

LCL Financial Policy

It is the responsibility of the Board of Trustees of the Lansing Community Library (LCL BOT) to manage all LCL funds responsibly, to maintain the highest level of integrity in stewarding the LCL finances, to develop a sound and realistic annual budget, to plan for long range financial needs, and to maintain appropriate review, audit and oversight of all financial matters pertaining to LCL in accordance with general accepted accounting principles (GAAP).

The Library Manager (LM) is responsible for operating LCL in accordance with annual budget guidelines, remaining aware of and applying for community grants to address underfunded needs, and for informing the LCL BOT on future budget needs.

The LCL Treasurer is responsible for general oversight of operational finance issues and policy adherence, to include the following:

1. With LM, Bookkeeper and Finance Committee, prepare the preliminary annual budget for discussion and vote (February and March LCL BOT meetings)
2. With the Bookkeeper, review and sign the annual tax return.
3. With the Bookkeeper, report back to the LCL BOT on the review (or audit) results and share a copy of the original documentation for reference. Recommend any necessary changes to accounting procedures.
4. Review monthly claims audit (invoices for payment) and present highlights to BOT for discussion before BOT approval.
5. The Treasurer, BOT Finance Committee member, or LM can make deposits.

The LCL Bookkeeper is responsible for maintaining a ledger of accounts in accordance with GAAP and any legal guidelines for libraries. In addition, the Bookkeeper will have the following duties:

1. With LM, Treasurer, and Finance Committee, prepare the preliminary annual budget for discussion and vote (February and March LCL BOT meetings)
2. Prepare monthly Treasurer's report for LCL BOT review, to include: a balance sheet and profit and loss statement with comparison to budgeted numbers and a detailed audit of claims.
3. Report on grant status quarterly to the LCL BOT.
4. Prepare documentation for each annual review or audit and tax preparation. Reviews are conducted annually as part of the tax preparation process, with a formal audit every three. LCL employs a tax preparer who also conducts the review.
5. With the Treasurer, report back to the LCL BOT on the review (or audit) results and share a copy of the original documentation for reference. Recommend any necessary changes to accounting procedures.
6. Prepare bi-weekly payroll every two weeks. Make recommendations on staff raises so they can be approved by the November LCL BOT meeting to be part of the January 1st paycheck. Issue W-2s and Misc-1099s as required by the IRS and file the W-3.
7. Maintain an updated signature card at the LCL banking institution. Ensure at least one other trustee also has a signature card on file.
8. Deposit cash, fine deposits, gifts and other income at least two times a month at minimum. The deposit form requires two signatures to verify deposit amount and the receipts from the deposit are attached to form. The Treasurer, BOT Finance Committee member, or LM can make deposits.
9. Pay claims for contracted services and utility bills as necessary. Any invoice with a single item over \$1,500 requires a second signature by an authorized LCL BOT member.

10. Work with the LM to prepare any figures necessary for annual reporting to the Finger Lakes Library System, the NYS Board of Education, or other entities as necessary.

The LCL Finance Committee will support the Treasurer in general oversight of operational finance issues and policy adherence and have the following responsibilities:

1. Develop, maintain, and oversee fiscally sound financial policies and procedures.
2. A member, usually the Treasurer, will approve monthly claims in advance of payment and certify this approval to the LCL BOT for a full board vote at the monthly meeting.
3. With the LM, Treasurer, and Bookkeeper, develop an annual budget recommendation to the LCL BOT.
4. While the computation of the 2% NYS tax cap is complex and LCL annual budget request increases typically do not approach the limit, the Finance Committee will ensure the annual Tax Cap Override Resolution is voted on no later than the February LCL BOT meeting (see Attachment A for sample).
5. Work with the Treasurer in developing any changes to accounting procedures in response to audit or review recommendations.
6. Advise the LCL BOT on policy changes as legal financial requirements change.

