

JERICO UNDERHILL LIBRARY DISTRICT FINANCIAL POLICIES

9.1- 9.13

Purpose: The purpose of the Financial Policy document is to set forth the requirements and expectations governing the financial and accounting records of . This will ensure accurate and reliable accounting records, ensure business continuity, and prevent or detect fraud or errors in financial reporting.

9.1 Budget Policy

- 9.1.1** Annually (in October) the Treasurer and the Library Director shall propose a budget for review with the Board of Trustees (BOT). After the review, the proposed budget shall be provided to the Town of Jericho Select Board and the Town of Underhill Select Board for inclusion in their budget process.
- 9.1.2 The operating budget shall identify revenues and annual expenditures by line item.
- 9.1.3 At the close of the fiscal year, the actual year revenues and expenses shall be reviewed by the Board of and any overage or deficit shall be rolled into the next budget cycle.
- 9.1.4 The budget process shall include a budget for the Capital Reserve Fund.
 - 9.1.4.1 The Library Director shall maintain a list of capital improvement projects and large maintenance projects. One BOT member shall assist with maintaining this list as part of the budgeting process
 - 9.1.4.2** The Director and BOT Treasurer shall use that information to propose a budget amount for Capital Improvements for the Operational Budget and the Reserve Fund Budget.
- 9.1.5** The proposed budget from October shall be reviewed at the November BOT meeting. This is the final meeting to set the budget which shall be voted on at the January Annual Meeting. Changes can be made at the November meeting but once the vote is taken, the budget is final and cannot be changed. After the November BOT meeting, the Treasurer shall provide the final budget to the Town of Jericho Select Board and the Town of Underhill Select Board for inclusion in their budget process.
- 9.1.6** The Treasurer shall also provide the final budget to the Director for inclusion in the annual report for the January BOT meeting.
- 9.1.1 shall Day to Day operations of the library shall be managed in the Operations section of the Profit and Loss Statement (P&L). The ""Profit and Loss Statement (P&L) shall
- 9.1.2 Reserve or Expansion RF reserve above debt management.
- 9.1.3 The BOT may set up additional reserved funds as needed.

9.2 Fixed asset accounting policies

9.2.1 or capital improvementsThe library's Collections, which are a key reason for the existence of the JULD, are a significant financial asset. The Collections are a dynamic asset with considerable yearly turnover and/or additions. The library catalogue is used to track this asset, not the accounting software. The annual operating budget is the primary way the public sees the costs of maintaining and improving this key asset.

9.3 Debt Management

9.3.1 The BOT and the Library Director shall make every attempt to avoid the need for short-term debt to meet financial obligations. However, if there is a need for short-term debt due to temporary cash flow shortages, the Board of Trustees can approve short-term debt.

9.4 Donations

9.4.1 The BOT encourages and requests donations from users of the library to support operationsOT also sponsor various fundraising activities.D.income from these sources shall be considered General Fund Income unless such income comes with restrictions that otherwise. Any restrictions must be compatible with the mission of the JULD. shall shall ensurea utilized for recording and shall in a manner. shall The BOT will identify an accountant or CPA to perform the annual review except in the year of the formal audit.

9.4.2 BOT shall The Board of Trustees shall receive the annual review or audit results at a duly warned regular meeting.

9.5 Bank Accounts

9.5.1 Operating Income and Expenses shall be managed through the general operating money market account and general operating checking account. Separate bank accounts shall be established for restricted funds as deemed necessary by the Treasurer and the Library Director. The BOT shall be advised of changes in bank accounts as part of the regular monthly meeting.

9.6 Cash and Check Receipts Policy

9.6.1 All checks, money orders, credit card payments, regardless of function, must be made payable to the Deborah Rawson Memorial Library (DRML). No receivable shall be made payable to an employee, volunteer or board member.

