Fiscal Responsibility Policy

Accounting Procedures:

- The library operates with a modified cash basis of accounting. Under the modified cash basis of accounting, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when incurred.
- The year-end financial statements reflect all expenses paid during the fiscal year. Year-end books are closed no later than 90 days after the end of the fiscal year.
- The fiscal year is from January 1 to December 31.
- The financial records are professionally audited to ensure accuracy.

Financial Planning & Reporting

The library‘s budget is prepared and approved annually. The budget is prepared by the Director in conjunction with the Treasurer and the Finance Committee. The budget is to be approved by the Board of Trustees prior to the start of each fiscal year. Revisions to incorporate unforeseen expenses or income are made if approved by the Board.

Finance reports which detail actual revenues and expenditures compared to the approved budget for the current fiscal year are provided to the Board of Trustees for each board meeting. Any significant variances shall be discussed, and correction actions proposed if necessary.

Asset Management

- The Board of Trustees (Board) is responsible for the investments of the library. The board receives financial analysis and advice, and oversight of the library‘s budget from the treasurer, bookkeeper, finance committee, and director. They ensure the library is operating with the financial resources it needs to provide services to the community.
- The Board is responsible for administering investment accounts following the guidelines established in the Investment Policy Statement.
- The Board President and Treasurer have access to investment accounts.
- The target minimum total of contingency funds is to be six (6) months average of annual operating expenses.
- The threshold for transferring cash from an operating account to an interest bearing account is $5,000.

Theft

All Village Library Board of Trustees, employees and volunteers have a responsibility to protect Library property from theft or damage, including such acts as: destroying or damaging Library materials, damaging equipment and software, damage caused by food and drink, defacing walls, damaging facilities, and breaking windows. The Library retains the right to prosecute anyone

who maliciously destroys library property.

A patron caught purposely removing Library materials (under a coat, inside a briefcase, etc.) shall be reported to the Library Director. Borrowing privileges may be suspended at the Director's discretion.

Unreturned materials will be considered 'Lost' and will result in a replacement charge. Borrowing privileges may be suspended until lost fees are paid.

If sufficient lost charges have accrued, the director may report the individual to a debt collection agency or legal authority.

Fraud prevention

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. All Village Library Board of Trustees, employees and volunteers shall avoid any fraudulent practice, or related misconduct.

Employees found to have participated in such conduct will be subject to disciplinary action, up to and including termination. Trustees found to have participated in such conduct will be subject to removal from the Library Board.

Conduct defined as fraudulent include, but are not limited to, such activities as:

- Embezzlement or theft.
- Forgery or alteration of documents, such as checks, contractor agreements, purchase orders, other financial documents, or electronic files.
- Use of false identification to obtain a library card
- Mishandling or false reporting of financial transactions.
- Misappropriation of funds, securities, supplies, holdings or any other asset.
- Authorizing or receiving payment for goods not received or services not performed.
- Authorizing or receiving payments for hours not worked or expenses not accrued and documented.
- Misrepresenting the library or its needs for the purpose of obtaining grants or other money.

Trustees and employees are responsible to recognize risks and exposures inherent to their areas of responsibility and to be aware of indications of fraud and related misconduct. Any Trustee or employee who knows or has reason to suspect fraud or related misconduct shall report it to the President of the Board of Trustees or the Library Director.

If the President of the Library Board is involved in fraud, it should be reported to the Library Director. If the Library Director is involved in fraud, it should be reported to the President of the Board of Trustees.

All investigations of alleged wrongdoing will be conducted in accordance with applicable laws,

and Library policies and procedures. See Whistleblower policy.

Purchasing and Petty Cash

All expenditures outside of or above those stated in the budget must be reviewed and approved by the Board of Trustees.

Cash is kept on hand for making change and can be used at the Director's discretion for petty cash expenditures. Petty cash reimbursements require an itemized sales slip or other evidence of the expenditure.

Employee Credit Card Policy

The Library Director and one additional staff member shall be issued credit cards for purchasing Library materials and supplies as specified within the budget.

- Employees shall use their corporate credit cards to charge business-related expenses only.
- Expenses must be for approved budget items only. Any purchases or expenses not budgeted must be authorized by the Board.
- Personal purchases of any type are strictly prohibited.
- Employees may not take cash advances on credit cards.
- Employees may not allow unauthorized users to use the credit card.
- The employee is responsible for all charges made to the card. The employee will be held liable for any unauthorized items appearing on the credit card statement.
- Cardholders are required to sign the "cardholder agreement" indicating they accept these terms. Individuals who do not adhere to these policies risk revocation of their credit card privileges and/or disciplinary action.
- All credit card statements shall be reconciled monthly by the Library Bookkeeper
- Any lost or stolen credit card must be reported immediately to the issuing bank and the Library Director. The director shall notify the Board of Trustees and ensure the card is canceled and replaced promptly

Solicitation and Sales

The Village Library supports the First Amendment right of free speech, and makes efforts to allow and encourage free speech while maintaining a safe and enjoyable library experience for patrons. No solicitations or petitions will be allowed inside the Library building. Petitioners may use the sidewalk and parking area, but may not block the entryway. The Library does not permit use of landscaped or grassy areas on Library property, except for certain Library-sanctioned events.

Persons using the Library sidewalks may not block sidewalks, stand in the way of people

approaching the building, or harass Library patrons. Persons using the sidewalks and/or grounds may not call out to patrons or passersby and may not create any kind of disturbance in front of the Library. Library staff may request identifying information from those using Library sidewalks and/or grounds.

The Library prohibits collection of fees or donations of any kind on Library property, except for those collected by parties using the Community Room for Library-sanctioned activities.

The Library prohibits sales of any type, except during Library-sanctioned events sponsored by authorized groups. Groups interested in conducting sales on Library property must obtain prior approval from the Library Director and/or the Board of Trustees. Permission will be granted based on Board approval, facility availability and appropriate adult supervision where applicable.

The Village Library will proactively promote programs for organizations that are significant donors.

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