Legal requirements

In addition to GAAP, several legal sources dictate the use of public funds for libraries. LCL is a School District Public Library and receives funding through the school district, county distributions, and state funds. In addition, LCL may receive finding through grants, gifts, endowment distributions, the collection of overdue fines, the Friends of LCL and interest income. Several statutes dictate the use of public funds.

1. Library Taxes – Education Law, para 259. Library taxes and funding
2. Regents Rules – para 11.3, Use of Money
 - a. The apportionments and the local equivalent must be spent for approved books, serials and other appropriate library materials, unless otherwise used by special written permission of the commissioner.
 - b. A trustee of a free association, public or Indian library incorporated or registered by the Regents shall not take pay from such library for services rendered as an officer or employee thereof.
3. State aid – Education Law, para 273, Apportionment of state aid to libraries and library systems
4. Select portions of the Non-Profit Revitalization Act
5. General Municipal Law – Bidding and Procurement, Conflicts of Interest
6. NY State Comptroller’s Policies and Procedures – Accounting standards, investments, etc.)

Budgeting

1. The budget process begins in January with a review of the long range plan by the LCL BOT to determine upcoming projects and specific funding needs.
2. The Finance committee will meet to develop a draft budget and present this for discussion at the February LCL BOT meeting at which point the vote process will begin. At this meeting, the LCL BOT will also vote on the Tax Cap Override Resolution (Attachment A) which allows LCL to propose an increase over the state mandated 2% in certain conditions. Because the calculation of the 2% increase is complex, this protects the LCL BOT from an invalidated vote due to a miscalculation.
3. The budget will be revised based on discussion and presented for vote at the March LCL BOT meeting.
4. The annual meeting, election of any new LCL BOT members and the vote on the next year’s budget will generally take place at the end of April, usually the last Tuesday.
5. The LCL BOT will approve expenditures monthly in accordance with the approved budget.

Procurement

1. LCL will maintain petty cash. For details refer to the Cash Handling Procedure (Attachment B). The LM has a dedicated credit card and LCL purchases are verified monthly with receipts by the Treasurer or Finance committee member. Any cash received by the staff for fines or donations will be accounted for and handled per the cash handling procedure.
2. Purchases of any single item over \$1,500 must be approved in advance by the LCL BOT.
3. At a minimum, any projects over \$5,000 must be bid to at least three contractors and the LCL BOT must approve the expenditure, awarding to the lowest priced responsible bidder who meets the bid specifications.

Investments & Fundraising

1. Banking
 - a. There are three LCL bank accounts, one checking and two savings accounts (one for regular savings and one for capital improvements).
 - b. There are two signatories to the LCL checking account and an amount determined by the Bookkeeper will be transferred monthly from savings to pay for regular monthly expenditures.
 - c. Any change of banks will be to another FDIC insured financial institution
2. Endowment
 - a. LCL has contracted with the Community Foundation of Tomkins County to oversee the LCL Endowment Fund based on their extensive experience managing funds for non-profit entities.
 - b. Annually the Community Foundation will notify LCL of any distribution from the endowment. In general, the LCL BOT has agreed that a portion of this money will be built into the operating budget and a portion (larger as the distributions grow) will be returned the fund to help grow the principal.
 - c. The Endowment Committee chair will oversee confirmation and recognition of donations.
3. Fundraising
 - a. The LCL BOT will continue to promote and raise money for the Endowment Fund with annual campaigns, letters, and events.
 - b. The Friends of LCL are primarily responsible for fundraising for specific projects for the library and the CL BOT makes an formal request for funding annually in April (after the next year's budget has been agreed upon) based on projected operating and equipment needs.
4. Grants/grant management
 - a. While the LM is the primary contact for most grants, the entire LCL BOT has the responsibility of looking for and introducing any grant opportunities. The LCL Grant committee members will assist the LM in crafting pointed and detailed grants as necessary.
 - b. All funds receive from grants will be tracked by creating separate accounts for income and expense tracking in the operating budget.