9.6.1.1 All checks must be endorsed with a stamp "for deposit only" upon receipt.

- 9.6.1.2 Returned checks will be redeposited one time. Upon second receipt of a returned check, the director will notify the check writer.
- 9.6.1.3 The Director shall ensure receipt of checks are handled in accordance with JULD accounting procedures.
- 9.6.2 Cash receipts – copier, lost or damaged books, or donations
 - 9.6.2.1 The Director shall ensure that cash received for copier fees, lost or damaged books, or donations shall be handled in accordance with JULD accounting procedures.
- 9.6.3 Cash receipts – For events:
 - 9.6.3.1 Cash shall be collected at the event in a secure cash box.
 - 9.6.3.2 At the end of the event, two individuals, one of whom must be a BOT member, shall count the money using the cash count form.
 - 9.6.3.3 Both individuals shall sign the cash count form. The money and the form will be locked in a secure location until it can be deposited.
 - 9.6.3.4 All deposits for large events must be done by separate entry into the bank account. The bookkeeper shall keep the cash count form for the checkbook reconciliation process and attach it to the reconciliation for review by the treasurer.

9.7 Quarterly and Annual Financial Reporting

- 9.7.1 The Bookkeeper or Treasurer shall prepare the following quarterly financial reports for the Board of Trustee's management purposes:
 - 9.7.1.1 Budget Report showing budget versus actual revenue and expenses for the current operating year.
 - 9.7.1.2 Balance Sheet showing assets, liabilities and reserve
- 9.7.2 Annually, the proposed budget report will be provided showing current year budget, prior year budget, and actual income and expense information.

9.8 Financial Procedures

- 9.8.1 Financial procedures shall be documented to ensure accounting records are accurate and reliable, safeguard assets, ensure consistent record keeping and assign responsibilities.
- 9.8.2 The Treasurer will review procedures annually with the bookkeeper and the Library Director to maintain relevancy. This review can be staggered through the year.
- 9.8.3 The Treasurer and Library Director shall determine what procedures are needed.

9.9 Fraud Policy

- 9.9.1 The Board of Trustees shall establish controls that will aid in the detection and prevention of . This will be handled through strong accounting procedures and separation of duties.
misappropriationsintentional falsenthe e Chairlbecause ofGifts from

any source shall not exceed \$25 per gift or an annual value of \$50. shall the BOT shall are to owndiscuss the matterwith anyone without the consentthe legal

- 9.9.2 The decision to report to law enforcement shall be made by the BOT after consultation with legal counsel.

9.10 Credit Card Policy

9.10.1 Credit Cards provide a convenient method of obtaining goods and services for the library. By their nature, credit cards provide the opportunity for unauthorized purchases and fraudulent activity.

9.10.1.1 The BOT will determine which employees shall be authorized to use a library credit card.

9.10.1.2 Credit cards issued under this policy can only be used by the authorized user for library business.

9.10.1.3 Rewards received from the credit card issuer shall only be used for library business.

9.10.1.4 The authorized user is responsible for the card's protection and custody and shall take immediate action to notify the credit card company and the BOT if a card is lost or stolen. statement shall account should be charged for each of the purchased items.

9.10.1.5 shall Director or the Treasurer of the BOT. The card will be cancelled once all automatic payments are transferred to another card.

9.11 Petty Cash

9.11.1 A small petty cash fund is allowed and will not exceed \$50. The Library Director is responsible for maintaining the petty cash fund.

9.12 Purchasing Policy

9.12.1 Contracts on behalf of shall be signed by the Director. If the Library Director is not available, any officer of the BOT may sign contracts.

9.12.2 Purchase limits

9.12.2.1 Purchases under \$5,000 shall be handled by the Director as they deem appropriate.

9.12.2.2 \$5000- \$10000: quotations shall be obtained from a minimum of 2 vendors reviewed with the OT as part of the regular monthly meeting or by email if quicker review is needed.

9.12.2.3 \$10000 or more: ids shall be obtained and reviewed with the OTas part of the regular monthly meeting or via email if quicker review is necessary. OT

9.12.3 Capital Purchasing Guidelines

9.12.3.1 The BOT will approve capital improvement requests over \$5000 if not approved specifically in the budget process.

The Director shall take steps to ensure all goods have been received and/or services rendered before sending in the final payment. shall as part of the Accounting Procedure documents.

9.13 Backup of Accounting Files

9.13.1 The Library Director shall ensure that there are timely and complete back up files maintained of the financial system.

9.13.2 A copy of the backup must be stored off site or in the cloud as appropriate.

Approved: May 21, 2026