CHECKS

Policy Statement: It is the policy of the Galway Public Library to issue checks in order to pay vendors, to reimburse expenses of staff and to meet other Library financial obligations.

Policy Interpretation and Implementation: Except as may otherwise be stated herein:

- A. The Library Director may initiate a check request by submitting an invoice along with appropriate receipt or approval to the Bookkeeper. The invoice must be annotated to show which expense accounts are to be charged and to what extent.
- B. Requests must be dated and signed or initialed by the Library Director.
- C. All checks must have two authorized signatures. All checks, signed or unsigned, must be kept in a secure location.
- D. After the Bookkeeper generates checks and records them, they will be held along with any necessary supporting documentation.
- E. Two signatories will review all checks, sign those that have been approved by the Board and those that have been approved will be mailed by the Library Director and or Bookkeeper and those that have not will remain until approved by the Board.

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Cate La Barre (PRESIDENT) 10/19/22 DATE

GALWAY PUBLIC LIBRARY POLICIES AND PROCEDURES

01.08 POLICY – EMPLOYEE EXPENSES AND REPORTING

Policy Statement: It is the policy of The Galway Public Library to reimburse all staff in a timely fashion for expenses related to Library business.

Policy Interpretation and Implementation:

- A. All business mileage is reimbursed at the then current IRS rate per mile. Mileage is approved based on the following guidelines:
- B. Mileage is paid based on the distance from the Library office to the designated travel location and back.
 - 1. If a staff person leaves from home, the mileage for reimbursement is paid based on the distance from the person's home minus the normal travel distance from the person's home to the Library. For example, if the person is traveling from his or her home to a location that is closer to home than the distance to the Library office, there is no travel reimbursement. If the employee is leaving from home and the destination is greater than that to the Library office, the distance for reimbursement is calculated on the distance to the destination minus the normal travel distance to the Library office.
 - 2. If the person has several locations to visit in a day, the above rule applies and is then calculated on the exact mileage traveled between locations minus the normal travel distance to the Library.
 - 3. If the person is returning from a location, the same rules apply but the initial travel distance is that from the location to the person's home.
 - 4. If the person is traveling for a business-related activity outside normally scheduled work hours, the person will be reimbursed for the full mileage from home to the location.
- C. Payments made for tolls and parking are also reimbursable expenses.
- D. The Expense Reporting Form must be completed in its entirety to receive reimbursement. The person requesting reimbursement and the Library Director must sign the submitted form. In order to be reimbursed, the person must attach original receipts and/or mileage logs to the expense statement. Failure to submit a receipt or mileage log for a requested expense may jeopardize reimbursement. If a person has a request for expense reimbursement for something for which the person has no receipt or mileage log, Library Director may approve.

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GALWAY PUBLIC LIBRARY POLICIES AND PROCEDURES

- E. The Expense Reporting Form must be turned in by the last day of the month following the expenditure if the total monthly expenses exceed \$20. Failure to do so will/may result in forfeit of reimbursement. If the monthly total expenses do not exceed \$20, the person may choose to combine one or more months, submitting the expenses once the total exceeds \$20.
- F. Persons may receive reimbursement more than once per month.
- G. Any person planning out of town travel for business should inform the Library Director well in advance so that travel and payment arrangements can be made.
- H. Hotel expenses should be either pre-paid by the Library, or if the person wishes, he/she can charge the expense to a personal credit card for reimbursement promptly following approval. The person should pay for other travel-related expenses such as meals using his/her advance allowance or a personal credit card. Expenses for lodging and meals will be reimbursed at the actual costs incurred but are not to exceed the rate set by the Federal General Services Administration (www.gsa.gov/, "Per Diem Rates") unless approved by the Library Board.
- I. Advance amounts are made based on a figure of \$150.00 per day and may be obtained for out-of-town travel when necessary and approved by the Library Director. An Expense Reporting Form must be completed and submitted with all receipts. The hotel invoice must be submitted to the Bookkeeper for reconciliation whether it is prepaid or expensed.
- J. The employee expenses of the Library Director must be reviewed and approved by the Board.

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Cate La Barre (PRESIDENT) 10/19/22 DATE

GALWAY PUBLIC LIBRARY POLICIES AND PROCEDURES

01.09 POLICY – PETTY CASH PROCEDURES

Policy Statement: It is the policy of The Galway Public Library to create a petty cash fund for the purpose of providing either cash advances or reimbursements for minor expenses.

