



Accounting Policies and Procedures Manual

Adopted January 19, 2021

PURPOSE

The purpose of this manual is to describe all accounting policies and procedures currently in use at the Fleetwood Area Public Library and to ensure that the financial statements conform to generally accepted accounting principles; assets are safeguarded; guidelines of grantors and donors are complied with; and finances are managed with accuracy, efficiency, and transparency. All Fleetwood Area Public Library staff with a role in the management of fiscal and accounting operations are expected to comply with the policies and procedures in this manual. These policies will be reviewed annually and revised as needed by the staff and approved by the Library Director, Bookkeeper, and Board of Trustees.

DIVISION OF RESPONSIBILITIES

The following is a list of personnel who have fiscal and accounting responsibilities:

Board of Trustees

- Reviews and approves the annual budget.
- Reviews and approves annual and periodic financial statements and information
- Reviews Library Director performance annually and establishes the salary
- Two members of the board will be appointed by the board to be authorized signers on the bank accounts
- Reviews and approves any and all contracts
- Reviews and approves all non-budgeted expenditures over \$500

Library Director

- Makes bank deposits
- Process payroll
- Mails vendor checks
- Prepares donor thank you letter acknowledgements
- Responsible for all personnel file
- Reviews all financial reports and cash flow
- Sees that an appropriate budget is developed annually
- Reviews all contracts and makes recommendations to the Board of Trustees
- Reviews and approves all grant submissions
- Reviews and approves all incoming and outgoing invoices
- Reviews and approves all reimbursements, program expenditures and fund requests
- Reviews payroll and recommends pay increases to Board of Trustees based on

evaluation goals

- Signs donor acknowledgement letters
- Opens incoming state, and local government issued checks and bank statements
- Oversees the adherence to all internal controls

Board Treasurer/Finance Committee

- Reviews all financial reports
- Assists Library Director with the development of annual budget
- Reviews and signs all issued checks and/or approves check signing procedures
- Monitors expenses to ensure most effective use of assets
- Reviews bank statement reconciliations
- Reviews, revises, and maintains internal accounting controls and procedures

Bookkeeper

- Overall responsibility for data entry into accounting system and integrity of accounting system data
- Receives all incoming accounting department mail
- Process invoices and prepares checks for signature
- Reviews federal, state and local tax reports and reviews tax payments
- Maintains general ledger
- Prepares monthly and year-end financial reports
- Reconciles all bank accounts monthly and prepares reconciliation report for Board of Trustees to approve
- Assists Library Director and Finance Committee with development of annual budget
- Reviews year end wage and tax statements for employees
- Prepares state, district library and grant expense reports
- Adheres to internal controls

CHART OF ACCOUNTS AND GENERAL LEDGER

The Fleetwood Area Public Library has designated a Chart of Accounts specific to its operational needs and the needs of its financial statements. The Chart of Accounts is structured so that financial statements can be shown by natural classification (expense type) as well as by functional classification. The Bookkeeper is responsible for maintaining the Chart of Accounts and revising as necessary. The Chart of Accounts is attached to this manual as an addendum.

The general ledger is automated and maintained using our accounting software. All input and balancing is the responsibility of the Bookkeeper with final approval by the Library Director and Board of Trustees.

CASH RECEIPTS

Cash receipts generally arise from:

- State, County and Local Funds
- Library receipts from fines, fees, provided services and merchandise sold
- Fundraising activities
- Grants/Endowments
- Investments

The principal steps in the cash receipts process are:

1. The Library Director receives incoming mail, reviews, processes, prepares deposit

slips, stamps all checks received “for deposit only.” The checks are kept in a bank bag inside a locked cabinet until deposited at the bank.

3. The Bookkeeper records the deposits to the respective account allocation into the accounting software. A copy of the deposit receipt is attached and filed to be reconciled with the bank statement.
4. All cash received in the cash box and donation box will be counted, verified, and signed off by the Library Director and an available staff member before depositing.. A copy of the cash box ledger will be included each month and reviewed by the Bookkeeper. The cash will be kept in a locked, secure location and deposited monthly or more often if necessary.

CASH DISBURSEMENTS & EXPENSE ALLOCATIONS

Cash disbursements are generally made for:

- Payments to vendors for goods and services
- Payroll Taxes
- Staff training and development
- Memberships and Subscriptions
- Meeting expenses
- Employee reimbursements
- Marketing/promotional materials
- Programming and craft supplies

Requests for cash disbursements are submitted to the Bookkeeper in three ways:

- Original Invoice
- Purchase request (submitted to Library Director on the appropriate form)
- Reimbursement request (submitted to Bookkeeper on the appropriate form) Every employee reimbursement or purchase request must be documented with travel authorization, receipts, nature of business, and funding source (if applicable) before approving for reimbursement.

