



## **FISCAL**

### POLICIES OF THE TROY PUBLIC LIBRARY

#### GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

Need for this Policy:

A statement is needed to establish the accounting principles of the Library.

Policy:

The Library follows the Generally Accepted Accounting Principles, and accounting guidelines set forth by the New York State Comptroller in the *Financial Management Guide for Local Governments*.

Responsibilities:

The Director, Business Manager, and the Treasurer, as well as the annual auditing firm chosen by the Board are responsible for ensuring the Library is following generally accepted accounting principles and complies with the guidelines set forth by the New York State Comptroller.

# POLICIES OF THE TROY PUBLIC LIBRARY

## BUDGET DEVELOPMENT AND REVIEW

### Need for this Policy:

A method for budget development and review is necessary to ensure the budget is prepared in a timely fashion and that the line of responsibility is established.

### Policy:

#### Budget Development

All standing committees shall meet by May in order to submit by June recommendations for next year's budget. The Director will combine them with the operational needs and submit a tentative budget to the Finance Committee for approval. The proposed budget will be submitted to the Board by their July meeting for final approval and subsequent presentation for public vote.

#### Budget Review

The Finance Committee, working with the Director, will review the current year's budget in June, forecast the year-end performance and make suggested adjustments for actions by the Board.

### Responsibilities:

The Director will prepare the budget recommendations with input from all Board Committees.

The Finance Committee, with the Treasurer of the Board as chairperson, is responsible for proposing all budgets to the Board.

The Board is responsible for submitting the budget to the voters for approval.

## POLICIES OF THE TROY PUBLIC LIBRARY

### CHECK SIGNING PROCEDURES

#### Need for this Policy:

A policy is needed to achieve a more effective system of internal fiscal control and stipulate counter-signature requirements.

#### Policy:

Disbursement checks written for \$25,000 or more will require the signature of the Director as well as the President or Treasurer of the Board.

#### Responsibilities:

The President, Treasurer, and Business Manager will ensure that two signatures appear on all disbursement checks which are written for \$25,000 or more.

# POLICIES OF THE TROY PUBLIC LIBRARY

## FINANCING TRAVEL AND DUES FOR STAFF AND TRUSTEES

### Need for this Policy:

Guidance is required to provide appropriate payment for professionals, staff, and trustees who attend conferences for Continuing Education programs on the Library's behalf, and reimburse employees and volunteers for travel expenses incurred while on Library business.

### Policy:

The Library, in its sole discretion, may reimburse part or all of the cost of meetings and conferences for staff members and trustees, including registration fees, travel, lodging and meals;

Authorized automobile travel, except for those expenses reimbursed by UHLS, will be reimbursed at the per mile rate currently allowed by the IRS.

### Responsibilities:

The Director determines which staff members shall attend meetings and conferences and what staff expenses will be authorized for reimbursement.

The Director shall determine which Continuing Education conferences would be most beneficial to the Library as well as which staff members may attend said conferences;

The Director will authorize reimbursement for travel expenses for Library business;

The Board will determine which Board members will attend meetings and conferences and what Board Member expenses will be authorized for reimbursement.

# POLICIES OF THE TROY PUBLIC LIBRARY

## ANTIFRAUD PROGRAMS AND CONTROLS

Need for this policy:

AICPA Auditing Standards recommend that organizations should have antifraud programs and controls.

Policy:

