

# FINANCIAL POLICY

## ACCOUNTING

Monthly financial statements reflecting all monies received and expended by the Library must be reported to the Board of Trustees by the Director.

The Director will submit quarterly statements to the Board of Trustees that show a comparison of budgeted and actual expenses and revenues in order to ensure budgetary control.

Within 120 days of the end of the fiscal year, the Library Director shall prepare an annual written report to the governing body concerning Library funds.

## DISBURSEMENTS

All disbursements must be authorized by the Treasurer before disbursement. Such authorization for payment of bills will require presentation of vouchers signed by the Director listing the amount of payment, account number(s); purchase order copy and/or list of quotes; receiving report; and original invoice. Presentation of these items maybe done online, using a secure financial platform.

The Treasurer will prepare a list of bills to be ratified by the Board at its monthly meeting.

All checks must be signed by any combination of two members of the Board of Trustees. Signed checks may be issued through online approvals, using a secure financial platform.

## CASH MANAGEMENT & INVESTMENTS

The Library Director is designated as investment officer of the Plymouth District Library and is responsible for investment decisions and activities. Treasurer will recommend to the Board the services of various financial institutions in order to properly and efficiently manage the funds of the Plymouth District Library.

Signature cards for bank accounts will be updated on an annual basis to include members of the Library Board, the Library Director, and any staff designated by the Library Director to support the financial health of the Library.

The Treasurer will work alongside the Library Director to invest temporary cash surpluses for the Plymouth District Library. The amount to be invested will be that amount in excess of current needs. It is the policy of the Plymouth District Library to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all state statutes and local ordinances governing the investment of public funds.

All investments will follow the guidelines set forth by Michigan Public Act 20 of the Public Acts of 1943, as amended.

## PURCHASING

If a purchase is under \$5,000, the Director will review the Purchase Order for appropriateness, budget availability, and compliance with policy. The Director signs the PO for approval, and the library staff member may submit the order.

If a purchase is greater than \$5,000 but less than \$25,000, staff must obtain three or more formal quotations from appropriate vendors. Quotations are reviewed by the Library Board at an official meeting, and the purchase is approved by resolution. Once the order is approved, the PO is signed by the Director, and the library staff member may submit the order.

If a purchase is over \$25,000, a formal bidding procedure is followed. Bid specifications are prepared alongside the Director for appropriateness and budget availability. A public notice and invitation to bid is issued. Bids are opened at the time designated in the bid package, witnessed by the Director and at least one other staff member. Bids are checked for compliance with specifications and references. Bids are reviewed by the Library Board at an official meeting, and the Board adopts a resolution approving the award of the bid. Once approved, the Director signs the purchase order, and the library staff member may submit the order.

## CREDIT CARD PURCHASES

As a district library, Plymouth District Library is authorized to obtain and use their own credit cards. These cards will be obtained by the Library Director in conjunction with the Library Board Treasurer. The Library Director or their designee is responsible for the issuance, accounting, monitoring, and general compliance oversight over the Library's credit cards.

A credit card may only be used by an employee of the Library for goods or services used for official business of the Library. The employee using the credit card shall submit documentation that details the goods or services purchased, their purpose, their cost, and the date of the purchase. When an employee has signed out the credit card, they are responsible for its protection and shall immediately notify the library if the credit card is lost or stolen. Unauthorized use of a Library credit card will result in disciplinary measures consistent with the Library's Employment Handbook.

Credit card transactions will be documented through journal entries in the Library's general ledger. The balance due shall be paid within 60 days of the initial statement date. Credit card payments will be reported to the Library Board for monthly approval.

## ELECTRONIC (ACH) TRANSACTIONS

The Library may elect to utilize electronic platforms to provide payment for goods and services that support official Library business. The Library Director or their designee is responsible for the library's ACH agreements, including payment approval, accounting, reporting, and compliance oversight. All ACH transactions will be recorded through journal entries in the Library's general ledger, and such documentation will include the goods or services purchased, the cost, and the date of the payment. All ACH transactions will be approved by the Library Director before payment is authorized.