Capital Planning

- c. LCL maintains a long range plan that outlines capital and infrastructure improvements.
- d. LCL owns the physical building the library is housed in so is eligible for some state grants when considering capital improvements.
- e. The LCL BOT will review the long range plan regularly to ensure planning begins in an appropriate time frame for any large capital improvement projects.

Risk Management & Insurance

1. LCL maintains Directors and Officers Insurance with a \$100 per year liability for the LCL BOT and employee insurance as part of the NY State Workers Comp/Unemployment insurance.
2. LCL maintains the NYS Pension Plan for retirement for all LCL employees at the Tier 4 level. Part-time employees who have declined to enroll will sign a waiver form annually.
3. LCL also carries property and general liability insurance appropriate to its size and scope. Replacement value versus estimated value, includes personal liability, etc.
4. LCL will also maintain a photographic record of property to be held off-site in a safe deposit box.

Security

1. LCL will establish a secure location for important documents such as the LCL property deed and copy of charter, as well as maintain pictures of the library for insurance purposes.
2. LCL uses Quickbooks for all bill paying, payroll, budget reports and 1099s (independent contractor), as well as for budgeting and reporting. These files automatically back up but the LM will ensure any other essential electronic information is backed up regularly.

Record Retention

1. Tax returns will be saved per GAAP.
2. The LM will maintain the last three copies of any audit documents and remediation plans.

Voted and Approved 9/28/16

TAX CAP OVERRIDE RESOLUTION

Whereas, the adoption of the 2017 budget for the Lansing Community Library may require a tax levy increase that exceeds the tax cap imposed by state law as outlined in General Municipal Law Section 3-c adopted in 2011; and

Whereas, General Municipal Law Section 3-c expressly permits the library board to override the tax levy limit by a resolution approved by a vote of sixty percent of qualified board members; now therefore be it

Resolved, that the Board of Trustees of the Lansing Community Library voted and approved to exceed the tax levy limit for 2017 by at least the sixty percent of the board of trustees as required by state law on February 24, 2016.

Dated:

Secretary

Lansing Community Library Board of Trustees

Vote: _____ In Favor
 _____ Opposed
 _____ Abstentions

Lansing Community Library

Cash Handling Procedure

This procedure describes the proper handling of all monies collected by Lansing Community Library staff as well as petty cash procedures and reconciliation procedures. A clear cash handling procedure is necessary to protect the staff from charges of mishandling funds and to facilitate fund recovery in the event of a crime.

Collecting funds from Patrons

Upon receiving funds from the public, the staff will immediately deposit the funds in the cash box, located in the drawer under the main circulation computer. Staff will give the patron a receipt to confirm the amount paid. No bills over \$20 will be accepted. When \$20 bills are accepted, bills are to be placed in the bank bag in Library Managers circulation office desk. Patron may pay fines/fees by credit card, through the PAC computer, if amount exceeds \$5.

Disbursing Refunds to the Public

Enter the amount of the refund in patron record and withdraw the funds from the cash drawer. Give the patron a receipt.

Cash Drawer Reconciliation

10 minutes prior to closing shift manager will count all bills in cash box. Place any money over the base amount of \$20 in the bank bag in library manager's circulation office desk. Reconciliation reports are run by library manager, at the end of each week. At each month's end, library manager will produce a Fines/Fees/Income Deposit Report, signed by bookkeeper and manager. Money from monthly report will be deposited by Treasurer or bookkeeper.

Petty Cash

Petty cash is to be used for incidental expenses under \$20.00. Staff must furnish a receipt to the library manager for reimbursement. Staff member making the expenditure should initial the receipt and note the purpose of the expenditure. When the petty cash fund is exhausted, a list of expenditures, corresponding budget category, and receipts will be submitted to the bookkeeper for reimbursement. The petty cash amount begins at \$40.00, and is kept in the bank bag in library manager's circulation office desk.