1. Fraud is defined as a willful or deliberate act with the intention of obtaining an unauthorized benefit, such as money or property, by deception or other unethical means.
2. All fraudulent acts or related misconduct are included under this policy and include, but are not limited to, such activities as:
  - a. Embezzlement, theft, misappropriation or other financial irregularities
  - b. Forgery or alteration of documents (checks, time sheets, contractor agreements, purchase orders, other financial documents, electronic files, etc.)
  - c. Improprieties in the handling of reporting of financial transactions
  - d. Misappropriation of funds, securities, supplies, inventory or any other asset (such as furniture, fixtures, equipment, materials), including assets of the Library, our patrons, suppliers, or others with whom we have a business relationship
  - e. Authorizing or receiving payment for goods not received or services not performed
  - f. Authorizing or receiving payments for hours not worked or expenses not accrued and documented
  - g. Profiteering as a result of insider knowledge of Library activities
  - h. Involvement in any transaction, or having an interest in a party involved in a transaction with the Library, without the prior approval of the Director or the Board
3. Fraud and related misconduct will not be tolerated. Employees found to have participated in such conduct may be subject to disciplinary action, up to and including termination as well as possible criminal conviction. Trustees found to have participated in such conduct may be subject to removal from the Library Board as well as possible criminal conviction.
4. All employees, vendors, contractors, and other third parties are to report suspected instances of any such misconduct to any one of the following: The Library Director, the Board President, and the Board Attorney. Such reports may be made anonymously.
5. Any reprisal against any employee or other reporting individual because that individual, in good faith, reported a violation is strictly forbidden.
6. When fraud or related misconduct is reported, an appropriate investigation and all necessary action will be undertaken. All investigations of alleged wrongdoing will be conducted in accordance with applicable laws, and Library policies and procedures.
  - a. All Trustees and employees necessary to the investigation will cooperate fully in the investigation.

- b. Trustees and employees should direct all inquiries from any individual who is believed to be involved in fraud or related misconduct, his or her representative, or his or her attorney, and all inquiries from the media to the Board's Attorney.
- c. Neither the existence nor the results of investigations or other follow up activity will be disclosed or discussed with anyone other than the Trustees or those persons having a legitimate need to know in order to perform their duties and responsibilities effectively.
- d. The Board's attorney will be notified and involved in the investigation whenever appropriate.
- e. Once the investigation is completed, and the results of the investigation reported to the Board of Trustees, the Trustees and/or Library Director may take one or both of the following steps:
  - (1). Consult with the Board's attorney relative to appropriate further action
  - (2). Take appropriate action and steps to minimize reoccurrence
7. If and when fraud and/or fiscal misconduct is identified, corrective and/or punitive measures may be taken by the Board after hearing the recommendation of the Board's attorney.
8. Neither employees nor Board members may except gifts of greater than trivial value from any vendor doing business with the library.
9. The Director and Business Manager shall each annually sign a statement attesting to the fact that they currently have no conflict of interest and that they will avoid potential conflicts of interest.
10. Prior to actual employment, background checks including limited credit checks shall be made on any new employees who will hold the title of Director, Assistant Director, or Business Manager.

**Responsibilities:**

It shall be shall be the responsibility of the Director to ensure:

- The Antifraud policy is reviewed with the staff each November
- All vendors and suppliers are made aware of the library's no gift policy.

# POLICIES OF THE TROY PUBLIC LIBRARY

## INVESTMENTS

Need for this policy:

This policy is needed to maximize the security of the Library's funds

General:

1. The members of the Troy Public Library Board of Trustees are the fiscal body of the Library. The members serve without compensation.
  
2. This document will govern the investment activities of the Troy Public Library. It is the policy of the Library to invest funds in a manner that will maximize the security of the principal while satisfying cash flow demands using approved methods that will provide the highest possible return. All investments will conform to applicable laws and regulations of New York State.

Policy:

1. The primary objectives of the Library's financial investments are, in priority order:
  - a. Preservation of Capital - The preservation of capital is the foremost objective of the investment program. At no time should the safety of the portfolio's principal investments be impaired or jeopardized. All investments shall be undertaken in a manner that first seeks to preserve capital and secondly attempts to fulfill other investment objectives.
  - b. Liquidity - The library's investment portfolio is to remain sufficiently liquid to enable the Library to meet those operating requirements that might be reasonably anticipated
  - c. Return on Investments (Yield) - should generate the highest available return without sacrificing the first two objectives
  - d. Judgment and Care - Investments shall be made, under circumstances then prevailing, in such a manner as persons of prudence, discretion, and intelligence might exercise in the management of their own affairs.
2. Delegation of Authority
  - a. Management responsibility for the Library's investment program is hereby delegated to the Treasurer, who is the Library's chief fiscal officer. The treasurer shall be responsible for the implementation of the investment program and the establishment of investment procedures consistent with this policy
  - b. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Treasurer.
3. Prohibited Investments? The fiscal officer may not purchase securities on margin or open a securities margin account for the investment of Library funds.