Policy Interpretation and Implementation:

The following procedures will be followed in the management of a petty cash fund:

- A. Petty cash fund shall be kept in a locked cash box and stored in a secure area.
- B. The amount in the petty cash funds should be maintained at approximately \$250 and shall be replenished when the balance falls below \$100 or as determined by the Library Director.
- C. The Library Director must approve all advances and reimbursements.
- D. When money is added to the petty cash fund, this addition is to be noted by the Bookkeeper stating the date and amount and the source of the funds.
- E. Cash advance receipts that acknowledge the cash advance are required to be signed by the recipient when cash advances are received. Mileage logs are required for reimbursements and/or to determine if any of portion of the cash advance should be returned to the Library. When money is paid out of the petty cash fund for advances and reimbursements, it must be recorded on the petty cash log including date of expenditure, amount, resulting petty cash balance, to whom the payment is made and purpose of payment. The records should be kept on a monthly basis.
- F. The Board will review the log each month. Any expenditure not approved by the Board must be reimbursed by the individual who made the expenditure.

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Cate La Barre (PRESIDENT) 10/19/22 DATE

GALWAY PUBLIC LIBRARY POLICIES AND PROCEDURES

01.10 POLICY – COLLECTION AND DEPOSIT OF FUNDS

Policy Statement: It is the policy of The Galway Public Library to uphold a process for collecting and depositing funds that maintains internal controls.

Policy Interpretation and Implementation:

The following procedures will be followed in the process of collecting and depositing funds:

- A. The Library Director will open mail making a record of all receipts including source, date, and amount. Cash and checks are placed in the cash box.
- B. Receipts collected by library staff must be given to the Library Director, who will process them as in step A.
- C. The Bookkeeper will prepare the bank deposit slip for the receipts to be deposited, make a copy of each check being deposited, and verify the Library Director's record of receipts. The correct account is marked on the receipts log by the Director so that the Bookkeeper knows which account receives the deposit.
- D. A copy of each bank-generated printed deposit slip with copies of the checks/documentation which made up that deposit will be included in the bank statements and related materials provided to the Treasurer.

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Cate La Barre (PRESIDENT) 10/19/22 DATE

GALWAY PUBLIC LIBRARY POLICIES AND PROCEDURES

01.11 POLICY - OPERATING FUND YEAR-END CARRY-OVER

Policy Statement: It is the policy of The Galway Public Library to maintain sufficient liquid assets to cover operating expenses while waiting for normal tax revenue to be received.

Policy Interpretation and Implementation:

Local taxes levied to support the Library are not normally received until three and a half to four months after the start of the fiscal year. This represents approximately 33.33%(4/12) of the year's expenses. Unexpended funds from the previous year's operating net income, if any, shall be used for operating expenses during this period. If the net income from the previous year exceeds 33.33% of the next year's budget, the excess shall be placed in the Capital Fund, or other fund as chosen by the Board.

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Cate La Barre (PRESIDENT) 10/19/22 DATE

GALWAY PUBLIC LIBRARY POLICIES AND PROCEDURES

01.12 POLICY - PAYMENT OF RECURRING BILLS

Policy Statement: It is the policy of The Galway Public Library to pay recurring, budgeted bills in an effective and timely manner.

Policy Interpretation and Implementation:

The recurring billings listed in Schedule A below are considered pre-approved by the Board of Trustees and payments may be mailed upon receipt with ratification to be done by the Board at the next regularly scheduled business meeting.

The CFO and/or an authorized signatory shall have the discretion to withhold such payment until Board approval in the event that any questions, concerns, problems, or other circumstances require consideration by the entire Board. The Board must resolve any such questions, concerns or problems promptly in an attempt to avoid late fees.

SCHEDULE A RECURRING BILLS & DISBURSEMENTS TO BE PAID UPON RECEIPT WITHOUT ADDITIONAL BOARD APPROVAL

1. Payroll and retirement expenses
2. Payroll taxes
3. Electric utility billings less than \$1000
4. MVLS/SALS circulation billings less than \$600
5. Refuse collection billings less than \$150
6. Insurance Premium billings less than \$1000
7. Heating fuel billings less than \$400
8. Internet/Phone billings less than \$300
9. Water system service billings less than \$400
10. Security system billings less than \$600

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Cate La Barre (PRESIDENT) 10/19/22 DATE

GALWAY PUBLIC LIBRARY POLICIES AND PROCEDURES

01.13 POLICY - CAPITAL FUND

Policy Statement: Because the normal operating budget of the Library is not sufficient to support major repairs, maintenance, renovations and improvements to the existing facilities, it is the policy of The Galway Public Library to maintain a Capital fund to cover significant repairs and maintenance costs and for the expansion, renovation, or improvement of the Library's facilities.

Policy Interpretation and Implementation:

The Capital Fund of the Galway Public Library is limited to the repair and maintenance of the existing capital assets, the purchase of additional property, the construction, maintenance and repairs to capital improvements, and maintenance and repairs to all of the Library's property and facilities, together with associated expenses.

The CFO will make recommendation for investing the Capital Funds with the following limitations:

1. The amount of up to \$5,000.00 will be invested short term, no longer than 6 months
2. The balance will be invested long term, up to 18 months.

Any and all investments require prior approval of the Board.

Interest from the investment of this fund will remain in the Fund, unless otherwise determined by the Board.