The Library Director reviews all requests for payment and:

- Verifies expenditure and amount
- Approves for payment if in accordance with the budget
- Provides or verifies appropriate allocation information
 - Processes all payments
- Mails checks and appropriate backup documentation

The Bookkeeper:

- Immediately enters them into the Accounts Payable Module
- Prints checks according to allocation and payment date
- Attach the bottom portion of check to the paid invoice as proof of payment.
- Files all backup documentation in the appropriate file
- Compiles monthly report of expenses for Board approval
- All checks require two signatures from an authorized board or staff member.

CREDIT CARD POLICY AND CHARGES

All staff members who are authorized to use an organization's credit card will be held personally responsible in the event that any charge is deemed personal or unauthorized. The receipts for all credit card charges will be given to the Library Director within one week of the purchase along with proper documentation. The bookkeeper will verify all credit card charges with the monthly statements. The bookkeeper will post all charges with the applicable documentation. A copy of all charges will be attached to the monthly credit card statement when submitted for payment.

BANK ACCOUNT RECONCILIATIONS

1. All bank statements are opened by the Library Director and reconciled by the Bookkeepers followed:
 - a. a comparison of dates and amounts of deposits as shown in the accounting system and on the statement,
 - b. a comparison of cleared checks with the accounting record including amount, payee and sequential checks numbers,
 - c. a comparison of EFT payroll and tax liability payments,
 - d. an investigation of any rejected items.
2. The bookkeeper will verify that voided checks if returned, are appropriately defaced and filed.
3. The bookkeeper will investigate any checks that are outstanding over six months.
4. The Bookkeeper will attach the completed bank reconciliation to the applicable bank statement, along with all documentation.
5. The reconciliation report will be reviewed, approved, dated, and signed by the Board Treasurer.

CASH BOX, DONATION BOX, HALLWAY BOOK SALE AND SQUARE TRANSACTIONS

A **cash box** is locked in the circulation drawer for library staff to accept payment from library patrons for the following services: printing, copying, faxing, library fines/fees, library card replacement, and program fees.

- The library staff will accept payment for services by placing cash in the cash box, returning any applicable change to the patron, and record the reason for payment in the cash ledger.
- The Library Director will maintain the cash box by checking the cash box weekly, the total amount stored in the cash box should not exceed \$200.
- At the end of each month (or sooner if needed) the Library Director will reset the cash box at \$67. All remaining cash will be counted, verified by an additional staff member, and signed by both parties before depositing.
- A copy of the cash box ledger should be included with the month's end deposit.
- The bookkeeper will verify the amount and follow the procedures for cash deposit as listed above in "Cash Receipts."
- The bookkeeper will use the cash box ledger to enter in the appropriate amounts from

each column into the accounting software.

A **donation box** is located in the library for patrons to submit cash donations at their leisure.

- The Library Director will empty the Donation Box at the end of the month leaving no more than \$20 inside.
- The Library Director will count the money from the donation box, have an available staff member verify, and both will sign off before depositing.
- The Bookkeeper will verify the amount following the procedures listed above in “Cash Receipts.”

A **hallway book sale cash box** is located in the hallway for patrons to purchase donated books.

- The Library Director will empty the hallway book sale cash box at the end of the month leaving no more than \$20 inside.
- The Library Director will count the money from the hallway book sale cash box, have an available staff member verify, and both will sign off before depositing.
- The Bookkeeper will verify the amount following the procedures listed above in “Cash Receipts.”

On the occasion that a patron would like to pay for any library services using a **credit card**, the Fleetwood Area Public Library will offer them the option of paying through the Square software app on the library iPad.

- Library staff will enter payment information accurately using the procedures given on how to process a Square payment.
- The Library Director at the end of the month will prepare a report from the Square website on all credit card transactions and submit it to the bookkeeper for inclusion in the monthly financial report.
- The bookkeeper will reconcile the Square report with the monthly bank statement to verify deposits made on behalf of the Square app.

PERSONNEL RECORDS

1. All personnel files contain the following documents: an application and/or resume, date of employment, position and pay rate, authorization of payroll deductions, W-4 withholding authorization, termination data where applicable, state criminal background clearance, FBI fingerprint clearance, child abuse clearance, mandated reporting of child abuse training certificate, a signed acknowledgment of receipt of Employee Handbook, an emergency contact form, and other forms as deemed appropriate by the Library Director.
2. All employees will fill out an I-9 form and submit the allowable forms of identification to the Library Director.
3. All personnel files are to be kept in a secure, locked file cabinet and accessed only by the Library Director and the Board President.

PAYROLL PROCESSING

1. Timesheets are to be prepared by all staff on the approved form and submitted bi-weekly

in accordance with the posted schedule. Exceptions to the submittal date may occur and will be communicated accordingly.