4. Internal control - The Treasurer is responsible for establishing and maintaining internal control to insure that the assets of the Library are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met.

The internal controls shall address the following points:

- a. Separation of transaction records from the accounting data
  - b. Custodial safekeeping
  - c. Written confirmation of telephone transactions for investments and wire transfers
5. Maturity of Investments - No investment shall have a maturity date of more than two years from its date of purchase by the Library unless an investment is matched to a specific obligation of the Library.
  6. Diversification of Investments
    - a. The Library shall diversify its investments to the best of its ability based on the type of funds invested and the cash flow needs of those funds. Diversification can be achieved by the type of investment, number of institutions, and length of maturity
    - b. The Treasurer will use the following guidelines in administering the Library's policy:
      - (1) The Library's total (100%) portfolio may be invested in securities guaranteed by the United States, or those securities for which the full faith of the United States is pledged for the payment of principal and interest
      - (2) The Library's total (100%) portfolio may be invested in certificates of deposit, savings, or deposit accounts that have been fully collateralized
  7. Deposit Requirements - The Library's Board of Trustees shall designate its public depositories. Any eligible financial institution that has offices within the State of New York may become a public depository of the funds of the Library.
  8. Delegation of Authority
    - a. Management responsibility for the Library's investment program is delegated to the treasurer who is considered the Library's chief financial officer. In the absence of the Treasurer, the Board President is authorized by the Board of Trustees to act in his/her stead
    - b. The Treasurer shall be responsible for the implementation of the investment program and the establishment of investment procedures consistent with this Policy. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Treasurer.
  9. Electronic Transfer of Library Funds
    - a. The following type of transactions may be conducted by electronic transfer between financial institutions in order to expedite the transfer of funds as well as maximize interest earnings:



- (1) All investment transfers for certificates of deposit and savings accounts authorized by the fiscal officer of the Library
    - (2) Payroll for Library employees
    - (3) To satisfy long-term bond or debt obligations when required by a depository trust company
    - (4) Transfers from investment accounts to the general operating account to meet current obligations authorized by the fiscal officer of the Library
  - b. The fiscal officer will maintain appropriate documentation of the transactions so these may be audited as required by statute.
10. Library Funds - The Troy Public Library Board may establish funds for money and securities of the Library. All monies from whatever source derived will be receipted into funds established by the Library Board under authority of law. The authorized funds are as follows:
- a. Library Operating Fund - All money collected from tax levies, interest on investments, fees, fines, rentals, and other revenues shall be deposited into the Library Operating Fund and must be budgeted and expended in the manner required by law
  - b. Petty Cash Fund - This fund has been established for the purpose of paying small or emergency items of operating expense as designated by resolution of the Library Board
  - c. Construction Fund - Money or Securities accepted and secured by the Library Board as a grant, gift, donation, endowment, bequest, or trust may be set aside in a separate construction account.
  - d. Investment Fund - Revenue from all sources may be placed temporarily in this account in order to generate a higher rate of return
11. Gifts of Stock
- a. The fiscal officer may not purchase securities for the investment of Library Funds
  - b. When the Library receives gifts of stock certificates:
    - (1) When gift stock is transferred from the donor's to the Library's broker, the Library will automatically at transfer become the owner of record
    - (2) The fiscal officer will determine when the stock will be sold for cash.
12. Ethics and Conflicts of Interest - Those involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the Library investment program, or that could impair their ability to make impartial decisions.
13. Liability - When investments are made in accordance with this Policy, no Library Trustee with investment authority shall be held liable for a loss resulting from default or insolvency of a depository of Library funds.
14. Investment Advisors, Qualified Brokers and Dealers, and Financial Institutions – All brokers, dealers, and other financial institutions that transact investment business with the Troy Public Library or give advice regarding its investments, must receive, read, and comprehend the Policy and agree to comply with it before providing any services or transacting any business with the

Library. This is to be evidenced by a signed statement of receipt of the policy by those identified above.

