

GRAND ISLAND MEMORIAL LIBRARY

CLAIMS AUDIT POLICY ESTABLISHMENT AND FUNCTIONS OF CLAIMS AUDITOR

The Grand Island Memorial Library Board of Trustees is responsible for establishing an adequate system of internal controls over processing claims to ensure taxpayer moneys are safeguarded.

The Board of Trustees may, by resolution, establish the position of a Claims Auditor. The Board may appoint the Claims Auditor at its annual Organizational Meeting or whenever the appointment becomes necessary. The Claims Auditor shall hold the position subject to the pleasure of the Board and report directly to the Board on the results of audits of claims approved and released for payment. The Claims Auditor may be required to work with the Treasurer for administrative matters such as work time, attendance and the creation of reports for the Board. The Board of Trustees shall review this claims audit policy as necessary, and it shall have the power to amend this policy at any time.

Qualifications

The Claims Auditor must have the necessary knowledge and skills to effectively audit claims. The Claims Auditor is a voluntary appointment and will not receive compensation. The Claims Auditor is not required to be a resident of the Library's service area.

No person shall be eligible for appointment to the position of Claims Auditor who shall be:

- A member of the Board who has any involvement in the library's accounting, procurement and/or check signing.
- An employee or volunteer responsible for procurement or accounting.
- The individual or entity responsible for the internal audit function (the Internal Auditor).
- The External (Independent) Auditor responsible for the external audit of the financial statements.
- A close or immediate family member of an employee, officer, or contractor providing services to the library. A close family member" is defined as a parent, sibling or nondependent child; an "immediate family member" is a spouse, spouse equivalent or dependent (whether or not related).
- An individual with an interest in any other contracts of the library and/or who provides any goods or services to the library.

Duties

The Claims Auditor shall certify that claims against the Library listed on the warrant were audited and payment is authorized. The Claims auditor shall:

1. Examine all claims to determine they are valid claims against the library.
2. Inspect receipts/packing slips to ensure goods or services were received by the library and that an appropriate staff member has confirmed receipt of goods and services.
3. Meet such other requirements as may be established by the Regulations of the Commissioner of Education and/or the Comptroller of the State of New York.

Only claims certified by the Claims Auditor pursuant to this policy shall be paid unless exempt by NYS law.

Review of Claims

Claims for payment must be accompanied by the following:

- Purchase orders or order forms listing goods purchased.
- Receipts and/or packing slips verifying underlying goods or services have been received.
- A sequentially numbered claim form initialed by appropriate staff member verifying goods or services have been received.

All claims submitted for approval will be summarized on an abstract of claims presented with above documentation, to the Board, or its appointed claims auditor, for audit.

Review purchases and verify compliance with the Library's (and the Town of Grand Island's) Procurement Policy:

- The Town procurement policy states that all purchases of (a) supplies or equipment which will exceed \$20,000.00 in the fiscal year or (b) public works contracts over \$35,000.00 shall be formally bid.
- Less than \$20,000.00 but greater than \$10,000.00 requires a written Request For Proposal and written quotes from 3 vendors
- Less than \$10,000.00 but greater than \$3,000.00 requires an oral request for the goods and written quotes from 2 vendors.
- Less than \$3,000.00 is left to the discretion of the purchaser

Payments Not Requiring Pre-Audit

- Fixed salaries of officers or employees regularly engaged at agreed-upon wages by the hour, day, week, month, year, or other authorized period, including any payroll withholdings.
- Principal or interest payments on debt
- Payments made pursuant to a court order.
- Amounts due upon lawful contracts for periods exceeding one year.
- Retirement contributions by a participating employer in the New York State and Local Retirement System as billed by the State Comptroller.

These types of payments should not be included on the abstract of audited claims.

Payments Allowed in Advance of Audit

- The Board of Trustees may, by resolution, authorize payment in advance for public utility services, postage, freight, and express charges.
- Payments discharged from petty cash.

Approval of Claims

Upon completing the review of claims, the Claims Auditor may approve said claims for payment. At its regular monthly meeting or special meeting, the Board shall review the payment of claims approved and paid pursuant to signed recommendation of its Claims Auditor. All claims, including supporting documentation and the abstract, approved by the Claims Auditor will be available for Board inspection at each meeting.

Absence of Claims Auditor

The Board of Trustees will audit all claims in the event that the Claims Auditor position is vacant or unavailable. Such audit by the Board will be completed at a regular bi-monthly meeting or special meeting.

Approved March 14, 2019

Abstract of Audited Vouchers for Private/Local Checking Account (Northwest -N)

Grand Island Memorial Library

Date of Audit: _____ ***Month covered*** Total Claims (# of invoices): _____

I certify that the invoices listed on this abstract were audited by the Grand Island Memorial Library Board member appointed as Claims Auditor and allowed to be paid to the claimants in the amounts shown.

This abstract was reviewed by the Grand Island Memorial Library Board of Trustees at a regular/special board meeting on the date noted below.

_____ Date
_____ Authorizing Official

Invoices

GIML Invoice Tracking #	Claimant	Amount	Check #	Date

Total: _____

Abstract of Audited Vouchers for County Checking Account (Northwest County Acct – NC)

Grand Island Memorial Library

Date of Audit: _____ ***Month covered*** Total Claims (# of invoices): _____

I certify that the invoices listed on this abstract were audited by the Grand Island Memorial Library Board member appointed as Claims Auditor and allowed to be paid to the claimants in the amounts shown.

This abstract was reviewed by the Grand Island Memorial Library Board of Trustees at a regular/special board meeting on the date noted below.

_____ Authorizing Official
Date

Invoices

GIML Invoice Tracking #	Claimant	Amount	Check #	Date

Total: _____

Grand Island Memorial Library Claims Audit Procedure

- Assemble invoices by the account they will be paid out of and review them with the Claims Auditor.
 - Assign GIML Invoice tracking number in the right hand upper corner of each invoice. Invoice tracking numbers are sequential with a suffix of N for Northwest Private/Local account NC for Northwest County account (County).
 - *Note: the M&T account was closed on 10/11/22. Funds were moved into a business checking account at Northwest Bank. Because of this, there will be new check numbers which will not follow those previously used. The tracking numbers for this account will be changed and will begin with NC1.
 - List invoices with assigned GIML invoice tracking number on an abstract for review.
 - Have the Claims Auditor initial and date each invoice as reviewed.
 - Put the date of audit on the top of the abstract, listing the invoices reviewed.
 - If the credit card is approved for use and is used, list *credit card* and note the date the credit card charge was paid in the 'Check #' field on the abstract.
- Go over invoices and checks with the Treasurer to have checks signed.
 - Have the Treasurer initial and date each invoice as paid.
 - If the Treasurer is not available, any board member with Signatory privileges can follow these steps.
- Compile the abstracts for review at the next board meeting
 - A separate abstract should be set up for each account, one month of audits covered on each template.
 - After review at a board meeting, the Vice-President will sign off on the abstract and document the date of review and board approval. In the absence of the Vice-President, any board member who is not the Claims Auditor may sign off on the abstracts to document the date of review and board approval.

Updated at 11/10/22 Grand Island Library Board Meeting