

MAPLEWOOD PUBLIC LIBRARY  
FISCAL POLICY

1. The Maplewood Public Library by State statute has the legal authority to acquire the revenue needed to maintain the Library through appropriate property tax levies, fines, fees, grants, donations, and investments, and to spend it appropriately on quality service.
2. The Library's fiscal year runs from July through June. Revenues and Expenditures are recorded on a cash basis.
3. There are currently three fund categories: General, Debt Service and Construction.
  - a. A Fund may have more than one bank account or investment instrument associated with it.
    - i. Money may be transferred between accounts and funds at the Director's discretion, and tracked for accounting purposes.
  - b. These policies apply mainly to the General Fund, but the other Funds fall under the same policies, when appropriate.
4. No bank account can be opened, closed or transferred in the name of the Library without prior Board approval and must have all appropriate signatories.
  - a. Signatories are : President, Vice-President, Treasurer and Director.
5. The Library Trustees with input from the Director set the budget for the Library in each fund category before the start of the fiscal year.
  - a. The Library may not run a deficit budget balance.
6. The Director provides a monthly statement of revenues and expenditures to the Board.
  - a. An outside accountant may be employed, as determined by the Board.
  - b. An outside auditor is employed to do an annual fiscal audit.
    - i. The audit will be completed within 7 months of the end of the fiscal year.
    - ii. This audit is distributed to the Board and to those outside entities required by law or financial obligations.
    - iii. The choice of auditor is put out for bid at least every 3 years.
7. All expenditures must be assigned to a budget expense category by the Director.
8. All expenditures must have an invoice or other documentation showing the recipient, purpose, date and amount of the expenditure.
9. The Board Treasurer must approve all invoices and sign all checks.
  - a. Payments made on-line require approval only.
  - b. Two signatures are required on all checks greater than \$1000 in value.
10. With the Director's approval, expenditures may be made for the Library by staff or Board members and will be reimbursed upon presentation of sales slips or other evidence of the purchase.
  - a. Purchases made by a personal credit card may be reimbursed by a check paid directly to the credit card company.
  - b. Amounts paid to a credit card must be for purchases only, not for fees or interest (except for fees on library purchases).
11. Cash receipts from fines and fees are deposited monthly.
  - a. Receipt amounts are assigned to budget revenue categories.
12. Cash is kept on hand for making change and can be used at the Director's discretion for petty cash expenditures
  - a. Petty cash is tracked by writing a check monthly on the General Fund for the total amount of petty cash expended, with amounts charged to proper expense accounts.
  - b. Petty cash reimbursements require a sales slip or other evidence of the expenditure.

13. Tax revenue is received by direct deposit in the Library's General Fund Account.
  - a. Debt service revenue, if applicable, must be separated out and transferred to the debt service fund, and tracked for accounting purposes.
14. Cash reserves may be maintained by the Library.
  - a. Reserves are acquired from budget surpluses, donations, investment income and any other appropriate revenue source.
  - b. Cash reserves are kept in the General Fund, and represent that part of the General Fund not accounted for in the current fiscal year's budget.
  - c. The Library retains reserves equal to at least one half of the average annual operating budget, sufficient to meet the following needs:
    - i. Fund the first half of each budget year before tax revenue for that year is received.
    - ii. Pay accrued vacation in case of resignation.
    - iii. Legal and building expenses
    - iv. Unanticipated equipment and capital expenses.
    - v. Unreimbursed catastrophic losses
    - vi. Planned expenditures outside the scope of the General Fund budget.
15. Donations and Gifts
  - a. Donations and gifts may be restricted or unrestricted.
  - b. The Library may use unrestricted gifts in any way it sees fit.
    - i. Gifts of sufficient amount may be placed in the Alban Fund.
  - c. The Library reserves the right to refuse restricted gifts.
  - d. Donations in kind may be converted to cash by sale or other means, at the Library's discretion.
16. The Library may not expend funds for any charitable donation, with the exception of professional dues and ads placed in yearbooks, directories and the like.
17. The Library may invest its operating funds and reserves in any legally-sanctioned investment instrument, so long as the mission of the Library is not negatively impacted.
  - a. The Library will invest its funds in a manner which will provide the highest investment return with the maximum security while meeting daily cash flow demands and complying with all applicable state statutes governing the investment of public funds.
  - b. A separate Investment Policy may govern Library investments.
18. As a member of the Municipal Library Consortium, the Library has legal and fiscal obligations to that organization, as defined by the Consortium contract and policies, so long as the mission of the Library is not negatively impacted.