15. Reporting - The Treasurer shall provide the Board of Trustees with monthly reports which clearly provide the following information regarding the investment portfolio:
  - a. Types of investments
  - b. Depository institutions
  - c. Principal balances
  - d. Rates of return
  - e. Maturities

This report is in addition to other reports which are to include a reconciliation of bank balances to fund balances, a cash position report, and a report that compares estimated and actual receipts with expenditures for each fund.

16. Investment Policy Adoption
  - a. The Library's investment policy shall be adopted by the Library's Board of Trustees
  - b. The Policy shall be reviewed no less than annually by the Finance Committee of the Board of Trustees and any modification made to it must be approved by the Board of Trustees of the Troy Public Library.

# POLICIES OF THE TROY PUBLIC LIBRARY

## PURCHASING

Need for this policy:

This policy is needed to assure the prudent and economical use of public moneys in the acquisition of goods and services for the Troy Public Library in compliance with General Municipal Law 104-b.

General:

1. Only the Director of the Troy Public Library, the Business Manager, or other agents as designated in writing by them may commit the Library for purchases.
2. The materials, equipment, supplies, and services to be purchased shall be of the quality and quantity required to serve the functions of the Library in a satisfactory manner, as determined by department heads and recommended to the Director.
3. It is the responsibility of each department head to secure the appropriate bids or to investigate alternative suppliers to ensure the most economical purchase of required items. The process of securing bids is further described in this policy. The Director or designee shall have the final authority on all purchase decisions.
4. All purchases will have a budgetary appropriation. All budgetary transfers will be reported to the Board of Trustees and their approval documented.
5. The Library Director shall have the authority to pay all claims made for purchase and report such activity to the Board of Trustees on a monthly basis.
6. The unintentional failure to fully comply with the provisions of General Municipal Law, Section 104-b shall not be grounds to void action taken or give rise to a cause of action against the Troy Public Library or any officer or employee thereof.

Purchasing Procedure:

1. The Library Director, in consultation with the library's auditors and with their approval, shall be responsible for establishing and updating procedures for the proper and cost effective documentation of purchases.
2. All eligible staff may purchase goods that value \$499 or less. Department heads are responsible for establishing and updating procedures for the proper and cost-effective documentation of purchases. Proper documentation to support the expenditure must be sent to the Business Office prior to the receipt of the monthly statement.

Documentation is to include:

- a. Original itemized receipt indicating the amount ordered, the vendor, and the itemized description of the purchase

- b. In the case of direct book orders, a copy of the order form with the packing list attached, initialed, and dated by the person checking in the shipment, as well as a form indicating the amount to be charged
  - c. Hard-copy printout of items ordered on-line.
3. The Director or designated purchasing agent will make purchases above \$500. Written quotes are required.

Documentation is to include:

- a. Original itemized receipt indicating the amount ordered, the vendor, and the itemized description of the purchase
  - b. Completed purchasing form indicating date of quote, vendor, equipment, quoted price, vendor representative, and staff initials
  - c. Hard-copy print-out of items ordered on-line
  - d. Copy of written quote from vendor.
4. Except as indicated in section 6, below, all goods purchased that value \$10,000 or more require a public bid.
5. Except as indicated in section 6, below, all services purchased that value \$20,000 or more require a public bid
6. Items Not Subject to Bid are as follows:
- a. Professional services which involve specialized expertise, use of professional judgment, and/or a high degree of creativity, such as:
    - 1) Attorney
    - 2) Architect
    - 3) Engineer, and
    - 4) Land surveyor
  - b. Emergencies arising from
    - 1) an accident or other unforeseen occurrence
    - 2) a situation in which public buildings, property, or residents are at risk, or
    - 3) immediate action is required that cannot await competitive bidding
  - c. State contracts which are regulated by the Office of General Services
  - d. Sole-source purchases which may occur when there is no substantial equivalent, or when the product is available from only one source and is deemed necessary to the public interest
  - e. A memo to the file should be made which details why the procurement is not subject to competitive bidding.
7. Any contract awarded to other than the lowest responsible bidder shall require justification and documentation, setting forth the reasons such an award furthers the purpose of Section 104-b of General Municipal Law

Annual Review: This policy shall be reviewed annually by the Board of Trustees.

