

Chesterfield Public Library

Financial Policy

PURPOSE

The Chesterfield Library Board of Trustees (“Board”) establishes this policy to ensure fiscal accountability, appropriate use of funds in support of the Library’s mission and goals, and compliance with New Hampshire laws and ordinances.

POLICY

1. Budget

- a. The Board and the Library Director shall prepare the budget for the ensuing fiscal year and shall, unless advised to the contrary, present the budget to the Board of Selectmen and to the Town’s Budget Committee for their review and comment.
- b. The annual budget shall include an income-based budget for Town appropriated funds. This budget must be approved by the Board and shall be presented to the annual Town meeting for approval.
- c. The budget shall focus solely on fulfilling the Library’s mission to serve the Chesterfield community by reaching townspeople of all ages and backgrounds and providing them the opportunity to enrich their lives through print and non-print materials.
- d. The Director, in writing, will submit requests to the Town for distribution of Library funds.

- 2. Accounts.** The Library will maintain a minimum of two separate spending accounts which are (i) an operating account for funds paid over by the Town and (ii) a non-lapsing account for funds from income generating equipment, fees, gifts and other revenue. All accounts will be used to fund the operation of the Library and be debited by the Board following the spending guidelines outlined below and in RSA 202-A:11 and RSA 202-A:11-a.

3. Expenditures

- a. The Library Director will review expenditures of all budgeted funds and forward approved invoices to the Bookkeeper for payment, wherein the Bookkeeper will prepare the payment checks and submit them to the Board Treasurer or the Board Chair for review, approval, and signature.
- b. With prior approval from the Board, the Library Director may enroll the Library in automatic payment plans for recurring expenditures including, but not limited to, utility bills.

- c. An invoice will be paid only when (1) all items in the invoice are received (including back ordered items) and (2) the bookkeeper has proof of receipt of all items on the invoice.
- d. Expenditures for new items or services of up to and including fifteen hundred dollars (\$1,500) do not require more than one quotation or bid, though the Board and Library Director shall make a diligent effort to obtain the item or service that best meets the Library's need at a reasonable cost. The Board Treasurer and/or the Library Director shall keep the Board apprised of all such expenditures.
- e. Expenditures for new items or services of more than fifteen hundred dollars (\$1,500) but not exceeding three thousand dollars (\$3,000) shall require at least three (3) written or verbal quotations, all properly documented as support material for the expenditure. The Board, in consultation with the Director, will award the bid and may, at its discretion, waive the requirement for at least three (3) quotations upon the presentation of proof that after reasonable search and inquiry only one (or only two) quotation(s) can be obtained.
- f. Expenditures for new items or services exceeding three thousand dollars (\$3,000) shall be made via a competitive bidding process, unless there is only one source for the item or service or the Board otherwise waives the requirement of bidding out the expenditure.

4. Credit Card.

- a. The Director and the Board Treasurer may each have a credit card with a limit not to exceed twenty-five hundred dollars (\$2,500).
- b. The credit card(s) is (are) to be used solely to make purchases for or provide services to the Library.
- c. The Board will take the following actions for unauthorized use:
 - i. The cardholder shall be personally liable for repayment of the unauthorized expenditures to the Library or directly to the credit card company.
 - ii. An immediate revocation of all credit card privileges and an official reprimand and/or possible dismissal may occur.

- 5. Reimbursement for Training & Conferences.** Subject to budget restrictions and prior approval by the Board, the Library will reimburse staff and individual Trustees for travel costs incurred for Library business and for library-related training and conference registrations.

6. **Petty Cash.** Petty cash not to exceed one hundred dollars (\$100) will be kept on hand for staff use when immediate payment or reimbursement is required. The Director shall be responsible for the oversight and security of the Petty Cash reimbursement account.
7. **Time Cards.** Each member of the Library staff shall submit a time card for each pay period (currently weekly) signed by the staff member and then reviewed and signed by the Library Director before submission to the Town.
8. **Discretionary Exclusion.** The Library Director has the authority to arrange for emergency repairs as required when building functionality or safety is impaired. If practicable, the Trustees are to be notified prior to any emergency repairs being made, and shall otherwise be notified as soon as possible thereafter.
9. **Non-Planned Expenditures.** All expenditures not included in the approved Library budget require prior authorization by the Board except in the event of emergency repairs as set forth in Provision 8 above.
10. **Review and Reporting.**
 - a. The Bookkeeper shall prepare monthly financial reports for the Board showing the status of all operating and non-appropriated accounts to date (i.e., year-to-date actual vs. annual budget), as well as the monthly check register and fund deposits. The non-appropriated revenues and expenditures shall be reported separately in accordance with RSA 202-A:11-a.
 - b. On an annual basis, the Library Town Appropriated Funds will be audited as part of the Town's audit. The Library Director shall report to the Board any comments, requests, or other communications from the Town's auditor.
11. **Receipts.**
 - a. Monies received as revenue by the Library for reimbursements for lost or damaged materials, copier/fax, computer printouts, etc. may be used to defray expenses as authorized by the Board.

- b. Grants and Donations
 - i. All grants, gifts and donations to the Library shall be subject to approval and acceptance by the Library Board in compliance with applicable RSA guidelines. Those gifts and donations covered under the Collection Development Policy must also comply with that Policy.
 - ii. The Library shall comply with donor-requested restrictions on monetary gifts and donations that have been approved and accepted by the Board in accordance with the Gifts/Donations Policy.
 - iii. The Library Board has the right to refuse to accept any non-monetary gifts. The Board also has the right to dispose of previously accepted non-monetary gifts without notification to the donor.

12. Disposal of Property.

- a. Withdrawn materials, materials donated but not added to the collection, and small items of library equipment valued at fifty dollars (\$50) or less may be sold. Materials deemed by the Library Director to be unfit for sale may be recycled, discarded, or otherwise disposed of.
- b. If another library or organization expresses interest in a piece of equipment or other items no longer used by the Library, the Library Director may negotiate the sale or trade of the items for reasonable compensation.

13. Duties of the Assistant Director. In the absence of the Library Director, the Assistant Director will assume all of the Director's financial responsibilities.