2. Timesheets are to be kept on a daily basis and completed in ink.
3. Any corrections to timesheets are to be made by making a single line through the error and writing in the correction and initialed by the corrector.
4. Timesheets are to be signed and dated by the employee and the Library Director..
5. Any changes to the standing information of the payroll register from the prior period including addition of new employees, deletion of employees, or changes in base pay rate must be accompanied by the appropriate documentation and signed by the Library Director before the change can be made.
6. The Library Director will contact the payroll company to report all hours worked by each employee in a timely manner.
7. The Library Director will process payroll in a timely manner and submit pay stubs to through Employee Self Service via payroll company.
8. Paychecks will be direct deposited into the employee's designated bank account on the predetermined, posted scheduled payroll date.
9. The Library Director will review payroll expenditures monthly.
10. The bookkeeper will review federal and state tax payments.
11. All quarterly federal and state payroll reports will be reviewed and verified by the Library Director and Bookkeeper.
12. All W-2 statements are issued to employees prior to January 31st of the following year for the prior calendar year.

END OF MONTH AND FISCAL YEAR END CLOSE

1. At the end of each month and fiscal year end, the bookkeeper will prepare a report of all income and expenses for the Board of Trustees to review and approve. All balance sheet accounts including verification of the following balances: cash accounts match the bank reconciliations, accounts receivable and payable accounts match outstanding amounts due and owed.
2. The income and expense accounts review will include reconciliation to amounts received and expended and verification that payroll expenses match the payroll reports including federal and state payroll tax filings.
3. Once the final monthly and fiscal year end financial statements are run, reviewed, and approved by the Board of Trustees, no more entries or adjustments will be made into that month or year's ledgers.
4. At the end of the fiscal year, an outside CPA will prepare the annual audit or financial review (as determined for that year). The audit draft will be presented to the Board of Trustees for their review and approval.
5. All other appropriate government filings including those required by the state tax board will be completed and filed with the appropriate agency.

FINANCIAL REPORTS

1. The bookkeeper will prepare the monthly and annual financial reports for distribution to the Library Director and the Board of Trustees. The reports will include: statement of income and expenses, budget versus actual report for each account which has an

- established budget (quarterly), and any other requested reports.
2. Periodic and annual financial reports will be submitted to the Board of Trustees for review and approval.

FISCAL POLICY STATEMENTS

1. All cash accounts owned by the Fleetwood Area Public Library will be held in financial institutions which are insured by the FDIC. No bank account will carry a balance over the FDIC insured amount.
2. No salary advances will be made under any circumstances
3. Employee or public personal checks will not be cashed through any cash funds such as the cash box or donation box.
4. Reimbursements will be paid upon complete expense reporting and approval using the authorized form. Reimbursements exceeding \$100 to the Library Director will be authorized by the Board of Trustee.
5. Any donated item with a value will be recorded and a letter acknowledging the donation will be sent to the donor upon request and in accordance with the Fleetwood Area Public Library Gift Policy.
6. All volunteer time shall be recorded as in-kind donations.
7. The Library Director, Board President and Treasurer are the signatories on the Fleetwood Area Public Library bank accounts. All disbursements require a second signature by an authorized board officer or the Library Director. Checks over \$5,000 for a single purchase require approval from the Board of Trustees.
8. Bank statements will be reconciled monthly and reconciliation reports will be reviewed, approved, dated, and initialed by the Board Treasurer.
9. Correction fluid and/or tape will never be used in preparing timesheets or any accounting documents.
10. Accounting Records will be kept in a locked file cabinet in the office of the Bookkeeper and Library Director and only parties with financial and/or HR responsibility will have access to the keys.
11. Financial Statements, Audit Reports and the General Ledger will be retained permanently. All other financial documents to include payables and receivables, bank statements, deposit slips, expense reports and interim financial statements will be retained as stated in the Fleetwood Area Public Library Document Retention Policy.

Fleetwood Area Public Library

Request for Reimbursement

Please attach any and all documentation/receipts to this form and submit it to the Library Director for approval.

Employee Name:

Date of purchase:

Description of purchase or expense:

Name of account to file under (if known)

Make check payable to:

Approved by:

Date Reimbursement was Processed:

Fleetwood Area Public Library Expense Form

Please attach any and all documentation/receipt/invoice to this form and submit to the Library Director for processing.

Employee making purchase:

Date of Purchase:

Vendor Name:

Amount of Purchase:

Name of Account to File Under:

Payment Used (if a check is needed please supply invoice with the name of company and address to send the check to)

Adopted by the Fleetwood Area Public Library Board of Trustees, Jan. 19, 2021

Revised: Nov. 19, 2024