Responsibilities: It shall be the responsibility of the Library Director to ensure the compliance of all Troy Public Library purchasing with the requirements of this policy.

## POLICIES OF THE TROY PUBLIC LIBRARY

### AUDIT

#### Need for This Policy:

To ensure external oversight of the management of the Library's fiscal procedures

#### Policy:

1. Each year the Library will have a full audit of its financial activities performed by a certified public accountant individual or firm authorized to do business in the State of New York.
2. It shall be the practice of the Library to have such audit performed by the same auditing firm or individual for no more than five consecutive years. This practice will take effect with a new certified public accountant individual or firm auditing the financial activities of the year 2010.

*Approved by the board of trustees on July 13, 2010*

*Revised by the board of trustees on April 9, 2019*

## BOARD OF TRUSTEES AND LIBRARY EMPLOYEE CONFLICT OF INTEREST POLICY

Officers, Board Members and Employees

Need for this policy:

The need for this conflict of interest policy is to protect the Troy Public Library's interests when it is considering any transaction or arrangement that might benefit the private interests of any Troy Public Library Board member, committee member or employee.

Policy:

No Board member or committee member of the Troy Public Library shall derive any personal profit or gain, directly or indirectly, by reason of his or her participation on the Board. Other than compensation, no employee shall derive any personal profit or gain, directly or indirectly, by reason of his or her employment by the Troy Public Library except through activities that may facilitate professional advancement or contribute to the profession such as publications and professional service and have been fully disclosed to the Board.

Each individual shall disclose to the Board any personal interest which he or she may have in any matter pending before the Board and shall refrain from participation in any decision on such matter. Any Trustee aware of a personal conflict of interest regarding a matter coming before the Board shall bring this to the attention of the Board. The President of the Board shall rule as to whether the declaration constitutes a conflict. If a conflict exists, the Trustee shall not vote on the matter and shall excuse him/herself from any discussion regarding the matter by leaving the room, and shall not be counted in determining the quorum if that has not already been established for the meeting. These points shall be recorded in the Minutes of such meetings.

When a Board member perceives that another Trustee has a conflict of interest that has not been declared, the Board member may request the President to rule.

In the event that the President has a conflict or perceived conflict the Vice-President will fulfill the role of investigating and ruling on the conflict.

The Board, in accordance with this policy and applicable law, shall deal with any conflict of interest brought to the attention of the Board.

Members of the Troy Public Library Board, committees, and staff shall refrain from obtaining any list of library patrons that result in personal benefit.

***Approved by the board of trustees on November 11, 2014***

## CREDIT CARD POLICY

The purpose of the credit card policy of the Troy Public Library is to facilitate purchases for the Library.

1. The Director will be responsible for the issuance, account monitoring, and retrieval and generally for overseeing compliance with the credit card policy.
2. The credit limit on the library credit card will be no greater than \$1,000. The library may hold only one such general card at any given time.
3. The Director or a Library employee designated by the Director may use the credit card, only for goods or services for the official business of the Library. Documentation detailing the goods and services purchased must be submitted before payment can be approved. No personal charges are allowed.
4. The Director is responsible for the protection of the credit card and will immediately notify the financial institution issuing the card if the card is lost or stolen.
5. The Library will use disciplinary measures consistent with current law for unauthorized use.
6. Any benefits derived from the use of the credit card will be the property of the Library.
7. The balance due on the credit card account will be paid in full within the balance period indicated on the monthly statement. The Troy Public Library accepts full responsibility for the debt incurred on the credit card.
8. The library will use a credit card that has no annual or monthly fees if possible.
9. The Director must immediately surrender the credit card upon leaving the employ of the Library.

Approved by the Board of Trustees  
August 11, 2015