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Cate La Barre (PRESIDENT) 10/19/22 DATE

GALWAY PUBLIC LIBRARY POLICIES AND PROCEDURES

01.14 POLICY - OPERATING FUND

Policy Statement: It is the policy of The Galway Public Library to maintain an Operating Fund to cover the expenses associated with normal operation the Library.

Policy Interpretation and Implementation:

Revenue from the typical budgeted sources (for example: taxes, fees, contributions) and all other funds not designated by the donor for another purpose should be deposited in the Operating Fund. Normal expenses are paid from the Operating Fund.

The Operating Fund is only invested in short-term savings and checking accounts.

Interest generated by the Operating Fund will remain in the Operating Fund.

I certify our Board of Trustees adopted the above on 19 October 2022

Cate La Barre (PRESIDENT) 10/19/22 DATE

GALWAY PUBLIC LIBRARY POLICIES AND PROCEDURES

01.15 POLICY - STORY QUILT FUND

Policy Statement: It is the policy of The Galway Public Library to fund grants in support of arts and literary programs at the Library using proceeds from the Story Quilt Fund.

Policy Interpretation and Implementation:

- A. Story Quilt ("SQ") funds will only be used to support arts and literary programs not otherwise included in the Library's operating budget and may be held in a non-interest bearing or interest bearing checking or savings account or, as determined by the Board, an alternative account, such as a Certificate of Deposit or money market account, to the extent allowed by law.
- B. A separate Story Quilt checking account, dedicated specifically for the Story Quilt Fund, will be used to dispense money for approved grants and to receive proceeds from the sale of "Story Quilt: Poems of a Place" books and donations.
- C. All interest from the SQ accounts will remain in the SQ fund.
- D. Donations designated for the SQ fund will be deposited in the SQ checking account.

I certify our Board of Trustees adopted the above on 19 October 2022

Cate La Barre (PRESIDENT) 10/19/22 DATE

GALWAY PUBLIC LIBRARY POLICIES AND PROCEDURES

01.16 POLICY – CUSTODIAL TRUST ACCOUNT & DONATIONS OF SECURITIES

Policy Statement: It is the policy of The Galway Public Library to accept donations of securities/stocks in-kind. A custodial trust account will be maintained to facilitate such donations.

Policy Interpretation and Implementation:

An active trust account was established with the Ballston Spa National Bank (Trust & Financial Services). Donors may make deposits of securities to the Library's trust account, wherever it may be held. Standing instructions governing the trust call for the securities to be liquidated as soon as practical. The proceeds, less any associated fees, are then deposited in a regular checking or savings account, as determined by the Board.

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Cate La Barre (PRESIDENT) 10/19/22 DATE

GALWAY PUBLIC LIBRARY POLICIES AND PROCEDURES

01.17 POLICY – DONATIONS

Policy Statement: All gifts and donations to the Library become the property of the Library. No restrictions on the Library's ownership, possession, use, display, or disposition of the gift shall be effective other than restrictions approved by the express vote of the Library Board of Trustees. The Library has the right to handle or dispose of the gift in the best interests of the Library. The Library cannot guarantee that any gift will be retained permanently.

Policy Interpretation and Implementation:

MONETARY DONATIONS

Donors who wish their donation be used for a specific purpose should contact the Director for assistance.

NON-MONETARY, NON-CONSUMABLE DONATIONS:

- A. Non-monetary, non-consumable donations are accepted on a case-by-case basis. Such gifts will be evaluated for acceptance on the basis of its ability to promote the mission and vision of the Library and to enable the Library to enhance its services, collections, and grounds. The Library reserves the right to refuse any gift that the Board of Trustees deems not to be in the best interests of the Galway Public Library.
- B. The Library will provide a timely, written acknowledgement of the receipt of gifts to the donor. Income tax regulations leave the determination of the gift's monetary value to the donor. Donors wishing to have an appraisal of their gifts for income tax purposes should have that done prior to donation.
- C. The Library Director may require physical donations be accompanied with a signed and dated release form. (See Document of Transfer of Ownership form.) The release form is generally associated with non-consumable donations with a potential value greater than \$250. Receipts will not be issued for donations left at the Library without a required release form.
- D. All donations of art must be approved by the Board of Trustees before they are accepted.
- E. The Director will be responsible for acknowledgement and record keeping of the donations.

I certify our Board of Trustees adopted the above on 19 October 2022

Cate La Barre (PRESIDENT) 10/19/22 DATE

GALWAY PUBLIC LIBRARY POLICIES AND PROCEDURES

Document of Transfer of Ownership

I hereby present as an unrestricted gift to the Galway Public Library the items described below. I have read and understand the Library's Donation Policy.

Description of gift:

Donor Signature _____ Date

Donor's Name (Print):

Address

Accepted by (Print) _____ Date

(1 October 2022)

02.00

I certify our Board of Trustees adopted the above on 19 October 2022

Cate La Barre (PRESIDENT) 10/19/22 DATE
01.17-20